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HARRAH'S
CHESTER CASINO
& RACETRACK

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Richard Sandusky
Director of Regulatory Review
Pennsylvania Gaming Control Board
303 Walnut Street, Strawberry Square
5th Floor, Verizon Tower
Harrisburg, PA 17101

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Re: Chester Downs and Marina, LLC d/b/a Harrah's Chester Casino and Racetrack
Comments on Proposed Rulemaking Regulation No. 125-105

Dear Mr. Sandusky:

On behalf of Chester Downs and Marina, LLC d/b/a Harrah's Chester Casino and Racetrack ("Harrah's"), respectfully submits these comments to the Pennsylvania Gaming Control Board ("Board") proposed regulations 58 Pa Code §465a.26, regarding jackpot and credit meter payouts. Harrah's would like to thank the Board for the opportunity to comment on the proposed rules and respectfully requests the Board take into consideration the following suggestions.

58 Pa. Code §465a.26 (b)

Proposed regulation 58 Pa. Code §465a.26 (b) proposes three thresholds for verification of jackpot and credit meter payouts. The first threshold, if the jackpot or credit



meter payout is “between” \$1,200 and \$9,999.99, a security department member or slots operations member other than the preparer, shall perform the verification of the payout. Secondly, a security department member, a slot supervisor or other employee holding the same or greater level of authority than a slot supervisor shall verify jackpot or credit meter payout amounts “between” \$10,000 and \$24,999.99. Lastly, for jackpot or credit meter payout amounts \$25,000 or more, a slot shift manager or other employee holding the same or greater level of authority than a slot shift manager shall perform a verification of the payout.

As drafted, it appears that the use of “between” in reference to these three thresholds does not address the required verifier for jackpot or credit meter payout amounts of exactly \$9,999.99, \$10,000, and \$24,999.99. Harrah’s suggests the use of the following clarifying language:

(a) “payout amount is \$1,200 up to and including \$9,999.99...” (§465a.26(b)(2));
and

(b) “payout amount is \$10,000 up to and including \$24,999.99...”
(§465a.26(b)(3)).

58 Pa. Code §465a.26 (b)(3) & (b)(4)

Proposed regulation 58 Pa. Code §465a.26 (b)(3) proposes for jackpot or credit meter payout amounts between \$10,000 and \$24,999.99, a security department member, a slot supervisor or other employee holding the same or greater level of authority than a slot supervisor shall verify the jackpot or credit meter payout amount. Similarly, subpart (b)(4) under this section proposes a slot shift manager or employee holding the same or greater level of authority than a slot shift manager verify jackpot or credit meter payout amounts \$25,000 or more. Under this provision, the Board would allow a security department member and an individual of greater level authority than a slot supervisor or slot shift manager to attest to a jackpot or credit meter payout. However, it is not particularly clear within this section what constitutes a greater level of authority for a slot supervisor, and in the second instance, a slot shift manager.

Within a typical slot operations organizational structure, it is understood that a slot shift manager, director of slot operations, and vice president of casino operations hold greater authority over a slot supervisor. “Greater level of authority”, as written in the Board’s proposed regulation, appears to imply that any individual not identified within the slot

operations organizational structure that holds a title of a manager, director, vice president, or higher can also verify a jackpot or credit meter payout because these individuals, in principle, would possess greater authority in general business decisions than a slot supervisor.

Harrah's believes that such an expansion of jackpot and credit meter verifiers would be extremely useful for slot machine licensees and would provide great flexibility during certain routine system maintenance procedures or other unforeseen system events in which the system that accepts and dispenses gaming vouchers could become temporarily unavailable. In the event of such a catastrophic system failure, timeliness in resolving outstanding payments would be of extraordinary importance, and standard, compliant security personnel levels may be insufficient to timely verify jackpot or credit meter payouts.

Utilizing alternative personnel for the verification of jackpots and credit meter payouts while protecting the integrity of gaming could be accomplished in a manner which would ensure that all functions, duties and responsibilities associated with jackpot and credit meter payouts are segregated and performed in accordance to Board regulations. First, the Board would allow a select group of Board-approved gaming license and/or key license positions (excluding surveillance department and certain casino cage positions) to verify to the winning combination of characters on the slot machine and the amount to be paid with those which appear on the request for jackpot payout document. For example, if it is determined that the slot computer system will be down for an extended period of time, the general manager, assistant general manager, director of food and beverage, or other Board gaming and key licensed personnel whose duties would not pose a conflict of interest to the jackpot or credit meter payout process could verify a jackpot or credit meter payout of some amount deemed to be de *minimus* (e.g., the Board might consider using the non-verification threshold of \$1,200.00). Upon the slot computer system return, a machine list or other slot machine report shall be generated by a slot supervisor or slot shift manager and used to verify all jackpot and credit meter payments during the system outage. Any variances will be investigated and followed up on by the slot operations department.

Incorporating such personnel during catastrophic system failures would efficiently resolve a significant portion of outstanding payments as well as maintain the operational integrity requirements of the Pennsylvania Race Horse Development and Gaming Act, its subpart and technical standards set forth by the Board. However, with the exception of the required security personnel, if the Board's intention was not to allow verification outside of

the slot operations organizational structure as drafted within this section, Harrah's believes that further clarification of "greater level of authority than a slot supervisor / slot shift manager" is necessary to ensure that only appropriate personnel is involved with the verification of jackpot and credit meter payouts.

We thank the Board for requesting input on these matters and hope our comments are helpful for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Curtis Lane Jr.".

Curtis Lane Jr.

Regulatory Compliance Manager

Harrah's Chester Casino and Racetrack