

CALIFORNIA GAMBLING CONTROL COMMISSION

Final Text of Proposed Regulations

MINIMUM INTERNAL CONTROL STANDARDS (MICS) FOR GAMBLING ESTABLISHMENTS:
GENERAL TERMS, CONDITIONS & DEFINITIONS; POLICIES & PROCEDURES; DROP & DROP
COLLECTION; COUNT & COUNT ROOM FUNCTIONS; AND CAGE FUNCTIONS.
CGCC-GCA-2008-03-R

TITLE 4. BUSINESS REGULATIONS.
DIVISION 18. CALIFORNIA GAMBLING CONTROL COMMISSION.
CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS.

ARTICLE 1. GENERAL PROVISIONS.

§ 12360. Chapter Definitions.

The definitions in Business and Professions Code section 19805 govern the construction of this chapter. As used in this chapter:

(a) "Licensee" means "owner licensee" as defined in Business and Professions Code section 19805, subdivision (ac).

(b) "Security department," means the operational entity within a gambling establishment that is responsible, but not necessarily solely responsible, for patrol of the public areas of the establishment, and to assist in:

- (1) Maintaining order and security;
- (2) Excluding underage patrons;
- (3) Responding to incidents involving patrons or others;
- (4) Detecting, reporting and deterring suspected illegal activity; and
- (5) Completing incident reports.

(c) "Surveillance unit," means the operational system or entity within a gambling establishment that is responsible for the video recording, as may be specified in Article 3 of this chapter, of all activities required to be under surveillance, monitored and/or recorded pursuant to the Act and this division for the purposes of detecting, documenting and reporting suspected illegal activities, including suspected gambling by persons under 21 years of age, and assisting the personnel of the security department in the performance of their duties.

NOTE: Authority cited: Section 19811, 19824, 19840, 19841 and 19924, Business and Professions Code. Reference: Section 19805, 19841, 19860 and 19924, Business and Professions Code.

1 required.

2 (d) On request, copies of a licensee's policies and procedures shall be provided, within a
3 reasonable time specified, for the Commission and/or Bureau to review.

4 (e) Unless otherwise specified in this chapter, all forms, books, records, logs, lists and any
5 and all other original source or duplicate documentation required to be maintained by a licensee
6 pursuant to this chapter shall be:

7 (1) Recorded in English;

8 (2) Recorded in a permanent form or media; and

9 (3) Maintained for a minimum of three years, unless otherwise specified, in a secured area on
10 site at the gambling establishment or at a California facility approved in advance by the Bureau.

11 (f) In addition to the requirements of subsection (a) through and including (e), licensees in
12 Tiers II through and including V shall assign the overall responsibility for establishing,
13 periodically reviewing, monitoring, and testing for compliance with their MICS policies and
14 procedures to a specific owner licensee or key employee and shall document the assignment in
15 the licensee's policies and procedures. Tests for compliance with MICS policies and procedures
16 shall be performed at least annually, and may be performed by a licensee's staff, other than the
17 person or persons who normally perform the duties being tested, or by agents or outside
18 consultants (e.g., a certified public accountant) for the licensee. The results of the tests, and a
19 detailed record of the efforts to correct any noncompliance found as a result of the tests, shall be
20 documented and the documentation retained by the licensee.

21 (g) Licensees shall establish and implement policies and procedures in accordance with the
22 applicable provisions of this section no later than [the first day of the first full month six months
23 following the effective date of this section].

24 NOTE: Authority cited: Sections 19827, 19840, 19841 and 19924, Business and Professions Code. Reference:
25 Sections 19827, 19841, 19922 and 19924, Business and Professions Code.

26
27 **§ 12384. Drop and Drop Collection.**

28 (a) The policies and procedures for all Tiers shall meet or exceed the following standards for
29 the drop and collection of the drop for non-electronic gambling tables:

30 (1) Drop collection fees shall be deposited into a secure container, known as a "drop box,"
31 that shall be securely attached to the gambling table. A drop box shall be constructed and
32 controlled in a manner to provide for the security of its contents.

1 (2) If a jackpot or any other player-funded gaming activity is offered, jackpot collections
2 shall be deposited into a separate drop box, or otherwise segregated, and accounted for
3 separately.

4 (3) Drop boxes shall have all of the following:

5 (A) A lock securing the contents.

6 (B) A separate lock securing the drop box to the gambling table. This lock shall be keyed
7 differently from the lock securing the contents of the drop box.

8 (C) An individual identifier that corresponds to the gambling table to which the drop box is
9 attached and the shift, if applicable, for which it is used, and that can be documented when the
10 box is removed from the table. Visible drop box identifiers shall be imprinted or impressed on
11 the box and capable of being seen and read in video surveillance recordings, either while
12 attached to the table or when removed from the table and immediately displayed to a surveillance
13 camera. If a bar code or an equivalent system is used, in addition to the imprinted or impressed
14 identifiers, it shall have the capability to identify each drop box by shift and table, the person or
15 persons performing the collection, and the date and time of the collection.

16 (D) An opening through which chips collected for fees shall be inserted.

17 (4) An emergency, interim, or temporary drop box may be maintained without a number or
18 marking, if the applicable designation is permanently imprinted or impressed thereon and, when
19 put into use, it is temporarily marked as provided in subparagraph (C) of paragraph (3) above.

20 (5) A drop box, when removed from a gambling table, whether in use or not, shall be
21 afforded security sufficient to protect the drop box and its contents and shall be stored in a secure
22 area while awaiting the count.

23 (6) A drop box, when not in use during a shift, may be stored on a gambling table.

24 (7) The licensee shall establish and schedule the time(s) for the collection of drop boxes and
25 shall ensure that the entire drop collection process is recorded by video surveillance. Except as
26 otherwise provided in subsection (c), the drop box collection may be performed more frequently
27 or less frequently than the time(s) scheduled by the licensee when circumstances warrant a
28 reasonable deviation from the established schedule.

29 (8) The drop collection shall be performed by at least one licensed or permitted individual.

30 (b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III
31 through and including V shall include the following standards for drop collection:

1 (1) All drop boxes, whether in use or not, shall be removed from the gambling table as
2 provided in subsection (a) by at least one employee of the gambling establishment who holds a
3 valid license or work permit, accompanied by at least one member of the security department or
4 its equivalent. The employee of the gambling establishment shall not be a member of the
5 security department or its equivalent.

6 (2) Notwithstanding the provisions of paragraph (1) of this subsection, or any other provision
7 of this article related to the designation of employees to perform the drop collection, a Tier III
8 licensee that does not directly employ security personnel may have the drop collection performed
9 by at least two employees of the gambling establishment who hold a valid license or work permit
10 and who are each assigned to a different department.

11 (3) The names of the individuals performing the drop collection shall be documented either
12 by software or in writing and, when documented in writing, those individuals who performed the
13 collection shall legibly print their names and sign the documentation.

14 (4) A drop box, when not in use during a shift, may be stored on a gambling table if the entire
15 area is covered by recorded video surveillance during that period of time.

16 (c) In addition to the requirements of subsections (a) and (b), the policies and procedures for
17 Tiers IV and V shall include standards for drop collection that provide for the designation of at
18 least one employee of the gambling establishment who holds a valid license or work permit to
19 video monitor the drop box collection process and that the entire drop collection process be
20 continuously recorded by video surveillance.

21 (d) Licensees shall establish and implement the applicable standards for drop collection
22 specified in subsections (a) through and including (c) no later than [the first day of the first full
23 month six months following the effective date of this section].

24 NOTE: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections
25 19841, 19922 and 19924, Business and Professions Code.

26
27 **§ 12385. Count; Count Room Functions.**

28 (a) The policies and procedures for all Tiers shall meet or exceed the following standards for
29 count room functions:

30 (1) The licensee shall ensure that the contents of drop boxes are counted and recorded in a
31 manner and in a location within the licensed gambling establishment that ensures the appropriate
32 security and proper accounting of all gambling chips.

1 (2) The licensee shall designate an individual or individuals, each holding a valid gambling
2 license or work permit, who shall be responsible for performing the drop count. The opening,
3 counting and recording of the contents of a drop box shall be performed in the presence of and
4 by the designated individual(s).

5 (3)(A) Drop box counts shall be permanently recorded, in ink or another form approved by
6 the owner licensee, on a daily count sheet or the equivalent, which documents all of the
7 following information, as applicable:

8 1. The name of the gambling establishment;

9 2. The date and time of the count;

10 3. The shift, individual box number and table number of each box counted;

11 4. The amount in each individual box;

12 5. The total number of boxes counted; and

13 6. The printed or recorded name(s) of the individual(s) conducting the count and, if a hard
14 copy record, the signature(s) of the individual(s).

15 (B) Corrections to the information initially recorded for the drop count prior to the
16 completion and signing of a hard copy daily count sheet shall be permitted. Corrections shall be
17 made by drawing a single line through the error and writing the correct figures above the original
18 figures or by another method approved by the Bureau. The designated individual making the
19 correction shall write his or her initials and the date, in ink, immediately next to the correct
20 figures. The correction, in a hard copy of a daily count sheet, of errors discovered subsequent to
21 the completion and signing by the designated individual(s) shall require the completion of a
22 revised or amended count sheet, which shall be maintained with the original count sheet.

23 (4) The entire count process, beginning with the opening of the first drop box and continuing
24 through completion of the count sheet, shall be continuously recorded by video surveillance.

25 (5) The contents of a drop box shall not be mixed or commingled with the contents of any
26 other drop box prior to the counting and recording of its contents.

27 (6) A drop box shall be emptied in a manner that will identify and record the box
28 identification, as specified in Section 12384, subsection (a), paragraph (3), subparagraph (C), and
29 paragraph (4), and so that video surveillance recording will document that all contents are
30 removed from the drop box for the count.

31 (b)(1) In addition to the requirements of subsection (a), the policies and procedures for Tiers

1 II through and including V shall include standards for count room functions that require the use
2 and maintenance of a secured area known as the count room for the counting of gambling chips,
3 which shall:

4 (A) Be designed and constructed to provide appropriate security for the materials housed
5 therein and for the activities conducted therein;

6 (B) Not be used as a storage facility for items or materials not directly associated with the
7 count process or cage functions, nor have any removable containers other than drop boxes that
8 could be used to conceal chips or cash.

9 (2) If the count room is used to store chips, cash, drop boxes or any other items or materials
10 that are directly associated with the count, the interior of the room and all of its contents shall be
11 under constant recorded video surveillance.

12 (c) In addition to the requirements of subsection (a) and (b), the policies and procedures for
13 Tiers III through and including V shall include the following standards for count room functions:

14 (1) The number of individuals designated by the licensee, pursuant to paragraph (2) of
15 subsection (a), to perform the drop count shall not be less than two individuals, or one individual
16 using an automated chip counting machine that counts, sorts and racks the chips, and records the
17 count electronically on the licensee's computer system.

18 (2) The designated individuals performing the count shall be attired so as to reduce their
19 ability to conceal chips on their person; for example, by wearing, over their regular clothing,
20 smocks or other clothing with no pockets.

21 (3) At the conclusion of the count, a cage or vault cashier or at least the equivalent shall count
22 the chips received and verify the accuracy of the count and count sheets.

23 (4) Count sheets verified pursuant to paragraph (3) above shall, immediately following
24 verification, be remitted to the accounting department or its equivalent, or deposited in a locked
25 box, located in a secure area of the gambling establishment, the contents of which are accessible
26 only by the accounting department or its equivalent. Count sheets shall be maintained and
27 controlled by the accounting department or its equivalent.

28 (d) In addition to the requirements of subsections (a) through and including (c), the policies
29 and procedures for Tiers IV and V shall include the following standards for count room
30 functions:

31 (1) The count room shall be a fully enclosed room that is separate and apart from all other

1 rooms in the gambling establishment and is equipped with an alarm system or device connected
2 to all entrances to the count room which causes a signaling to the surveillance unit or its
3 equivalent, whenever any door to the count room is opened.

4 (2) Immediately prior to the commencement of the count, one of the designated individuals
5 shall notify the surveillance unit, or its equivalent, that the count is about to begin. At least one
6 employee of the gambling establishment who holds a valid license or work permit shall be
7 designated to video monitor the count process and the entire count process shall be continuously
8 recorded by video surveillance.

9 (3) Immediately prior to the opening of a drop box, the door to the count room shall be
10 secured. Except as otherwise authorized by the licensee's policies and procedures, no person
11 shall be permitted to enter or leave the count room, except during a normal work break or in an
12 emergency, until the entire counting, recording, and verification process is completed.

13 (e) In addition to the requirements of subsections (a) through and including (d), the policies
14 and procedures for Tier V shall include standards for count room functions that require the drop
15 count to be performed by not less than three individuals designated by the licensee pursuant to
16 paragraph (2) of subsection (a), or two individuals using an automated chip counting machine
17 that counts, sorts and racks the chips, and records the count electronically on the licensee's
18 computer system.

19 (f) Licensees shall establish and implement the applicable standards for count and count room
20 functions specified in subsections (a) through and including (e) no later than [the first day of the
21 first full month six months following the effective date of this section].

22 NOTE: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections
23 19841, 19922 and 19924, Business and Professions Code.
24

25 **§ 12386. Cage Functions.**

26 (a) The policies and procedures for all Tiers shall meet or exceed the following standards for
27 the cage:

28 (1) The licensee shall maintain within the gambling establishment at least one separate and
29 secure area at a fixed location that is accessible to the public, and that is designated as the cage.
30 The cage shall be located, designed, constructed and operated to provide appropriate security and
31 accountability for funds.

32 (2) The licensee shall designate at least one employee to process monetary transactions

1 through the cage. All employees designated to process monetary transactions through the cage
2 shall be listed by title or position on the gambling establishment's organizational chart, and shall
3 be responsible for any or all of the following:

4 (A) Custody of the cage or individual cage drawer inventory, which is comprised of currency,
5 coin, patron checks, gambling chips, forms, documents and records consistent with the operation
6 of a cage or individual cage drawer.

7 (B) Receipt, distribution, and redemption of gambling chips.

8 (C) Deposits to and withdrawals from players' banks and dealers' banks.

9 (D) Cashing checks and/or extensions of credit for patrons, as permitted by the licensee's
10 policies and procedures.

11 (E) Preparation of cage accountability reconciliations and records necessary to document
12 compliance with the requirements of this chapter.

13 (F) Record patron information that is necessary for compliance with the requirements of Title
14 31 of the United States Code, Part 31 of the Code of Federal Regulations and subsection (a) of
15 Section 12404 of this chapter.

16 (G) Ensuring the proper accounting and safeguarding of funds and chips.

17 (3) Routine access and entry into the cage area shall be limited to on-duty cage personnel
18 designated pursuant to paragraph (2) of this subsection. Other employees of the gambling
19 establishment who hold a valid gambling license or work permit may be granted access to the
20 cage area for the purpose of performing their duties.

21 (4) A log shall be maintained to document entry into the cage by any person not authorized
22 access pursuant to paragraphs (2) and (3) of this subsection. The log must contain the person's
23 name, title, date of entry, and time entering and exiting; or provide substantially equivalent
24 information through an automated access control system. Any automated access control system
25 must provide a secure, tamperproof means of recording and maintaining entry and exit
26 information.

27 (5) Cage activity shall be reconciled after each shift by the incoming and outgoing designated
28 cage employees. If an imprest drawer is used, each outgoing designated cage employee
29 responsible for an imprest drawer shall reconcile his or her drawer to the imprest amount. All
30 transactions that flow through the cage shall be appropriately summarized and documented, in
31 writing, for each shift. The cage activity reconciliations shall be posted and reconciled to the

1 general ledger at least monthly. For the purposes of this paragraph, the word "shift" means an
2 individual employee's shift, or two or more employees that work the same schedule.

3 (6) The purchase or redemption of chips by a patron may only occur at the cage or from a
4 designated gambling establishment employee on the gambling floor. Licensees shall not permit
5 proposition player services providers to purchase or redeem chips for cash or cash equivalents
6 from a patron or to sell chips to a patron. For the purposes of this article, the purchase or
7 redemption of chips or the sale of chips shall not include the exchange of a chip or chips of one
8 total value for a chip or chips of an equal total value.

9 (b) In addition to the requirements of subsection (a), the policies and procedures for Tiers III
10 through and including V shall include the following standards for the cage:

11 (1) The cage and cage activities shall be under continuous recorded video surveillance.

12 (2) The reconciliation of the cage transactions provided for in paragraph (5) of subsection (a),
13 shall be summarized on a cage accountability form that shall include, at a minimum, all of the
14 following, as applicable:

15 (A) The date of the reconciliation;

16 (B) The designation of the shift being reconciled;

17 (C) An accounting of all items in the cage inventory (e.g., cash, coin, chips, players' and
18 dealers' banks, etc.), for each cage window, drawer or bankroll in use during the subject shift,
19 including:

20 1. The beginning shift balances, unless an imprest drawer is used;

21 2. All credits (receipts);

22 3. All debits (disbursements);

23 4. The ending balances;

24 5. An identification of any overage or shortage with an explanation, if known.

25 (D) The printed name and signature of each designated cage employee (incoming and
26 outgoing, unless an imprest drawer is used) performing the reconciliation.

27 (3) The cage activity reconciliations specified in paragraph (2) of this subsection shall be
28 posted and reconciled to the general ledger, as provided in paragraph (5) of subsection (a), by
29 someone other than a designated cage employee or cage supervisor.

30 (c) In addition to the requirements of subsections (a) and (b), the policies and procedures for
31 Tiers IV and V shall include the following standards for the cage:

1 (1) The design and construction of the cage shall include:

2 (A) A manually triggered silent alarm system connected directly to the surveillance unit, or
3 its equivalent, or an alarm monitoring agency; and

4 (B) Access through a secured door or doors, which shall be under constant recorded video
5 surveillance.

6 (2) In addition to the information specified in paragraph (2) of subsection (b), the cage
7 accountability form referenced therein shall include an itemization of the following, with
8 beginning and ending balances for non-imprest drawers, and ending balances for imprest
9 drawers:

10 (A) Cash and coin by denomination;

11 (B) Chips by denomination;

12 (C) All other items of monetary value (e.g., markers, patron checks, players' and dealers'
13 banks, chip runners' banks, etc.), specifying the source of each;

14 (3) The licensee shall maintain a list of the names of all persons designated pursuant to
15 paragraph (2) of subsection (a) as being authorized to access and/or enter the cage, which list
16 shall specify those persons who possess the combination or the keys or who control the
17 mechanism to open the devices securing the entrance to the cage, and those who possess the
18 ability to operate the alarm system.

19 (d) In addition to the requirements of subsections (a), (b) and (c), the policies and procedures
20 for Tier V shall include standards for the cage that require monitored and recorded video
21 surveillance of the interior of the cage and all of its contents, and the exterior of all access doors.

22 (e) Licensees shall establish and implement the applicable standards for cage functions
23 specified in subsections (a) through and including (d) no later than [the first day of the first full
24 month six months following the effective date of this section].

25 NOTE: Authority cited: Sections 19840, 19841 and 19924, Business and Professions Code. Reference: Sections
26 19841, 19922 and 19924, Business and Professions Code.

**COMMENTS AND RESPONSES FOR PROPOSED REGULATIONS
MINIMUM INTERNAL CONTROL STANDARDS (MICS) FOR GAMBLING ESTABLISHMENTS
GENERAL TERMS, CONDITIONS & DEFINITIONS; POLICIES & PROCEDURES; DROP & DROP
COLLECTION; COUNT & COUNT ROOM FUNCTIONS; AND CAGE FUNCTIONS.
CGCC-GCA-2008-03-R**

A. 45-Day Comment Period Ending November 25, 2008

The following comments/objections/recommendations were made regarding the proposed action, either in writing during the 45-day comment period that ended on November 25, 2008, or orally at the public hearing that was held on November 25, 2008:

1. Regarding these proposed regulations in general:

a. Jade Jaeckle- Gaming Fund Group: Wish to acknowledge and thank the Commission for its efforts in working with the industry throughout the process of developing these regulations.

b. Alan Titus- Artichoke Joe's: Strongly supports the development of minimum internal control standards and believes that state regulation and oversight will ensure that cardrooms are honest, law-abiding businesses.

Response (a & b above): These expressions of support were accepted and considered in the adoption of the proposed action.

c. Jade Jaeckle- Gaming Fund Group: Third-Party Providers of Proposition Player Services (TPPPS) should be allowed to review the cardrooms surveillance videos in order to safeguard TPPPS assets, as they often have tens of thousands of dollars in chips on the table. Reviewing the videos would also allow the TPPPS to evaluate its operational efficiencies and monitor employee performance.

Response: This comment/recommendation was rejected. Allowing TPPPS access to surveillance videos may provide them with an unfair advantage over regular patron players. These videos would show the various cards in play. This could allow the TPPPS to learn the play strategy of regular patrons.

d. David Fried- Golden State Gaming Association (GSGA): There should be a general section added for exceptions. For example, some Tier II & III clubs may need to use their cage for the count, due to space limitations.

Response: This comment/recommendation was rejected. There should be no formal exception process for the requirements of Article 3, as this could jeopardize the purpose of uniform and consistent Minimum Internal Control Standards (MICS). However, during the development of specific regulations, consideration will be given to the need for exceptions.

2. Sections 12380(d)(1-5) define the various tiers of cardroom licenses: Tier I is 1-5 tables; Tier II is 6-10; Tier III is 11-30; Tier IV is 31-60; and Tier V is 61 or more.

a. Kevin Schayltz- Lucky Derby Casino: Smaller Tier III cardrooms, with only 11-14 tables, are lumped in with larger cardrooms with up to 30 tables, representing more than a 100% increase. Going from just 10 tables to 14, will add the expenses of extra employees for the count room and video surveillance, additional training and video storage. The definition for Tier II should be changed to include 6-14 tables.

Response: This comment/recommendation was rejected. By adding four more tables to Tier II, seven of the eleven Tier III cardrooms would go down to Tier II, leaving only four in Tier III. This would eliminate the gradual decrease in the number of cardrooms per Tier in the higher Tier levels, unfairly concentrating the impact of MICS.

3. Sections 12380(e)(1 & 2) define "security department" and "surveillance unit." The definition for "security department" includes the responsibilities of: physically safeguarding patrons and their property, detaining persons who may be involved in illegal acts, and preventing, or assisting in the prevention of, underage gambling. The definition for "surveillance unit" includes the responsibilities of detecting and documenting illegal activities and detecting underage gambling.

a. Alan Titus- Artichoke Joe's: Different definitions for these same terms appear in proposed MICS Phase II regulations (new section 12372), which apply to all of Chapter 7. The MICS II definition for the security department is more appropriate, as it focuses on duties rather than goals. An overzealous lawyer could seek to impose a strict liability on the cardroom if a patron were to be the victim of theft or violence.

b. David Fried and Joy Harn- GSGA: This definition invokes a *strict liability* standard to ensure the physical safety of patrons and their property, exposing the licensee to civil liability. The definition should be qualified with a statement that it is *for the sole purpose of these regulations and does not alter the licensee's legal liability to third parties*.

Response (a & b above): These comments were accepted and the following amendments made in the first 15-day change: Delete the definitions for the "*security department*" and "*surveillance unit*" in subsection (e), and move the MICS II definitions for these terms to Article 1, Section 12360, Chapter Definitions. The movement of these definitions to Article 1 should become part of this proposed action. This will apply the definitions to all of Chapter 7, and will more appropriately prepare for further MICS regulations in various articles. The new (MICS II) definition of "security department" does not contain the words that could be interpreted as a strict liability standard.

c. Charles Bates- Bay 101: Cardrooms have no legal authority to detain persons. Doing so could make them liable for false arrest, assault or battery; or could result in injury to employees. Suggest limiting security's responsibilities to detecting and recording and reporting alleged illegal activity.

d. David Fried and Joy Harn- GSGA: Small clubs may have only one security guard who cannot detain people safely, and shouldn't be making such decisions without direction. Suggest striking the reference to detaining persons.

Response (c & d above): These comments/recommendations were accepted and the following amendment made in the first 15-day change: Delete that portion of the definition that requires the security department to *detain* persons suspected of violating the Act. Department of Consumer Affairs policies and procedures for security guards require them to only "*observe and report*". Security companies that contract with cardrooms will operate by this standard.

e. Charles Bates- Bay 101: The responsibility of detecting underage gambling better lies with the gaming department, with the assistance of security, when needed. Suggest limiting security to *assisting* in the prevention of underage gambling by deleting the word *preventing*.

Response: This comment/recommendation was rejected. Security personnel patrol both outside the establishment and the floor of the gaming area. They are in a good position to deny entry or play to underage persons.

f. Charles Bates- Bay 101: Requires surveillance employees to draw conclusions that an act is illegal. These employees only observe and document suspicious and unusual activities. Suggest inserting the word "*alleged*" before *illegal*.

Response: This comment/recommendation was accepted and the following amendment made in the first 15-day change: Amend the definition of "surveillance unit" to include the word "*suspected*" before *illegal*.

g. Charles Bates- Bay 101: The detection of a person's age by the surveillance unit is difficult and would distract from their mission to observe, record and report unusual or suspicious activity. Suggest replacing this language with: "*...reporting unusual or suspicious activities in the establishment to management, including alleged underage gambling ...*"

Response: This comment/recommendation was accepted and the following amendment made in the first 15-day change: Amend the definition of "surveillance unit" to read: "*..., detecting, documenting and reporting suspected illegal activities, including suspected gambling by persons ...*"

4. Section 12381(a) requires licensees to have written policy and procedures that address all major areas of operations and meet or exceed the MICS contained in this article.

a. David Fried- GSGA: What are "major areas"? Suggest defining the term as those covered by MICS regulations.

Response: This comment/recommendation was accepted and the following amendment made in the first 15-day change: Amend subsection (a) to read: "... policies and procedures that meet or exceed the MICS contained in this article." This would delete "*shall address each major area of the gambling establishment operations*", since this language may be unenforceable and challenged as being too broad.

5. Section 12381(e) requires the licensee to correct deficiencies in its policy and procedures, as determined by the Bureau.

a. David Fried and Joy Harn- GSGA: There should be an avenue to appeal or discuss the Bureau's perceived deficiency. The Bureau is making this determination without an opportunity for the cardroom to explain. Further, the 30-day limit for compliance may be too short, and the 10-day advance request for an extension would not apply in those cases where the Bureau gave less than ten days to comply.

Response: This comment/recommendation was accepted and the following amendment made in the first 15-day change: Delete subsection (e), and renumber the subsequent subsections accordingly. Also delete the reference to 12380(e) in 12380(c). Subsections (a) and (c) of Section 12381 already require the establishment of MICS policy and procedures and the adherence thereto. In cases of noncompliance, the Bureau has the option to take disciplinary action pursuant to CCR 4, Chapter 10, Section 12554(d).

6. Section 12381(f)(3) requires that records (required by this chapter), be kept for 3 years, unless otherwise specified, in an on-site secured area, or other California facility approved by the Bureau. These records include "recordings".

a. Rod Blonien- Attorney At Law: Storage may not be available on site for this many records.

Response: This comment/recommendation was rejected, as this regulation allows for off-site storage that is approved by the Bureau.

b. Rod Blonien- Attorney At Law: Should specify what "*video recordings*" must be kept for 3 years. This would be a great number of videotapes to store.

Response: This comment/recommendation was accepted and the following amendment made in the first 15-day change: Delete the word "*recordings*" from subsection (f). MICS II regulations will propose a retention schedule of *3 days* for surveillance recordings, unless notified otherwise by the Bureau.

7. Section 12381(f)(4) requires that specified business records be made available to the Bureau between 9:00 a.m. and 6:00 p.m. on weekdays.

a. Charles Bates- Bay 101: These hours may be outside the normal workday for a licensee's department that is responsible for maintaining the records, placing an unreasonable burden upon the licensee. Suggest using the licensee's normal workday hours (e.g. 8 a.m. - 5 p.m.).

b. David Fried- GSGA: The hours that these records are made available should be between 9 a.m. and 5 p.m.

Response (a & b above): These comments/recommendations were accepted and the following amendment made in the first 15-day change: Amend paragraph (4) to read: "... between the hours of 9:00 a.m. and 5:00 p.m. on weekdays ..."

8. Section 12381(g) requires the licensee to assign the duty of MICS compliance to a specific owner or member of management. Also requires the licensee to annually test for compliance.

a. David Fried- GSGA: Who is a *member of management*? Should this be a *key employee* or management?

Response: This comment/recommendation was accepted and the following amendment made in the first 15-day change: Amend subsection (g) to require that the "... owner *licensee* or *key employee* ..." establish, periodically review, monitor and test for compliance with MICS.

9. Section 12384(a) requires that cardroom policy and procedures set minimum standards for drops and drop box collection, including: drop fee deposit, drop box security, separate jackpot collection, drop box construction and identification, emergency drop boxes, drop box storage, collection schedules and collection personnel.

a. Alan Titus- Artichoke Joe's: Some of the controls over drop boxes are unnecessary. Drop box use in California cardrooms is different than in Nevada. Nevada drop boxes hold the money from chip sales and the house revenue. In California cardrooms, the boxes contain only the fee revenue for the games, which averages only \$500 at the time of collection.

b. David Fried- GSGA: When loaded with chips, drop boxes don't contain anything of value. Even in the case of cash, there's usually no more than \$250 in them. A drop box theft has never happened in 60 years of operation.

Response (a & b above): These comments/recommendations were rejected. This regulation requires that the licensee establish their own policies on drop boxes. Flexibility is allowed in most areas, such as box identifiers and collection schedules. Further, these proposed drop box collection regulations not only protect against theft, but are also for the purposes of insuring that their contents are counted for gross revenue reporting purposes. In addition to federal IRS reporting requirements, the gross revenue of a cardroom is reported to the Commission for the purpose of calculating license fees (See Business and Professions Code, section 19951). Even though the contents of any single drop box may appear to be small when compared to the overall amount of chips and cash that are circulating on the gaming floor, drops are undocumented revenue until counted in the count room. In most retail business transactions, receipts are immediately provided to patrons, which begin a document trail of the income. However, in cardrooms, no receipts are provided, and patron drops are not documented until they reach the count room.

c. Alan Titus- Artichoke Joe's: These drop box regulations make too much distinction between clubs. The amount of money in each box is likely to be about the same, regardless of the club's size. Only the *number* of tables and drop boxes changes when clubs get larger. Suggest that the regulations focus on multiple collections per day.

Response: This comment/recommendation was rejected. The proposed regulation already allows the licensee the flexibility to establish its own frequency (schedule) for drop box collection. See section 12384(a)(7).

10. Section 12384(a)(3)(C) requires that drop boxes have individual identifiers that link them to a given table and shift (if applicable). The identifiers must also be capable of being read by video surveillance, either while attached to the table or when removed from the table.

a. David Fried- GSGA: When locked *under* a table, the drop box identifiers are not visible to surveillance cameras.

Response: This comment/recommendation was rejected. This regulation requires that the drop box be visible "... *either* while attached to the table *or* when removed from the table ..."

b. David Fried- GSGA: Some drop boxes may be *too heavy* for employees to *hold up to a camera* for identification purposes during collection. It should be sufficient for that box to be placed on a cart, as long as the identifier is visible. Further, color identification should be allowed.

c. Paul Chilleo- Hollywood Park: Should allow for color identifiers for drop boxes.

Response (b & c above): These comments/recommendations were rejected. The proposed regulation does not require that the drop box be held up to a camera. Placing the box onto a cart is sufficient, as long as the cameras can read its identifier. Further, the proposed regulation does not specify the type of identifier that must be used, and already has the flexibility to use color identification.

d. Alan Titus- Artichoke Joe's: Artichoke Joe's changes drop boxes 4 times a day, but only have 3 work shifts. Drop boxes should be marked with color codes that correspond to the collection schedule.

Response: This comment/recommendation was rejected. The regulation allows the licensee to ignore the *shift* identifier by using the term "*if applicable*".

11. Section 12384(a)(6) allows drop boxes, when not in use, to be stored on top of the table, provided that the entire area is secured or is covered by surveillance cameras.

a. David Fried- GSGA: What does "*entire area*" mean? The table, the entire club, etc.?

Response: This comment/recommendation was accepted and the following amendment made in the first 15-day change: Delete the language in paragraph (6) after the words "*gambling table*". MICS II regulations will require surveillance video for all Tiers, and video of *individual* gambling tables for Tiers II-V.

12. Section 12384(a)(7) requires that the licensee establish a drop box collection schedule, and that the collection be recorded on video surveillance. Allows for more or less frequent collection times when circumstances warrant reasonable deviation from the schedule.

a. David Fried- GSGA: We assume that "reasonable deviation" includes when the club does not want to be predictable with respect to collection times.

Response: This comment/recommendation was rejected. This comment conflicts with earlier comments that drop box security is not a problem and that the boxes have never been stolen. If the boxes contain nothing of value and have never been stolen, why would it be necessary for the schedule to be unpredictable? This regulation allows licensees to establish their own drop collection schedules. A regular collection schedule is necessary to aid the Bureau in a review of collection procedures. Also see the response to comment number 9 (a & b) above.

13. Section 12384(b)(1) requires that the policy and procedures for Tiers III-V state that the drop boxes must be removed from the table by at least one key employee, accompanied by a member of security.

a. David Fried and Joy Harn- GSGA: Having a key employee on the drop box change crew is a serious waste of time. There's little risk of theft, as the boxes have mostly drop chips that have no value. Further, there's only one key employee on duty. The box collection would take him away from the more important duty of supervising the floor. Suggest replacing "*key Employee*" with "*licensed or work-permitted employee*".

b. Mark Kelegian- Crystal Casino: In Tiers III-IV, will require two key employees to be on duty when there was only one before. A single key employee's attention may be drawn to other matters on the floor during the drop box collection. Should require the key employee to only *observe* the drop box collection.

c. Alan Titus- Artichoke Joe's: Security of the drop box has never been a problem. Artichoke Joe's has two security officers collect the drop boxes. Having a key employee do this would distract them from other more important duties. Suggest that the key employee accompany the security team only when the drop box collection cart is in transit to the count room.

d. Charles Bates- Bay 101: Implies that the key employee must remove the box. Suggest replacing the word "*by*" with "... *under the supervision of ...*"

e. Andrew Schneiderman- Commerce Casino: Requiring the key employee to carry out the drop box collection adds no internal control value and could divert from other critical duties, such as game integrity, patron/employee safety and currency reporting.

Response (a-e above): These comments/recommendations were accepted and the following amendment made in the first 15-day change: Require that at least one employee who holds a *license or work permit* conduct drop collection.

f. Rod Blonien- Attorney At Law: Many medium-sized casinos have only one person pick-up drop boxes.

Response: This comment/recommendation was rejected, for the same reasons as noted in comment number 9 (a & b) above.

14. Section 12384(c) requires that the policy and procedures for Tiers IV & V include continuous live monitoring of the drop collection by a surveillance employee.

a. Alan Titus- Artichoke Joe's: Artichoke Joe's does not currently have a live employee-monitored surveillance system. New employees would need to be hired, at a considerable expense. The opportunity for the theft of drop boxes is almost nil. Live monitoring would unlikely catch a practiced thief.

b. David Fried and Joy Harn- GSGA: No need for the live monitoring of the drop collection. In Tier IV, gaming usually occurs in only one large room. May require an additional employee to be hired for every shift, costing as much as \$200k per year. Suggest requiring that a key employee be on the floor during the drop collection.

Response (a & b above): These comments/recommendations were accepted and the following amendment made in the first 15-day change: Delete Tier IV from subsection (c). During this 45-day public comment period, industry has repeatedly stated that no one can recall when, or if, a drop box had ever been stolen. Some industry comments also stated that additional employees would need to be hired to staff *automated* surveillance systems that were previously installed at great expense. As a result, the recommendation was made to require live monitoring of the drop collection only in Tier V, where the impact of the regulation would be less. This change is consistent with proposed MICS II regulations that will require *full time* staffing of the surveillance room only in Tier V cardrooms.

An additional non-substantive change was made to subsection (c) to correct an improper reference to prior subsections. Should read: "... (a) and (b), ..."

15. Section 12385(a) requires that licensees develop specified policy and procedures for the drop box count.

a. Alan Titus- Artichoke Joe's: For security purposes, the count at Artichoke Joe's is performed by machines and recorded directly to a computer, of which access is limited to management. The manager can later print out a document and sign it, but it will have the total from all boxes counted, not separate box counts. The person conducting the count just operates the machine. They do not know the results of the count, nor is there a hard copy for the operator to sign. Having the machine operator review and sign a document will defeat our security measures.

Response: This comment/recommendation was rejected. Paragraphs (1), (2) & (3) allow the licensee to dictate the count room process and/or system. An automated chip counting machine can be used, as long as it is operated by designated employees who have a license or work permit. Management can be designated to review the drop count record; and a signed hard copy document is not required. Subsections (c)(1) and (e) of Section 12385 also acknowledge the use of automated chip counting machines.

16. Section 12385(a)(3) requires that licensees develop policy and procedures for drop box count records, including a record of the amount in each box and, if hard-copy records are used, a signed document from the individuals performing the count.

a. David Fried- GSGA: The regulations should allow for only the total of all jackpot boxes to be recorded. There is no need for these boxes to be counted individually, since it all goes into one jackpot pool.

Response: This comment/recommendation was rejected. If a patron(s) were to question the size of the jackpot, just from what they know was contributed by their table, an individual box count may determine if the count for that table came up short.

17. Section 12385(b)(1)(B) requires that the policy and procedures for Tiers II-V prohibit the count room from being used for the storage of items not related to the count process, including prohibiting removable containers that could be used to conceal chips or cash.

a. David Fried- GSGA: Due to space limitations, some smaller Tier II or III clubs conduct the count in the cage. There should be an exception for these clubs.

b. Rod Blonien- Attorney At Law: Some small-medium clubs perform the drop box count in the manager's office or the cage. These clubs don't have the luxury of a separate room for the count to occur, nor can they restrict the storage in these rooms to only those items that are related to the count. There is no other space to designate as a count room.

Response (a & b above): These comments/recommendations were accepted and the following amendment made in the first 15-day change: Amend (b)(1)(B) to allow storage of cage items, and (d)(1) to require an independent count room only for Tiers IV & V.

During this 45-day public comment period, industry stated that many smaller cardrooms use the cashier's cage to perform the drop count. This is primarily due to space limitations in their facilities. To comply with the proposed regulations, these cardrooms would be required to sacrifice gambling floor space to create a separate count room, reducing the amount of gambling tables. In some cases, cardrooms report that some facilities are located in historical districts where local zoning ordinances restrict the remodeling of the structure. For these cardrooms, the regulations (as originally proposed) could have effectively put them out of business. As an example, the Oaks Card Club in Emeryville is located in a building that is classified by local ordinance as having historical significance. If a permit is pulled to modify this structure, the applicant must go before the Planning Commission and City Council for approval. By ordinance, the modifications must be denied if they do not preserve the architectural significance of the historic building and meet the standards of "Historic American Buildings." Further, section 12385(b) (as originally proposed) never specifically stated that the count room had to be separate from the cage. This fact, when weighed against industry concerns, resulted in the recommendation to specifically require a separate count room only in cardrooms that may be large enough to comply with the regulation (i.e.- Tiers IV & V).

c. Paul Chilleo- Hollywood Park: This regulation is too broad. It should allow for the employees to bring in water bottles and candy snacks.

Response: This comment/recommendation was rejected. The regulation restricts *storage*; it does not prohibit personal items that pass in and out with the employee, as long as they cannot be used to conceal chips or cash.

d. Mark Kelegian- Crystal Casino: Drop boxes should not be considered as *removable containers*. Suggest adding "*other than drop boxes*" after "*removable containers*".

e. David Fried- GSGA: *Removable containers* should be clarified to not include drop boxes.

Response (d & e above): These comments/recommendations were accepted and the following amendment made in the first 15-day change: Amend subparagraph (B) to read: "..., nor have any removable containers, *other than drop boxes*, that could be used ..."

18. Section 12385(c)(3) requires that the policy and procedures for Tiers III-V require that a cage or vault cashier, or equivalent, verify the accuracy of the drop box count.

a. Alan Titus- Artichoke Joe's: Suggest that this paragraph read: "... or *at least* the equivalent ..."

Response: This comment/recommendation was accepted and the following amendment made in the first 15-day change: Amend paragraph (3) to read: "... or *at least* the equivalent ..."

b. Who is verifying the count *sheets*?

Response: This comment/recommendation was accepted and the following amendment made in the first 15-day change: Amend paragraph (3) to read: "... and verify the accuracy of the count *and count sheets*."

19. Section 12385(c)(4) requires the policy and procedures for Tiers III-V to have the count sheets remitted to the accounting department or deposited in a locked box, located in a secure area, accessible only to the accounting department.

a. Charles Bates- Bay 101: Suggest that this paragraph read: "... located in a secure area of the gambling establishment, *the contents of which are* accessible only by the accounting department ..." This will help to clearly place the box in a secure area and allow only accounting to access its contents.

Response: This comment/recommendation was accepted and the following amendment made in the first 15-day change: Amend paragraph (4) to read: "... located in a secure area of the gambling establishment, *the contents of which are* accessible only by the accounting department ..."

20. Section 12385(d)(2) requires that the policy and procedures for Tiers IV & V include the continuous surveillance monitoring and recording of the drop box count process.

a. Alan Titus- Artichoke Joe's: Artichoke Joe's employs a controlled system of drop box counting, including: limited access to the boxes and count room; video recording of the count room; chip counting by automated machine; and management monitoring of the level of patronage. Live monitoring of the count is ineffectual and unlikely to catch a practiced thief. Many new employees would need to be hired to deploy a live surveillance monitoring system, at a considerable expense.

b. David Fried- GSGA: Tier IV clubs may not have a surveillance person on duty at all times. Suggest that the count process be only *recorded* on video surveillance.

c. Andrew Schneiderman- Commerce Casino: Requiring surveillance to live monitor the count would distract from their primary duties of monitoring the gaming floor.

Response (a-c above): These comments/recommendations were rejected. Live surveillance monitoring of the count would be all the more important, given the change in section 12384(b) that allows any licensed *or work-permitted* employee to conduct the drop collection. Also see the response to comment number 9 (a & b) above. Further, in Tier IV where a continuously staffed surveillance unit is not required, count room staff can simply call another designated employee who can monitor the count from a terminal in another location of the facility.

21. Section 12385(e) requires that the policy and procedures for Tier V require that at least 3 persons, or two persons using a chip counting machine, perform the count.

a. Joy Horn-The Bicycle Casino: We never have 3 persons in the count room. This would require employing more part-time staff that already have a high turnover. Two persons, plus the video surveillance, should be enough.

b. Paul Chilleo- Hollywood Park: Have trouble staffing the count room with three persons; two should be enough along with surveillance cameras.

Response (a & b above): These comments/recommendations were rejected. These regulations offer the alternative of using only 2 persons when a count machine is utilized. Given the size of Tier V, please refer to the response for comment number 9 (a & b) above.

22. Section 12386(a)(2) requires all Tiers to designate at least one cage employee, who must be listed on an organizational chart and be responsible for the duties as specified in subparagraphs (A) - (G). Also requires cage employees to be identified on an organizational chart by title or position.

a. Alan Titus- Artichoke Joe's: This language seems to require that only one person be designated to work the cage, and listed as such on the organizational chart. Shouldn't all persons that work the cage be so designated and listed. The Initial Statement of Reasons states that each employee that works the cage should be identified.

Response: This comment/recommendation was accepted and the following amendment made in the first 15-day change: Amend subsection (a)(2) to read: "...at least one employee to process monetary transactions through the cage. *All employees designated to process monetary transactions through the cage shall be listed ...*"

b. David Fried- GSGA: Is it necessary that we identify the full list of *employee responsibilities* on the org chart?

Response: This comment/recommendation was rejected. As written, only the title or position must be listed on the organizational chart. The *responsibility* language is separate from what must be listed on the chart.

c. Alan Titus- Artichoke Joe's: Does not adequately differentiate between head cashier functions that may involve the entire cage vs. those of an individual cashier that is responsible for a single drawer.

d. David Fried- GSGA: Not all cage employees have all of the responsibilities listed in subparagraphs (A) - (G).

Response (c & d above): These comments/recommendations were accepted and the following amendment made in the first 15-day change: Amend paragraph (2) to read: "... responsible for *any or all* of the following:"

23. Section 12386(a)(2)(D) describes the duty of "cashing checks and/or extensions of credit."

a. Charles Bates- Bay 101: This regulation allows a cage employee to extend credit. A cage employee should not have this power. Suggest adding the word "*implementing*" after "*Cashing checks and/or*".

Response: This comment/recommendation was rejected. Subparagraph (D) already states "... as permitted by the licensee's policies and procedures", which could prohibit cashiers from *approving* credit.

24. Section 12386(a)(2)(F) describes the cage duty of preparing records necessary for documenting currency transactions in excess of \$10,000, as per IRS rules.

a. Alan Titus- Artichoke Joe's: The controller prepares and sends the IRS documents, not the cashier. The cashier only makes computer entries when a transaction triggers the reporting mark.

Response: This comment/recommendation was accepted (in part), and the following amendment made in the first 15-day change: Amend paragraph (2)(F) to read: "*Record patron information that is necessary for compliance with ...*"

25. Section 12386(a)(5) requires that the policy and procedures for all Tiers include a reconciliation of cage activity after each shift by incoming and outgoing employees, and a written summary of all transactions for each shift.

a. Alan Titus- Artichoke Joe's: Cashiers do not change shifts at the same time. We read this to require a separate summary for each cashier's shift, as long as the entire cage is also summarized. If this is not the case, the language should be clarified.

Response: This comment/recommendation was accepted, and the following amendment made in the first 15-day change: The current language allows for individual employee shifts. However, to add clarity, the following sentence was added to paragraph (5): *"For the purposes of this paragraph, the word "shift" means an individual employee's shift, or two or more employees that work the same schedule."*

26. Section 12386(a)(6) states that the policy for all Tiers must require that patrons purchase chips only at the cage or from a designated employee on the floor. Requires that licensees prohibit TPPPS from purchasing or redeeming chips from patrons. Permits the exchange of chips of equal total value.

a. David Fried- GSGA: How does the club stop one patron from purchasing chips from another? This commonly happens when one patron goes broke and, to keep the game moving, another patron offers to sell them some chips. Suggest that the last sentence of paragraph (6) read; "... the purchase and redemption of chips shall not include ... *or selling/buying or exchanges of chips between patrons at a gaming table.*"

b. Charles Bates- Bay 101: In the interest of game efficiency, patrons often exchange chips, make change for neighbors or pass chips to a fellow player. Recommend adding the following words at the beginning of the first sentence in paragraph (6): *"Licensee transactions with patron's for ..."*

Response (a & b above): These comments/recommendations were rejected. The Bureau has indicated that prohibiting chip *purchases* between patrons is necessary to prevent the distribution of counterfeit chips. Paragraph (6) already allows patrons to *exchange* chips of *equal* total value. Patrons can always purchase chips from the cage or a designated house employee on the gambling floor.

c. David Fried- GSGA: The regulation against TPPPS from buying and selling chips to customers should be in *TPPPS* regulations, not here.

Response: This comment/recommendation was rejected. A TPPPS works under a cardroom contract, giving the cardroom some control and responsibility for the TPPPS' operation. Allowing a TPPPS to sell chips to patrons, or redeem chips from patrons, would duplicate the roll of the house with respect to these functions. This may result in the public perception that the TPPPS represents the house. Since the TPPPS participates in the game, it might appear to patrons that the house is participating in the game, which is prohibited by Business and Professions Code section 19984(a), which states in part:

"... in no event shall a gambling establishment or the house have any interest, whether direct or indirect, in funds wagered, lost, or won."

To help reinforce this provision, in accordance with Business and Professions Code section 19984(c), the Commission has established California Code of Regulations, Title 4, Division 18, Chapter 2.1, Section 12200.7(e), which states:

(e) A proposition player contract shall be consistent with the provisions of Business and Professions Code section 19984, subdivision (a), prohibiting a gambling establishment or the house from having any interest, whether direct or indirect, in funds wagered, lost, or won. No proposition player contract shall be approved that would permit the house to bank any game in the gambling establishment.

These statutes and regulations are clear attempts to avoid any inference to the public that the house (cardroom) may be banking games through a TPPPS, which is prohibited by Penal Code section 330 and Business and Professions Code section 19806.

However, this comment has pointed out that the language in paragraph (6) should also prohibit a TPPPS from *selling* chips to a patron. As a result, as part of the first 15-day change, the second sentence in paragraph (6) was amended accordingly.

d. Charles Bates- Bay 101: Licensees have no practical control over TPPPS when they are not at a gaming table. Recommend adding the words "*at the table during a game*" at the end of the second sentence.

Response: This comment/recommendation was rejected. To prohibit the TPPPS from buying or redeeming chips from patrons *only* while at the table would in essence permit this activity while *not at the table*. It is important that the TPPPS not appear to patrons as representing the house by selling or redeeming patron chips while on the floor of the cardroom (see response to comment number 26c above). Further, while not at the table, a patron could easily go to the cage or seek-out a designated house employee to purchase or redeem chips.

27. Section 12386(b)(1) requires that the policy and procedures for Tiers III-V include continuous video surveillance of the cage.

a. Rod Blonien- Attorney At Law: Some small clubs don't have the cage under video surveillance, but are making plans to.

Response: This comment/recommendation was rejected. Tier III includes cardrooms that have from 11 - 30 tables. These would not be considered as *small* cardrooms, and would certainly be expected to have a video surveillance system.

28. Section 12386(b)(2)(C)1. requires that the policy for Tiers III-V include a cage reconciliation form that includes the beginning shift balances for each window, unless an impress is used.

a. David Fried- GSGA: The beginning shift balance is the same as the ending balance for the previous shift. There should be no reason to perform a recount.

Response: This comment/recommendation was rejected. The ending balance for the previous shift should be available, and easily carried-over as the beginning balance for the next shift, without performing a recount. This does not appear to present a burden, and would help to clarify the starting inventory.

b. David Fried- GSGA: Request clarification of the word "*impress*". When an impress is used, the cashier begins and ends each shift with their own drawer, which is not passed on to the next shift.

Response: This comment/recommendation was accepted, and the following amendment made in the first 15-day change: Amend paragraph (2)(C)1. to read: "... unless an *imprest drawer* is used;" The correct word is "*imprest*". Also corrected in paragraph (2)(D) and subsections (a)(5) & (c)(2).

29. Section 12386(c)(1)(A) requires that the policy and procedures for Tiers IV & V include a manually triggered silent alarm system connected to the surveillance unit, or its equivalent, or an alarm monitoring agency.

a. Paul Chilleo- Hollywood Park: This alarm system should not go directly to law enforcement, due to frequent false alarms. Security should decide whether to call law enforcement.

Response: This comment/recommendation was rejected. This regulation does not require that a triggered alarm go directly to law enforcement, and allows the licensee to choose what department the alarm is connected to (*surveillance unit, or its equivalent*).

30. Section 12386(c)(3) requires that the policy and procedures for Tiers IV & V include the maintenance of a list of the names of all persons authorized to access the cage and those who possess the ability to operate the alarm system.

a. David Fried- GSGA: We suggest that the list be by "*department*". Large clubs have a high turnover of cage and count room staff. At any given time, payroll could verify who works in what departments.

Response: This comment/recommendation was rejected. As written, this regulation allows employees to be listed by department, provided that the cage has its own unique department. It is also important for Bureau staff and law enforcement to know which cage employees have the ability to operate the cage alarm system, which may be separate from those who have just plain access to the cage.

B. First 15-Day Change Comment Period Ending March 5, 2009

The following comments/objections/recommendations were made regarding the proposed action, either in writing or orally, during the first 15-day change comment period that ended on March 5, 2009:

1. Section 12360 defines "Security Department" in subsection (b), and "surveillance unit" in subsection (c). As part of the responsibilities for the *security department*, subsection (b)(4) includes: "[d]etecting, reporting and deterring suspected illegal activity." As part of the responsibilities of the *surveillance unit*, subsection (c) includes: "...detecting, documenting and reporting suspected illegal activities, including suspected gambling by persons under 21 years of age, ..."

a. Andrew Schneiderman- California Gaming Association (CGA): Licensees cannot deter suspected activity, but strive to deter actual illegal activity. We can report actual illegal activity, but cannot report suspected illegal activity. Suggest removing the word “suspected” from subsections (b)(4) and (c).

Response: This comment/recommendation was rejected. These subsections were amended during the first 15-day change as a result of comments received regarding “strict liability” concerns from various representatives of the gambling industry, including the GCA. Their concerns partially focused on the word “illegal” that, without qualifying language, would place a strict responsibility standard upon the gambling establishment to detect each and every occurrence. To help prevent this, and at the request of commenters, the qualifying word “suspected” was placed in front of the words “illegal activities.”

Further, this regulation does not mandate that security or surveillance initiate a formal action by reporting *suspected* illegal activity to law enforcement. The reporting of such activity could merely be to the management of the gambling establishment for their further evaluation and direction. As stated by another commenter during the 45-day comment period, this specific regulation is intended to only define the responsibilities (duties) of the security department or the surveillance unit, not dictate operational procedures or goals. Other proposed sections in Articles 2 and 3 will mandate specified policies and procedures.

Finally, the detection, reporting and deterrence of suspected illegal activity would help to keep this regulation in line with a suspect’s rights to due process, where judgment of reasonable cause is left to law enforcement and judgment of guilt is left to the courts.

2. Section 12380 defines “minimum internal control standards” (MICS) for the purpose of Chapter 7 .

a. CGCC Staff: A grammatical change should be made to the last sentence in subsection (a) so that it reads: “A licensee must meet or exceed these requirements in controlling *their* gambling operation.”

Response: This comment/recommendation was accepted, and “*its*” was changed to “*their*” as a non-substantive second 15-day change.

3. Section 12381 requires licensees to have written policies and procedures that meet or exceed the Minimum Internal Control Standards (MICS) in Article 3 of Chapter 7. Subsection (e)(4) requires cardrooms to make required records available to Bureau personnel upon request during the hours of 9:00 a.m. and 5:00 p.m. on weekdays.

a. Andrew Schneiderman- CGA: There should be a general section added for exceptions. For example, some Tier II & III clubs may need to use their cage for the count, because there is no other available space.

Response: This comment/recommendation was rejected. This comment was also made during the 45-day comment period and was rejected for the following reason:

There should be no formal exception process for the requirements of Article 3, as this could jeopardize the purpose of uniform and consistent MICS. However, during the development of specific regulations, consideration will be given to the need for exceptions. For example, these proposed regulations were amended during the first 15-day change to allow the cage to be used for the drop count in smaller cardrooms. (See Sections 12385(b)(1)(B) & 12385(d)(1))

b. CGCC Staff: Subsection (e)(4) is inconsistent with the Gambling Control Act which assigns the Bureau with the investigatory powers to *demand access to*, or *summarily seize*, records.¹ As a result, the time limitation applied by this proposed regulation would be superseded by the statute. The Commission does not have the authority to adopt a regulation that is inconsistent with a statute.

Response: This comment/recommendation was accepted, and a second 15-day change made that deletes paragraph (4) of subsection (e) of Section 12381.

4. Section 12384 requires that gambling establishment (cardroom) policy and procedures set specified minimum standards for drops and drop box collection.

a. Andrew Schneiderman- CGA: This regulation continues to place too much emphasis on drop boxes, as their contents pose extremely low risk. Over the years, we have experienced no significant problems with the collection of drop boxes, and there have been no reported instances of theft. We recommend revisions that will align the low risk to the cost of compliance.

Response: This comment/recommendation was rejected. This comment was also made during the 45-day comment period and was also rejected. These proposed drop box collection regulations not only protect against theft, but are also for the purposes of insuring that their contents are counted for gross revenue reporting purposes. In addition to federal IRS reporting requirements, the gross revenue of a cardroom is reported to the Commission for the purpose of calculating license fees (See Business and Professions Code, section 19951). Even though the contents of any single drop box may appear to be small when compared to the overall amount of chips and cash that are circulating on the gaming floor, patron drop fees are undocumented revenue until counted in the count room. In most retail business transactions, receipts are immediately provided to patrons, which begin a document trail of the income. However, in cardrooms, no receipts are provided, and patron drops are not documented until they reach the count room.

b. Bureau of Gambling Control: An additional paragraph should be added that requires the drop box collection to be supervised by a key employee or an employee who holds a license or work permit.

Response: This comment/recommendation was rejected. Subsection (a)(8) already states that: "The drop box collection shall be performed by at least one licensed or permitted individual."

5. Section 12384(a)(3)(C), policy and procedures for all Tiers must require that drop boxes have individual identifiers that link them to a given table and shift (if applicable). The identifiers must also

¹ Business and Professions Code, subparagraphs (D) and (E) of paragraph (1) of subdivision (a) of section 19827.

be capable of being read in video surveillance, either while attached to the table or when removed from the table and immediately displayed to a surveillance camera.

a. Andrew Schneiderman- CGA: When locked under a table, the drop box identifiers are not visible to surveillance cameras. Some drop boxes may be too heavy for employees to hold up to a camera for identification purposes during collection. It should be sufficient for the box to be placed on a cart, as long as the identifier is visible. The regulation should state: "... *placed within view of a surveillance camera after being placed on a cart. Other systems, such as bar codes or tracking drop boxes may be used in lieu of video identification of drop box identifiers as long as the system has*, in addition to the imprinted or impressed identifiers, the capability to identify each box ..."

Response: This comment/recommendation was rejected, as it is not germane to the first 15-day changes to these regulations. This comment was also made during the 45-day comment period and was rejected for the following reason:

This proposed regulation requires that the box be visible "*either* while attached to the table *or* when removed from the table ...". The regulation does not require that the drop box be held up to a camera. Placing the box onto a cart is sufficient, as long as the cameras can read its identifier. Further, the proposed regulation does not specify the type of identifier that must be used, and already has the flexibility to use various forms of identification, as long as it corresponds to a specific table.

6. Section 12384(b)(1) requires that the policy and procedures for Tiers III-V state that the drop boxes must be removed from the table by at least one employee who holds a license or work permit, accompanied by a member of the security department, or its equivalent.

a. Andrew Schneiderman- CGA: Some smaller Tier III cardrooms do not have a security *department*, and may only have 1-2 contracted security guards on duty at one time.

Security must be free to view the cardroom as a whole, and should not be assigned to move drop boxes. The risk of drop box theft is minimal, as they contain mostly chips that have no value.

Further, we see no internal control benefit of having two departments conduct the drop box collection process. The regulation should just require that two employees with a license or work permit conduct the collection.

Response: The objection to a member of security accompanying the employee during the drop collection does not relate to this first 15-day change, and as a result, is not germane to these changes.

As a result of previous comments received, the first 15-day changes removed earlier requirements that a *key employee*, along with a member of security conduct the drop collection. That change now allows for *any employee* with a license or work permit, along with security, to conduct the drop collection.

Further, the proposed regulation states: "security department *or its equivalent*." This would allow for the fact that some gambling establishments have contract security guards, rather than an actual security department.

The requirement that two persons (an employ and security), conduct the drop collection was also not part of this first 15-day change, and as a result, is not germane to these changes.

However, the difficulty in requiring that *contract* security guards participate in the drop box collection is understood, since some will not be allowed to enter the cardroom because they do not have a license or work permit. As a result, this comment/recommendation was accepted in part, and subsection (b) amended as part of the second 15-day change to allow Tier III cardrooms that contract their security to use two *employees* from different departments to conduct the drop collection. This change was added to subsection (b) as paragraph (2), and subsequent paragraphs renumbered for conformity purposes.

b. Andrew Schneiderman- Commerce Casino: Commerce Casino currently staffs its drop box collection procedures with a minimum of three security employees. The regulations should not mandate that *non-security* department employees participate in the drop box collection procedure.

Response: This comment/recommendation was rejected, as it is not germane to these first 15-day changes. The requirement that two persons (an employ and security) conduct the drop collection, has been included in this regulation since the original 45-day notice.

c. Andrew Schneiderman- CGA and Commerce Casino: The first 15-day change deleted a requirement that a *key* employee participate in the drop box collection. However, the *key* employee was not dropped from the last sentence of (b)(1).

d. Alan Titus- Artichoke Joes: The first 15-day change deleted a requirement that a *key* employee participate in the drop box collection. However, the *key* employee was not dropped from the last sentence of (b)(1).

Response: These comments/recommendations were accepted, and a conforming second 15-day change made to the last sentence of Section 12384(b)(1), where the word "key" was removed before the word employee, and "of the gambling establishment" added after the word employee.

7. Section 12384(c) requires that the policy and procedures for Tier V include continuous live monitoring of the drop collection process by a surveillance employee.

a. Bureau of Gambling Control: Recommend adding Tier IV to the live monitoring of the drop collection process. Tier IV cardrooms operate 31 to 60 tables that can generate large sums of revenue. Since Tier IV cardrooms will be required to have manned surveillance rooms in another MICS regulation package, live monitoring of the drop collection should not be a problem.

Response: This comment/recommendation was accepted. As a result of previous comments received, the first 15-day changes to these regulations removed earlier requirements that Tier IV cardrooms live monitor the drop collection process. As a result, Tier IV cardrooms were required

only to video record the process. This change was made because at least one Tier IV cardroom commented that, because gambling usually takes place in just one large room, they do not have a manned surveillance unit, but rather utilize an automated unmanned surveillance and recording system. The upgrade to a live manned surveillance system was estimated to cost as much as \$200,000 per year.

However, further evaluation revealed that Tier IV should and could be included in the requirement to video monitor the drop collection, without the need for a manned surveillance unit. As part of the second 15-day change, subsection (c) was amended to reinstate Tier IV into this requirement, but allowing the video monitoring to be performed by an employee who holds either a license or work permit, without requiring that the employee be with the *surveillance unit*. This change, would recognize that not all Tier IV cardrooms have a manned surveillance unit.

This change would also allow for the drop collection to be monitored in conjunction with other surveillance unit functions, permitting employees to observe multiple video screens, only one of which may display the drop box collection process.

Finally, this change is consistent with other proposed regulations that require a staffed surveillance unit only in Tier V (See MICS Phase II- Security & Surveillance).

b. Andrew Schneiderman- CGA and Commerce Casino: For Tier V, there should be no requirement that the drop box collection process be *continuously live* monitored by the surveillance unit. Some clubs may have only one surveillance employee on duty, whose time is better spent monitoring screens that display gaming activity. Adding a second surveillance employee to monitor the drop collection could cost from \$60,000 to \$200,000 per year. As an alternative to live surveillance monitoring, suggest requiring that the key employee be on the floor during the drop collection.

Response: This comment/recommendation is not germane to the first 15-day changes to these regulations. These first 15-day changes deleted Tier IV from these requirements, but kept Tier V, as original stated.

During the 45-day public comment period, an industry recommendation was made to require live monitoring of the drop box collection only in Tier V, where the impact of the regulation would be less. In an earlier version of this regulation, Tier IV was included in the requirement to live monitor the drop box collection process. Tier IV was excluded at the request of the gambling industry, including the CGA. This first 15-day change left only Tier V cardrooms with the requirement to live monitor the drop collection.

However, this comment was accepted in part, and subsection (c) amended as part of the second 15-day change to allow the drop collection to be monitored in conjunction with other surveillance unit functions, permitting employees to observe multiple video screens, only one of which may display the drop box collection process.

Further, these proposed regulations do not require that additional surveillance staff be hired. Other pending MICS regulations would require the surveillance unit in Tier V to utilize an automated

camera system, with one pan/tilt/zoom (PTZ) camera for every 10 tables. This is in addition to requirements that each table have a dedicated surveillance camera. With all of these cameras in a Tier V cardroom, it should be a simple task for a single surveillance employee to follow the drop box collection, while simultaneously monitoring the gambling floor. Both of these processes are occurring in the same general area of the gambling establishment, utilizing the same cameras.

Finally, the requirement that a key employee participate in the drop collection process was also removed from earlier versions of this regulation, again at the request of the gambling industry, including the CGA.

8. Section 12385(a)(5) requires that the policy and procedures for all tiers include provisions that prohibit the contents of one drop box from being mixed with the contents of any other drop box prior to the counting and recording of its contents.

a. Andrew Schneiderman- CGA: Recommend that an exception be made that would allow the contents of drop boxes that contain only *jackpot funds* to be commingled before counting.

Response: This comment/recommendation was rejected, as it is not germane to the first 15-day changes to these regulations. This comment was also made during the 45-day comment period and was rejected for the following reason:

If a patron(s) were to question the size of the jackpot, just from what they know was contributed by their table, an individual box count may determine if the count for that table came up short.

9. Section 12385(b)(1)(B), in Tiers II-V policy and procedures, prohibits the count room from being used for the storage of items not related to the count process or cage functions, including prohibiting removable containers, other than drop boxes, that could be used to conceal chips or cash.

a. Bureau of Gambling Control: Recommend adding language that would require the count room to be a fully enclosed room that is independent from all other rooms in the gambling establishment. The Bureau has received complaints against small Tier II or III cardrooms alleging the under-reporting of income. This alleged under-reporting (or skimming), is easy to do if there is no requirement to count chips in a separate and secured count room that is under surveillance.

Response: This comment/recommendation was rejected. During the 45-day public comment period, industry requested that, due to space limitations, smaller Tier II or III cardrooms be allowed to conduct the count in the cage. According to industry comments, these smaller cardrooms don't have the luxury of a separate room for the count to occur, nor can they restrict the storage in these rooms to only those items that are related to the count. Further, industry stated that there is no other space in these smaller cardrooms to designate as a count room. In some cases, cardrooms report that facilities are located in historical districts where local zoning ordinances restrict the remodeling of the structure. For these cardrooms, the regulations (as originally proposed) would have effectively put them out of business. As a result, Section 12385(b)(1)(B) was amended during the first 15-day change to allow the count process to take place in the cage at these smaller cardrooms. Section 12385(d)(1) was also amended during the

first 15-day change to specifically require that separate and independent count rooms be required only in Tiers IV and V.

Allowing the count to occur in the cage at these smaller cardrooms is a reasonable alternative, since the cage and the count room are both required to be in a secured area that is under continuous video surveillance (see Sections 12385(b)(1) & (b)(2) and 12386(a)(1) & (b)(1) in these proposed regulations, and Section 12396(a)(1) in proposed regulations relating to surveillance).

10. Section 12385(b)(2), in Tiers II through V policy and procedures, requires the count room to be under constant video surveillance if it is used to store chips, cash, drop boxes or other material associated with the count.

a. Andrew Schneiderman- CGA: Requires constant video surveillance of the count room even when the count is not being conducted. The surveillance system in the count room should be motion activated, to conserve tape or disk storage space.

Response: This comment/recommendation was rejected, as it is not germane to the first 15-day changes to these regulations.

Further, constant video surveillance in the count room is required only when the room is used to store valuables, such as chips, cash or drop boxes.

11. Section 12385(d)(1), in Tiers IV and V policy and procedures, requires that the count room be a fully enclosed room that is independent from all other rooms, and is equipped with an alarm system on all entrances that signals surveillance, or its equivalent, when doors are opened.

a. Alan Titus- Artichoke Joes: The term *independent* is vague and uncertain.

Response: This comment/recommendation was accepted, and a clarifying second 15-day change made to section 12385(d)(1) that replaces the word "*independent*" with the phrase "*separate and apart from*". The original meaning of this regulation that requires the count room to be separate from other rooms has not been changed.

b. Andrew Schneiderman- CGA: Does not add significant protection and would require expensive retrofitting in certain cardrooms.

Response: This comment/recommendation was rejected, as it is not germane to the first 15-day changes to these regulations.

Further, these signaling devices are relatively inexpensive (\$50- \$100), and common on the back doors of retail businesses. For example, a small magnetic triggering mechanism can be installed in the door jam, with hidden wires leading to another location where an audible alarm is sounded on a control pad when the door is opened. Some newer systems are even wireless, saving on installation costs. This should not be a difficult or expensive task for Tier IV and V cardrooms.

12. Section 12385(d)(2), in Tiers IV and V policy and procedures, requires the continuous surveillance monitoring and recording of the drop box count process.

a. Andrew Schneiderman- CGA and Commerce Casino: Requires the *monitoring* and recording of the count. If *monitoring* means a live person in the surveillance unit, this could be a problem for Tier IV clubs, as they would again be required to have a staffed surveillance unit. The word "*monitored*" should be deleted.

At Commerce Casino, the count can take 15 hours per day. Live monitoring of the count could cost Commerce Casino \$130,000 per year in additional payroll expenses.

Response: These comments/recommendations are not germane to the first 15-day changes to these regulations. However, to conform this proposed regulation with another that relates to the video monitoring of the drop collection (re. 12384(c)), this comment was accepted and a second 15-day change made that allows the count to be monitored in conjunction with other surveillance unit functions, permitting employees to observe multiple video screens, only one of which may display the drop count process.

Further, since a continuously staffed surveillance unit is not required in Tier IV, an additional clarifying and conforming second 15-day change was made to this subsection that states: "... surveillance unit, *or its equivalent*, ..." This will align the language in paragraph (2) with paragraph (1), and will help clarify to Tier IV cardrooms that their count room staff can simply call a manager or other designated employee, rather than the *surveillance unit*. The manager/employee can monitor the count from a terminal in another location of the facility.

13. Section 12385(e), in Tier V policy and procedures, requires that at least 3 persons, or two persons using a chip counting machine, perform the count.

a. Andrew Schneiderman- CGA: Mandating that three employees conduct the count in Tier V is simply not necessary and imposes a substantial labor cost with no resulting benefit.

Response: This comment/recommendation was rejected, as it is not germane to the first 15-day changes to these regulations. This comment was also made during the 45-day comment period and was rejected for the following reason:

These regulations offer the alternative of using only 2 persons when a count machine is utilized. Also see responses to comment numbers 12 and 4a above.

14. Section 12386(a)(6) states that the policy and procedures for all Tiers must require patrons to purchase chips only at the cage or from an employee on the floor. Also requires that licensees prohibit proposition player service providers from purchasing, redeeming or selling chips to/from patrons. Permits patrons to exchange chips of equal total value.

a. Bureau of Gambling Control: Recommend adding an "s" to the end of the word "service" so that it speaks in the plural form: "proposition player services providers."

Response: This comment/recommendation was accepted, and a non-substantive clarifying second 15-day change made to Section 12386(a)(6) so that it reads: "... proposition player *services* providers ..."

15. Section 12386(c)(3) requires that the policy and procedures for Tiers IV & V include the maintenance of a list of the names of all persons authorized to access the cage. The list must also specify those persons who possess the ability to operate the cage alarm system.

a. Andrew Schneiderman- CGA: We suggest that the list be by "*department*". Large clubs have a high turnover of cage and count room staff. At any given time, payroll could verify who works in what departments.

Response: This comment/recommendation was rejected, as it is not germane to the first 15-day changes to these regulations. This comment was also made during the 45-day comment period and was rejected for the following reason:

As written, this regulation does not prohibit employees to be listed by department, provided that the cage has its own unique department. It is also important for Bureau staff and law enforcement to know which cage employees have the ability to operate the cage alarm system, which may be separate from those who have just plain access to the cage.

16. Section 12386(e) requires licensees to establish and implement the provisions of subsections (a) and (b) within six months following the effective date of the section.

a. Bureau of Gambling Control: Recommend adding subsections (c) and (d) to this six month implementation schedule.

Response: Although this comment is not germane to this first 15-day change, it was accepted and a non-substantive second 15-day change made to subsection (e) that would correct an error by including an implementation schedule for all of the subsections of Section 12386. It has been the original intent to apply a six month implementation schedule to all of these MICS regulations, as evidenced by proposed Sections 12381(g), 12384(d) and 12385(f). The implementation schedule in subsection (e) of Section 12386 was not updated after additional subsections were added beyond (a) and (b).

An additional non-substantive second 15-day change was made in subsection (d) of Section 12384 by having its implementation schedule apply to subsections (a) through and including "(c)", rather than (d). It goes without saying that the subsection which establishes the implementation schedule, in this case (d), should not be in the implementation language itself.

C. Second 15-Day Change Comment Period Ending May 26, 2009

The following comments/objections/recommendations were made regarding the proposed action, either in writing or orally, during the second 15-day change comment period that ended on May 26, 2009:

1. Section 12384(b)(1) requires that the policy and procedures for Tiers III-V state that drop boxes must be removed from the table by at least one employee who holds a license or work permit, accompanied by a member of the security department, or its equivalent. In those cases where Tier III cardrooms do not directly employ security personnel, Section 12384(b)(2) allows Tier III cardrooms to merely use two employees from separate departments, neither of which must be from the security department.

a. Alan Titus- Artichoke Joes: The drop boxes should be collected by uniformed security personnel only. Plain-closed employees do not generate the same respect or have the same deterrent effect. Nevada does not have a requirement that a non-security employee participate in the drop box collection process. We understand the Bureau's belief that using employees from separate departments will help to prevent collusion-related thefts. However, if the drop boxes are handled only by uniformed guards, any handling by others would likely be noticed.

Response: This comment/recommendation was rejected. The requirement that two persons from separate departments conduct the drop collection has been included in this regulation since the original 45-day notice.

As a result of previous comments from the gambling industry, these second 15-day changes recognize that some cardrooms may not directly employ uniformed security guards, but rather contract their security functions to an outside vendor. Most often, these contract uniformed security guards patrol only the outside of the gambling establishment. These circumstances can prevent contract security guards from participating in the drop box collection, as they are not allowed to enter the cardroom because they do not have a license or work permit. Further, it would be unrealistic to expect a contract security company to obtain work permits for all of their employees, in the happenstance event that they may be needed at a cardroom.

Regardless, the second 15-day change continues to require that the drop collection be performed by at least two employees from *separate* departments. This is an important element of this regulation, as the Commission has received information from gambling industry regulators regarding cases where employees from the same department (security) have conspired to steal drop box funds.

Finally, this proposed regulation does not prevent a cardroom from using one or more uniformed security guards in the drop box collection process, as long as they are accompanied by at least one licensed or work-permitted employee from another department.

There were no further comments, objections or recommendations received regarding the modified language of the proposed action.