

# INCIDENT REPORTING

CGCC-GCA-2022-04-R

## COMMENTS AND RESPONSES FOR PROPOSED REGULATIONS

### I. 45-DAY WRITTEN COMMENTS

The California Gambling Control Commission (Commission) received the following written comments/objections/recommendations regarding the text of the proposed action during the 45-day written comment period that commenced September 16, 2022 and ended October 31, 2022:

#### A. ADOPT SECTION 12282. INCIDENT REPORTS.

This section provides incident reporting requirements for third-party provider of proposition player services (TPPPS) business licensees. The reporting of incident reports by TPPPS business licensees utilizes the same form as cardroom business licensees, the Incident Report Form. When required, the filing of the Incident Report Form must be completed within five business days of the qualifying event. This timeline is consistent with the timeline requirement for cardroom business licensees.

1. Subsection (a) [pg. 1, line 16] provides that a TPPPS business licensee must submit an incident report after obtaining evidence that a reasonably suspected incident, as specified, occurred within any space owned, managed, controlled, or rented by the TPPPS business licensee and involved a TPPPS category licensee, non-licensed employee, or a subcontractor or independent contractor hired by the TPPPS business licensee.
  - a. Alan Titus, representing Artichoke Joe's: Mr. Titus expressed concern that the requirements for TPPPS business licensee reporting on a may be hampered by two limitations on reporting provided in regulation.
    - The incident occurred within a space under control by the TPPPS business licensee; and,
    - The incident involved a TPPPS licensee, employee, etc.

Mr. Titus provided two example situations in which these limitations are inconsistent with the stated goals of the regulation:

- TPPPS game chips are stolen out of a TPPPS storage area by someone other than a TPPPS employee; and,
- A TPPPS employee pockets chips at a table, which is not a space under control of the TPPPS business licensee.

**Recommended Response:** This comment was considered but not incorporated. The requirement to submit an incident report is divided between the cardroom business licensee and a TPPPS business licensee, with limitations put in place to limit

duplicative submittals by both parties on the same incident. The current areas of influence for which a cardroom business licensee is required to submit an incident report are largely maintained in the proposed regulations, with TPPPS business licensee requirements being added in some areas. As such, in the example situations provided in the comment, it would be the responsibility of the cardroom business licensee to submit an incident report as both examples detail incidents that occurred within the areas controlled by the cardroom business licensee. That being said, the regulation does not prohibit a TPPPS business licensee from submitting an incident report.

2. Subsection (c) [pg. 1, line 31] provides that a TPPPS business licensee must submit an incident report if any of its associated TPPPS endorsee licensees or TPPPS employee type licensees are arrested.
  - a. **Yolanda Morrow, representing the Bureau of Gambling Control within the Department of Justice (Bureau)**: Ms. Morrow expressed concern that, as currently drafted, this provision does not address any circumstances surrounding an arrest of a TPPPS endorsee licensee or employee type licensee. Ms. Morrow recommends amending the provision to clarify whether an incident report should be filed within five days of receiving an arrest report from law enforcement or obtaining information that an arrest occurred.

**Recommended Response:** This comment was considered but not incorporated. The requirement to submit an Incident Report when a TPPPS business licensee determines that a TPPPS endorsee licensee or TPPPS employee licensee type was arrested is intentionally broad. The specific way a TPPPS business licensee becomes aware of an arrest is not important, just that such information has been acquired. The determination could be made, as the comment suggests, by receiving an arrest report from law enforcement or by obtaining other information that informs the TPPPS business licensee an arrest occurred.

## **B. AMEND SECTION 12395. SECURITY.**

Subsection (a) of this section provides the minimum security standards that must be included in a gambling enterprise's policies and procedures.

1. Paragraph (1) of subsection (a) [pg. 2, line 11] specifies that its subparagraphs apply only if they are not otherwise allowed by statute or regulation.
  - a. **Alan Titus, representing Artichoke Joe's**: Mr. Titus questioned the necessity of adding the proposed language, "unless otherwise allowed by statute or regulation."

**Recommended Response:** This comment was accepted, in part. The Commission proposes that paragraph (1) be repealed and conforming changes are made accordingly. Specifically, subparagraphs (A) and (B) are renumbered to paragraphs (1) and (2), with subsequent paragraphs throughout the section renumbered

accordingly. Additionally, paragraph (C) is repealed, with the same text now provided in new paragraphs (1) and (2).

2. Subparagraph (A) of paragraph (1) of subsection (a) [pg. 2, line 12] provides rules related to access to non-public areas of the gambling establishment, specifically areas with access to currency or unsecured gambling equipment other than gaming tables.

- a. **David M. Fried, representing the California Grand Casino and Oaks Card Club, and Alan Titus, representing Artichoke Joe's**: Mr. Fried and Mr. Titus expressed a concern that making the subparagraph's requirements applicable to non-public areas of the gambling establishment with access to "unsecured gambling equipment other than gaming tables" is overbroad because it implies that gambling equipment that is not subject to tampering or related to game outcomes, such as table felts, plastic chip trays, and various printed buttons used on the table (lammers) should be secured. Mr. Fried suggested the following amendment:

(A) Access to non-public areas of the gambling establishment which have access to the gambling establishment's currency or unsecured gambling equipment other than gaming tables, table felts, chip trays, and lammers, including but not limited to cages, count rooms, vaults, and security offices, must be limited to authorized cardroom category licensees, holders of a local work permit, or employees of a registered manufacturer or distributor only in the performance of their duties, or other person(s) if escorted and observed at all times by an authorized cardroom category licensee or holder of a local work permit in person or observed through a continuous live surveillance system. For the purposes of this paragraph, unsecured gambling equipment means any gambling equipment in a non-public area that is not stored in a locked receptacle, drawer, or compartment which is under camera.

**Recommended Response:** These comments were accepted, in part. The Commission proposes the following amendment:

(A) Access to non-public areas of the gambling establishment which have access to the gambling establishment's currency or unsecured gambling equipment ~~other than gaming tables~~, including but not limited to cages, count rooms, vaults, and security offices, must be limited to authorized cardroom category licensees, holders of a local work permit, or employees of a registered manufacturer or distributor only in the performance of their duties, or other person(s) if escorted and observed at all times by an authorized cardroom category licensee or holder of a local work permit in person or observed through a continuous live surveillance system. For the purposes of this paragraph, unsecured gambling equipment means any gambling equipment in a non-public area that is not stored in a locked receptacle, drawer, or compartment which is under camera, and does not include any gambling equipment that is not subject to tampering or related to game outcomes, such as gaming tables, table felts, chip trays, and lammers.

3. Subparagraph (B) of paragraph (1) of subsection (a) [pg. 2, line 23] provides rules related to access to media storage spaces for surveillance systems.

- a. **David M. Fried, representing the California Grand Casino and Oaks Card Club:** Mr. Fried suggested smaller cardrooms have fewer assets on site, and therefore there is less risk of an attack on the surveillance system. Mr. Fried also suggested smaller cardrooms may not actually have a server room and may instead locate their services in another storage room or office. Mr. Fried also expressed concern that if a person is hired to maintain the surveillance system, the cardroom business licensee would not know if they are doing something wrong if they are just in the server room. Mr. Fried recommended the following amendments:

(B) For Tier III-V cardrooms, aAccess to any room used for the media storage for the surveillance system, pursuant to Section 12396, must be limited to authorized cardroom category licensees and holders of a local work permit only in the performance of their duties, persons responsible for the maintenance of the surveillance system if they do not have access to any other non public areas where an escort would otherwise be required under subsection (A). or other person(s) either if escorted and observed at all times by an authorized cardroom category licensee or holder of a local work permit in person, or observed or reviewed by a cardroom category licensee or holder of a local work permit using a continuous surveillance system.

**Recommended Response:** This comment was considered but not incorporated. The proposed provision does not require that a room used for media storage be dedicated for that purpose, as such, should the media be stored in a space used for another reason, such as a storage room or office, employees of the cardroom business licensee will still be allowed access when performing their duties. Additionally, while access to the room where the media is stored is restricted, the provision allows for the security system to be reviewed in lieu of being actively observed. Therefore, the provision should not be any more burdensome on smaller cardrooms due to space issues or onsite security presence.

- b. **Alan Titus, representing Artichoke Joe's:** Mr. Titus expressed concern that some digital surveillance systems are extremely technical and that someone observing the programmer would not know if the person is programming malicious software into the system. Mr. Titus suggests that if the designated room only contains the digital system, the regulation should only require outside workers to be escorted or watched when they are coming or going from the room.

**Recommended Response:** This comment was considered but not incorporated. The provision already allows for other person(s) to either be escorted and observed at all times, or observed or reviewed by a continuous surveillance system. While a slightly higher bar than “escorted or watched when they are coming or going from the room,” this provision provides the protection of observing generally the actions of an unauthorized, non-licensed individual as they perform tasks within non-public areas.

4. Paragraph (3) of subsection (a) [pg. 3, line 1] provides that cardroom business licensees must file an incident report within five business days of specific events occurring, using the Incident Report Form, CGCC-CH7-08.
- a. **Alan Titus, representing Artichoke Joe's**: Mr. Titus expressed concern on the new standard for when reporting is required. Mr. Titus noted that the current regulation requires submittal of an incident report either when the police are contacted in connection with a reasonably suspected violation of specific laws and regulations, or when the police are not called but the owner or key employee obtains knowledge of “any reasonably suspected violation.” Mr. Titus expressed the following concerns:
- The new provision requiring filing upon “obtaining evidence that a reasonably suspected incident occurred” introduces new, unclear, elements.
  - The standard of “obtaining evidence” implies an investigation, but the regulation does not explicitly require an investigation.
  - The term “incident” is very broad and not limited to the identified incidents.
  - The phrase “reasonably suspected” is incorrectly used to modify “incident” when it should modify “violation.”
  - The regulation does not make it clear whose knowledge of the incident triggers the reporting.
  - The provided list of issues requiring reporting are actually a mix of incidents and violations, and the regulations should be modified to reflect that.

Mr. Titus suggested an alternative paragraph:

(3) Cardroom business licensees must submit a completed “Incident Report Form” CGCC-CH7-08 (New 8/22), which is attached in Appendix A to this Chapter within five days of the following incidents:

(A) When any owner category licensee or key employee obtains information that leads them to reasonably suspect that a violation of any of the following has occurred:

(1) The Act, this division, Division 3 of Title 11 of the CCR, any statute set forth in sections 330 through 337z of the Penal Code.

(2) Section 1916-3(b) of the Civil Code (loan-sharking), or any successor provision.

(3) Penal Code sections: [to be filled in]

(4) Health and Safety Code section 11012 (distributing a controlled substance)

(B) Any incident involving a property loss valued at an amount consistent with the dollar amount provided in subdivision (a) of Penal Code section 487, or any successor provision;

(C) Any incident involving the death of a person;

(D) Any incident involving the on-site presence of law enforcement in response to a physical injury of a person;

- [\(E\) Any theft of \\$500 or more in chips;](#)
- [\(F\) Any discovery of \\$500 or more in counterfeit currency and/or chips in a 24 hour period;](#)
- [\(G\) Any discovery of \\$500 or more in counterfeit currency and/or chips cumulatively linked to a specific individual or group of individuals over a two week period;](#)
- [\(H\) Any incident identified in subparagraphs \(B\), \(E\) or \(F\), regardless of the dollar amount, if reasonably suspected of a cardroom category licensee, local work permittee, or TPPPS category licensee;](#)
- [\(I\) Any incident at the gambling establishment which results in the immediate evacuation of the gambling establishment, such as receipt of a bomb threat.](#)

**Recommended Response:** This comment was accepted, in part. While the comment suggested that the standard of “obtains evidence” should be replaced with “obtains information,” this recommendation has not been incorporated. Specifically, the standard of obtaining evidence is a higher standard than obtaining information. The comment includes an example of a report being filed as a result of a customer alleging an incident. Obtaining information regarding a possible incident would not necessitate an incident report; however, if after following up on such information evidence were to be found, then an incident report would be required. This higher standard ensures that only corroborated incidents are reported to the Bureau and that the cardroom business licensee is not required to report every unsubstantiated accusation that might be levied.

The Commission proposes the following, which would replace paragraphs (3), (6), (7), and (8).

[\(4\) Cardroom business licensees must submit an “Incident Report Form,” CGCC-CH7-08 \(New 08/22\), which is attached in Appendix A to this Chapter, within five business days of the following incidents:](#)

- [\(A\) When the cardroom business licensee obtains evidence that a reasonably suspected violation of any of the following occurred:](#)
  - [1. The Act, this division, Division 3 of Title 11 of the California Code of Regulations, any statute set forth in sections 330 through 337z of the Penal Code, or any misdemeanor involving a violation of an ordinance of the applicable city, county, or city and county that pertains to gambling;](#)
  - [2. Section 1916-3\(b\) of the Civil Code \(loan-sharking\), or any successor provision;](#)
  - [3. Section 11012 of the Health and Safety Code \(distributing a controlled substance\), as defined in Section 11007 of the Health and Safety Code, or any successor provision;](#)
  - [4. Penal Code sections 148.10 \(resisting a peace officer resulting in death or serious bodily injury to peace officer\), 186.10 \(money laundering\), 211 \(robbery\), 220 \(assault with intent to commit mayhem, rape, sodomy, oral copulation or other specified offense\), 236.1 \(human](#)

trafficking), 243.4 (sexual battery), 245 (assault with deadly weapon or force likely to produce great bodily injury), 261 (rape), 266h (pimping and pimping a minor), 266i (pandering and pandering a minor), 286 (criminal sodomy), 287 (criminal oral copulation), 288 (lewd and lascivious acts on a child), 289 (forcible acts of sexual penetration), 347 (poisoning food or drink), 422 (criminal threats), 470 (forgery, signatures or seals), 470b (display or possession of forged driver's license or identification card), 476 (forgery, fictitious or altered bills, notes or checks), 518 (extortion), 641.3 (commercial bribery), 653.23 (supervising or otherwise aiding a prostitute), 647(b) (prostitution), or any successor provisions.

(B) Any incident involving:

1. A property loss valued at an amount consistent with the dollar amount provided in subdivision (a) of Penal Code section 487, or any successor provision;
2. The death of a person;
3. The on-site presence of law enforcement in response to a physical injury of a person;
4. The theft of \$500 or more in chips;
5. The discovery of \$500 or more in counterfeit currency and/or chips in a 24-hour period;
6. The discovery of \$500 or more in counterfeit currency and/or chips cumulatively linked to a specific individual or group of individuals over a two-week period;
7. Clauses 1, 4, or 5, regardless of the dollar amounts, if reasonably suspected of a cardroom category licensee, local work permittee, or TPPPS category licensee; or,
8. The immediate evacuation of the gambling establishment, such as Penal Code Section 148.1 (false bomb threat), or any successor provision.

(C) Any incident involving:

1. The forfeiture of any unredeemed jackpots or prizes won pursuant to subparagraph (C) of paragraph (4) of subsection (a) of Section 12463 or paragraph (5) of subsection (a) of Section 12464;
2. The arrest of any associated cardroom endorsee licensee, cardroom employee type licensee, or holder of a local work permit; or,
3. The approval with conditions, denial, suspension, or revocation of a license, permit, or authorization to work in a gambling establishment by any city, county, or city and county regarding any associated cardroom endorsee licensee, cardroom employee type licensee, or holder of a local work permit. An incident report does not need to be filed for a denial unless that denial is for a reason that is substantially similar to either subdivision (a) or (b) of Business and Professions Code section 19857 or any subdivision of Business and Professions Code section 19859.

(D) For subparagraphs (A) and (B), the cardroom business licensee need only submit an "Incident Report Form," CGCC-CH7-08, if the suspected

violation or incident occurred within the gambling establishment or in any adjacent space owned, managed, controlled, rented, or utilized by the cardroom business licensee for or in connection with the gambling operation. This includes, but is not limited to parking lots, restrooms, restaurants, or hotels. For purposes of this paragraph, the cardroom business licensee is not required to submit an incident report for an incident that occurs in a part of the gambling establishment or adjacent space owned, managed, or rented by the cardroom business licensee if that space is solely utilized by the TPPPS business licensee under the terms of the TPPPS contract.

[Note: Paragraph (3) has been renumbered to paragraph 4 in conjunction with the response to comment I.B.1.a. Clause 3 of subparagraph (C), which has been moved from paragraph (3), has been amended in conjunction with the response to comment I.A.11.a.]

- b. **Yolanda Morrow, representing the Bureau:** Ms. Morrow suggested that the form contain a new section, titled Optional Items and consisting of the following:

Note: Please list any additional documentation in connection with the incident. Additional information is voluntary and may include, but is not limited to, security reports and/or a supplemental narrative. Failure to provide any supporting documentation may delay the investigation of your incident.

**Recommended Response:** This comment was accepted, in part. The Commission proposes the following new section:

<b><u>SECTION 8: ADDITIONAL RELATED DOCUMENTATION</u></b>	
<u>PLEASE LIST ANY ADDITIONAL DOCUMENTATION THAT MAY EXIST IN CONNECTION WITH THE REASONABLY SUSPECTED VIOLATION OR INCIDENT. INCLUDING ADDITIONAL INFORMATION WHEN SUBMITTING THE INCIDENT REPORT IS VOLUNTARY. HOWEVER, FAILURE TO PROVIDE ANY SUPPORTING DOCUMENTATION MAY DELAY THE INVESTIGATION OF THE INCIDENT.</u>	
<u>MARK THE BOX NEXT TO EACH ITEM TO INDICATE THAT IT EXISTS.</u>	
<input type="checkbox"/>	<u>INTERNAL SECURITY REPORT</u>
<input type="checkbox"/>	<u>SECURITY FOOTAGE</u>
<input type="checkbox"/>	<u>OTHER (PLEASE SPECIFY):</u>

5. Subparagraph (D) of paragraph (3) of subsection (a) [pg. 4, line 1] provides that an incident report must be filed for any incident involving a property loss valued consistent with the amount provided in subdivision (a) of Penal Code section 487.
- a. **Alan Titus, representing Artichoke Joe's:** Mr. Titus expressed concern that implementing this provision might be hard, as it might be difficult to determine whether the value of a stolen item meets the \$950 threshold. Additionally, Mr. Titus suggested that the provision should provide a summary of Penal Code section 487(a)

in order to promote compliance. Finally, Mr. Titus noted that this provision includes the crime of embezzlement but does not explicitly identify it.

**Recommended Response:** This comment was considered but not incorporated. The provision does not require an absolute accounting of items. The true value of a stolen item need not be determined, as long as a reasonable evaluation can be made, for example, by an internet search with basic information the owner of the stolen item could provide.

Additionally, the reference to Penal Code section 487(a) is explicit and clear. The Commission is not proposing to clarify the provision nor are regulations necessary to make it effective, and as such no additional summary is appropriate.

6. Subparagraphs (G), (H), and (I) of paragraph (3) of subsection (a) [pg. 4, line 7] provide specific incidents for which an Incident Report form must be submitted. These subparagraphs cover incidents for theft of chips, discovery of counterfeit currency and/or chips in a 24-hour period, and the cumulative discovery of counterfeit currency and/or chips linked to a specific individual over a two-week period, all with a minimum limit of \$500.
  - a. **Yolanda Morrow, representing the Bureau:** Ms. Morrow suggested the minimum limit of \$500 be replaced in each of these subparagraphs with a reference to the dollar amount in subdivision (a) of Penal Code section 487.

**Recommended Response:** This comment was considered but not incorporated. The Commission has provided a standard linked to Penal Code section 487(a) in Section 12395(a)(3)(D). In amending 12395(a)(3)(L) to remove Penal Code section 488 (petty theft), the Commission elected to leave these three incidents at a lower threshold than Penal Code section 487(a), currently \$950, because these issues are directly related to the operation and safety of controlled gambling.

7. Subparagraph (K) of paragraph (3) of subsection (a) [pg. 4, line 1] provides an incident report must be filed for any event that requires the immediate evacuation of the gambling establishment.
  - a. **Alan Titus, representing Artichoke Joe's:** Mr. Titus expressed concern that innocuous circumstances in the surrounding area that could require evacuation of a gambling establishment, and that this provision should be limited to incidents at the gambling establishment itself.

**Recommended Response:** This comment was considered but not incorporated. The reason that the gambling establishment was evacuated is not relevant to the need to promptly inform the Bureau. Whatever the reason, evacuation as an event would be a sudden disruption of controlled gaming activities and associated security processes and, as stated in the Initial Statement of Reasons, could necessitate the Bureau being

involved in the process to ensure the re-establishment of security procedures and that the integrity of the controlled games has not been put into jeopardy.

8. Subparagraph (L) of paragraph (3) of subsection (a) [pg. 4, line 18] provides an incident report must be filed for any reasonably suspected violation of list of additional Penal Code sections.

- a. **Alan Titus, representing Artichoke Joe's**: Mr. Titus expressed concern about the inclusion of following Penal Code sections:

- Sections 226h (pimping a minor), 266i (pandering a minor), and 288 (lewd and lascivious acts on a child) – Unnecessary because no one under 21 is allowed on the premises and therefore the chances of this occurring are extremely remote.
- Section 347 (poisoning food or drink) – Unnecessary because it is unlikely to occur, and if it does it is not likely to be suspected or known at the time of the incident.
- Section 422 (personal threats) – This type of non-violent incident requires a lot of interpretation (words, tone, demeanor, and gestures) and is not the type of crime staff should be responsible to identify.

**Recommended Response:** This comment was considered but not incorporated. The likelihood of these specific incidents occurring is not a reason to exclude them from the regulation. The Commission has the responsibility to ensure that gambling operations are licensed, regulated, and operated in a manner to protect the public health, safety, and general welfare of the residents of the State. The indicated Penal Code sections directly relate to the public health, safety, and general welfare of the residents of the State, and as such, the Bureau must be made aware of when such incidents occur to ensure that proper investigations and necessary changes to security procedures are made to limit recurrence.

9. Paragraph (5) of subsection (a) [pg. 5, line 17] provides that when a gambling enterprise submits a Title 31 Suspicious Activity Report (SAR) to the Financial Crimes Enforcement Network (FinCEN), the cardroom business licensee must submit an Incident Report Form to the Bureau and provide a copy of the SAR. Upon request of the Bureau, the cardroom business licensee must also provide any transactions or documents upon which the SAR was based.

- a. **Yolanda Morrow, representing the Bureau**: Ms. Morrow suggested that the Bureau does not need cardroom business licensees submit this information as it would be duplicative of information already collected by the Bureau.

**Recommended Response:** This comment was accepted. The inclusion of this provision was at the Bureau's request during the informal development of this proposed action. As the Bureau now indicates its inclusion is not necessary, the Commission sees no reason to maintain it.

- b. **David M. Fried, representing the California Grand Casino and Oaks Card Club:** Mr. Fried expressed concerns about a cardroom business licensee being required to submit copies of SARs to the Bureau. Specifically, Mr. Fried expressed concern that:

- SARs are highly confidential and the Bureau may not have a way to have SARs transmitted in a secure fashion;
- There needs to be clear explanation of the regulatory authority under the Gambling Control Act;
- There needs to be an explanation about how this provision complies with FinCEN regulations; and,
- There should be an option to require cardroom business licensees to notify the Bureau when a SAR has been filed and provide the document control number assigned by FinCEN.

**Recommended Response:** This comment was considered but not incorporated. With the Bureau indicating that it is no longer necessary for cardroom business licensees to provide SARs or information related to SARs, the Commission proposes removal of the provision and these comments are no longer relevant.

- c. **Alan Titus, representing Artichoke Joe's:** Mr. Titus expressed concerns about a cardroom business licensee being required to submit copies of SARs to the Bureau. Specifically, Mr. Titus expressed concern that:

- The requirement is unnecessary as the Bureau already obtains from other sources copies of all SARs filed by cardrooms.
- It is possible that providing SARs to the Bureau would be a violation of the Bank Secrecy Act (BSA) -31 CFR 1021.320(e).
- The purpose for a cardroom providing a SAR to the Bureau provided in the Initial Statement of Reasons is inconsistent with the allowed reasons to share SARs with regulatory agencies provided in the BSA.
- The regulatory language used to require a SAR is inconsistent with the language for other incident reports.
- Requiring an incident report for a SAR can be duplicative of other requirements to file an incident report.
- The requirement to submit a SAR would significantly increase the number of incident reports required to be submitted.

Mr. Titus recommended the following revision:

(5) Within five business days of filing a Title 31 Suspicious Activity Report with the Financial Crimes Enforcement Network (FinCEN), the cardroom business licensee must submit an "Incident Report Form," CGCC-CH7-08, and provide any transactions and documents upon which the [SAR] was based. ~~a copy of the Title 31-2 Suspicious Activity Report to the Bureau.~~

~~Upon request by the Bureau, the cardroom business licensee must provide any transactions and documents upon which the Title 31 Suspicious Activity Report was based.~~

**Recommended Response:** This comment was considered but not incorporated. With the Bureau indicating that it is no longer necessary for cardroom business licensees to provide SARs or information related to SARs, the Commission proposes removal of the provision and these comments are no longer relevant.

10. Paragraph (6) of subsection (a) [pg. 5, line 23] provides that when a forfeiture of any unredeemed jackpot or prize is made consistent with the gambling establishment's policies and procedures for either the Self-Restriction or Self-Exclusion Program, the gambling enterprise must provide notification to the Bureau in an incident report.

- a. **Alan Titus, representing Artichoke Joe's**: Mr. Titus expressed concern that the references to Sections 12463 and 12464 are without context in paragraph (6) and suggests that the general nature of the cross-referenced regulations should be stated.

**Recommended Response:** This comment was considered but not incorporated. The specific nature and requirements of Sections 12463 and 12464 are provided in those sections and restatement here is not necessary.

11. Paragraph (8) of subsection (a) [pg. 6, line 1] provides that a cardroom business licensee must submit an incident report within five business days of any of its associated cardroom endorsee licensees, cardroom employee types licensees, or holders of a local work permit having a local city, county, or city and county license, permit, or authorization to work in a gambling establishment approved with conditions, denied, suspended, or revoked. For a denial, a report need only be filed if the denial is pursuant to Business and Professions Code section 19912 or for a reason substantially similar to either subdivision (a) or (b) of Business and Professions Code section 19857.

- a. **Alan Titus, representing Artichoke Joe's and David M. Fried, representing the California Grand Casino and Oaks Card Club**: Mr. Titus and Mr. Fried suggested that the provision should refer to Business and Professions Code sections 19857, subdivisions (a) and (b), and 19859, subdivisions (a) through (g). Mr. Titus additionally suggested the reference to Business and Professions Code section 19912 be removed because section 19912 precludes issuance of a work permit to any person disqualified from holding a state gambling license for the reasons specified in subdivisions (a) through (g) of section 19859.

**Recommended Response:** These comments were accepted in part. In conjunction with the proposed response to comment I.B.4.a, the Commission proposes the following modifications:

~~3.(8) The cardroom business licensee must submit an "Incident Report Form," CGCC-CH7-08, within five business days of any~~ The approval with conditions,

denial, suspension, or revocation of a license, permit, or authorization to work in a gambling establishment by any city, county, or city and county regarding any associated cardroom endorsee licensee, cardroom employee type licensee, or holder of a local work permit. An incident report does not need to be filed for a denial unless that denial is ~~pursuant to Business and Profession Code section 19912~~ [for a reason that is substantially similar to either subdivision \(a\) or \(b\) of Business and Professions Code section 19857](#) [or any subdivision of Business and Professions Code section 19859](#).