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INDEPENDENT REGULATORY REVIEW COMMISSION

333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

October 21, 2009

Kevin O'Toole, Executive Director
Pennsylvania Gaming Control Board
Strawberry Square
Verizon Tower, 5th Floor
Harrisburg, PA 17106-9060

Re: Regulation #125-103 (IRRC #2781)
Pennsylvania Gaming Control Board
Employees; Slot Machines; Accounting and Internal Controls; and Compulsive and
Problem Gambling

Dear Mr. O'Toole:

Enclosed are the Commission's comments for consideration when you prepare the final version of this regulation. These comments are not a formal approval or disapproval of the regulation. However, they specify the regulatory review criteria that have not been met.

The comments will be available on our website at www.irrc.state.pa.us. If you would like to discuss them, please contact me.

Sincerely,

Kim Kaufman
Executive Director
wbg
Enclosure

cc: Honorable Jane M. Earll, Majority Chairman, Senate Community, Economic and
Recreational Development Committee
Honorable Wayne D. Fontana, Minority Chairman, Senate Community, Economic and
Recreational Development Committee
Honorable Dante Santoni, Jr., Majority Chairman, House Gaming Oversight
Honorable Curt Schroder, Minority Chairman, House Gaming Oversight

Comments of the Independent Regulatory Review Commission



Pennsylvania Gaming Control Board Regulation #125-103 (IRRC #2781)

Employees; Slot Machines; Accounting and Internal Controls; and Compulsive and Problem Gambling

October 21, 2009

We submit for your consideration the following comments on the proposed rulemaking published in the August 22, 2009 *Pennsylvania Bulletin*. Our comments are based on criteria in Section 5.2 of the Regulatory Review Act (71 P.S. § 745.5b). Section 5.1(a) of the Regulatory Review Act (71 P.S. § 745.5a(a)) directs the Pennsylvania Gaming Control Board (Board) to respond to all comments received from us or any other source.

1. Section 461a.7. Slot machine minimum design standards. – Clarity.

Subsection (y) adds the phrase “or other sizes approved by the Bureau of Gaming Operations.” It is unclear how this approval is obtained. Would a licensee be required to go through the waiver process under Section 461a.24? This should be clarified in the final-form regulation. Similar concerns apply to Sections 461a.10(b) and 461a.22(b).

2. Section 465a.2. Internal control systems and audit protocols. – Need; Reasonableness.

Under Subsection (c)(9), the Board proposes to require a licensee to amend its internal controls to ensure that its employees are in compliance with Chapter 435a (relating to Employees). In the preamble, the Board states that it is adding this requirement because licensees “are expected to be proactive about having their employees comply with the various reporting requirements.”

Downs Racing, L.P. asserts that it is unreasonable to shift this oversight responsibility from the Board to the licensee and would be burdensome and unnecessary. The Board should further explain the need for and reasonableness of this new provision.

3. Section 465a.8. Licensed facility. – Clarity.

Proposed language that is added to Subsection (c) states “...and any other doors designated by the Bureau of Gaming Operations...” It is unclear how

this designation would be made. The Board should clarify this provision in the final-form regulation.

4. Section 465a.9. Surveillance system; surveillance department control; surveillance department restrictions. – Clarity.

Subsection (c)(5)(iv) adds language that would require a licensee to maintain photographs of individuals who are on the Board’s self-exclusion list in the licensee’s photo library. It is unclear if these photographs could be placed in the same photo library as all current employees or if a licensee would be required to create a separate photo library just for those people on the self-exclusion list. The final-form regulation should clarify this provision.

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Facsimile Cover Sheet



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INDEPENDENT REGULATORY REVIEW COMMISSION
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To: Cheryl Posavec
Richard M. Sandusky (214-8111)
Agency: Pa Gaming Control Board
Phone: 346-8319
346-8300 (Front Desk)
Fax: 703-2988
346-8350 (Front Desk)
Date: October 21, 2009
Pages: 4

Comments: We are submitting the Independent Regulatory Review Commission's comments on the Pennsylvania Gaming Control Board's regulation #125-103 (IRRC #2781). Upon receipt, please sign below and return to me immediately at our fax number 783-2664. We have sent the original through interdepartmental mail. You should expect delivery in a few days. Thank you.

Accepted by: Nita Spiller 8663 **Date:** 21 October 2009