

# **CHAPTER 690**

## **INTERNET AND MOBILE GAMING**

### **SUBCHAPTER 1. GENERAL PROVISIONS**

#### **13:690-1.1 Definitions**

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise:

"Authentication process" means a method used by a system to verify the validity of software. Such method requires the calculation of an output digest, which is compared to a secure embedded value. The output digest shall be of 128-bit complexity, at a minimum. Software shall be deemed to have been authenticated if the calculated digest equals the secure embedded value.

"Authorized Internet or mobile game" means any game authorized by the Division for use with an Internet or mobile gaming system.

"Client terminal" means any device that is used to interact with a gaming system for the purpose of conducting server-based gaming activity.

"Data warehouse" means a system of one or more servers located in New Jersey for the purpose of storing transactions received from the primary gaming equipment.

"Dormant account" means an Internet gaming account, which has had no patron initiated activity for a period of one year.

"Funds on game" means the sum of pending wagers and funds transferred to a game not yet wagered less pending wins.

"Game server" means the server that contains game software and control programs.

"Gaming system" means either a server-based gaming system, an Internet gaming system, a mobile gaming system, or table game simulcasting system.

"Internet gaming" means the placing of wagers through a server-based gaming system with a casino licensee at a casino located in Atlantic City using a computer network of both Federal and non-Federal interoperable packet switched data networks through which the casino licensee may offer authorized Internet games to a patron who has established an Internet gaming account with the casino licensee.

"Internet gaming account" means an account established by a casino licensee that a patron shall use for the deposit and withdrawal of funds used for Internet wagering.

"Internet gaming intermediary" means an independent entity approved by the Division to offer Internet gaming and affiliated with an Internet gaming operator. The customer accounts of such intermediaries shall be owned by the Internet gaming permit holder.

"Internet gaming manager" means a person licensed as a casino key employee responsible for the operations of internet gaming.

"Internet gaming network" means the linking of patrons of one or more Internet gaming operators to participate in peer-to-peer gaming.

"Internet gaming operator" means a party or parties permitted by the Division to operate an Internet gaming system.

"Internet gaming system" means all hardware, software, and communications that comprise a type of server-based gaming system for the purpose of offering authorized Internet games.

"Mobile gaming" means the placing of wagers with a casino licensee through a server-based gaming system at a casino located in Atlantic City using a computer network through which the casino licensee may offer authorized games to individuals who have established a wagering account with the casino licensee and who are physically present within the property boundaries of an approved hotel facility.

"Mobile gaming account" means an account established by a casino licensee that a patron may use for the deposit and withdrawal of funds used for mobile wagering.

"Mobile gaming operator" or "mobile operator" means a party or parties licensed by the Division to operate a mobile gaming system.

"Mobile gaming system" means all hardware, software, and communications that comprise a type of server-based gaming system for the purpose of offering electronic versions of authorized casino games to be played on client terminals within the property boundaries of an approved casino facility.

"Multi-factor authentication" means a type of strong authentication that uses two of the following to verify a patron's identity:

1. Information known only to the patron, such as a password, pattern or answers to challenge questions;
2. An item possessed by a patron such as an electronic token, physical token or an identification card; or
3. A patron's biometric data, such as fingerprints, facial or voice recognition.

"Patron session" means a period of time when a patron is logged on to an Internet or mobile gaming system.

"Peer-to-peer gaming" means all gaming activity, such as poker, where patrons are competing against each other.

"Pending wager account" means the account maintained by a server-based gaming system that holds the total balance of all wagers pending disposition and all other funds attributable to uncompleted games.

"Primary gaming equipment" means all hardware, software, and other technology or equipment of any kind determined by the Division to be necessary for the conduct of an authorized Internet game on the premises of a casino hotel within the territorial limits of Atlantic City.

"Secure transaction file" means a file that contains data, which is unalterable or cannot be modified without detection.

"Server-based gaming" means all gaming activity conducted via a client terminal where the outcome of a game is determined by a random number generator (RNG) maintained on a

server or a dealer-verified outcome from a simulcast table game.

"Server-based gaming system" means all hardware, software, and communications that comprise a system utilized for the purpose of offering electronic versions of authorized casino games where material aspects of game functionality occur at the server level.

"Strong authentication" means a method that has been demonstrated to the satisfaction of the Division to effectively provide higher security than a user name and password alone.

"Suspended account" means an Internet or mobile gaming account that has been temporarily disabled from engaging in wagering activity.

"Table game simulcasting system" means all hardware, software, and communications that comprise a system used to simulcast table games.

**13:690-1.2 General requirements for Internet and mobile gaming**

(a) Internet or mobile gaming shall only be engaged in by patrons who have established an Internet or mobile gaming account.

(b) The message "If you or someone you know has a gambling problem and wants help, call 1-800-Gambler" shall be displayed prominently within the Internet or mobile gaming log on screen and a command to display this message on the log off screen shall be transmitted whenever the system detects a log off.

(c) When a patron logs on to an Internet or mobile gaming system, the system shall display the date and time of the patron's previous log on.

(d) If a patron has suspended his or her account, a casino licensee shall not send gaming-related electronic mail to such patron while the account is suspended.

(e) The Internet or mobile gaming system shall employ a mechanism to detect the physical location of a patron upon logging into the gaming system and as frequently as specified in the Internet gaming permit holder's approved submission. If the system detects that the physical location of the patron is in an area unauthorized for Internet or mobile gaming, the system shall not accept wagers until such time that the patron is in an authorized location as follows:

1. Mobile gaming shall only occur within the property boundaries of an approved casino hotel facility. For purposes of this chapter, the approved casino hotel facility shall include any area located within the property

boundaries of the casino hotel facility, including any recreation area or swimming pool, where mobile gaming devices may be used by patrons, but excluding parking garages or parking areas. A mobile gaming system shall disable all gaming activity on a client terminal whenever it is removed from the property boundaries; and

2. Internet gaming shall only occur within the State of New Jersey, unless the conduct of such gaming is not inconsistent with Federal law, law of the jurisdiction, including any foreign nation, in which the participating patron is located, or such gaming activity is conducted pursuant to a reciprocal agreement to which this State is a party that is not inconsistent with Federal law.

(f) A client terminal used for Internet or mobile gaming shall not contain patron account information or game logic that determines the outcome of any game.

(g) Client terminal software used for Internet or mobile gaming shall not contain unauthorized data collection, file extraction, malware, or any other feature that compromises the integrity of the client terminal or the data contained therein.

(h) Software utilized for Internet or mobile gaming shall either:

1. Continuously display the current time in the time zone where the game server is physically located and the time elapsed while in the current patron session; or

2. Cause a pop-up notification, at least every half-hour, to be prominently displayed on the client terminal advising the patron of the current time and the amount of time elapsed since his or her log on.

(i) A casino licensee offering Internet wagering shall have an Internet gaming manager responsible for the operation and integrity of Internet gaming and reviewing all reports of suspicious behavior. A casino licensee offering mobile wagering shall have a mobile gaming manager responsible for ensuring the operation and integrity of mobile gaming and reviewing all reports of suspicious behavior. The Internet or mobile gaming manager shall be a key employee, however nothing shall preclude a casino licensee from having one key employee perform the functions of both the Internet and mobile gaming managers. The Internet and mobile gaming manager(s) shall immediately notify the Division upon detecting any person participating in Internet or mobile wagering who is:

1. Engaging in or attempting to engage in, or who is reasonably suspected of cheating, theft, embezzlement, collusion, money laundering, or any other illegal activities, including those activities prohibited in Article 9 of the Act;
2. Required to be excluded pursuant to N.J.S.A. 5:12-71, 5:12-71.2, or any person who is prohibited from entering a casino or a casino simulcasting facility pursuant to N.J.S.A. 5:12-119(a); or
3. Prohibited by the casino licensee from Internet wagering.

(j) A licensee shall file with the Division, internal controls for all aspects of Internet and mobile gaming operations prior to implementation and any time a change is made thereafter. The internal controls shall include detailed procedures for system security, operations, accounting, and reporting of problem gamblers.

(k) A casino licensee offering Internet or mobile gaming shall describe in its internal controls the method for securely issuing, modifying, and resetting a patron's account password, Personal Identification Number (PIN), or other approved security feature, where applicable. Any method shall include notification to the patron following any modification via electronic or regular mail, text message, or other manner approved by the Division. Such method shall include at a minimum:

1. Proof of identity, if in person;
2. The correct response to two or more challenge questions; or
3. Strong authentication.

(l) All terms and conditions for Internet or mobile gaming shall be included as an appendix to the internal controls of the licensee addressing all aspects of the operation, including the following:

1. Name of the party or parties with whom the patron is entering into a contractual relationship, including any licensee;
2. Patron's consent to have the licensee confirm the patron's age and identity;

3. Rules and obligations applicable to the patron other than rules of the game including, but not limited to:
  - i. Prohibition from allowing any other person to access or use his or her Internet or mobile gaming account;
  - ii. Prohibition from engaging in Internet or mobile wagering activity, unless they are physically present in New Jersey;
  - iii. Consent to the monitoring and recording by the operator and/or the Division of any wagering communications and geographic location information;
  - iv. Consent to the jurisdiction of the State of New Jersey to resolve any disputes arising out of Internet or mobile gaming; and
  - v. Prohibition against utilizing automated computerized software or other equivalent mechanism, such as a "bot," to engage in play.
4. Full explanation of all fees and charges imposed upon a patron related to gaming transactions;
5. Availability of account statements detailing patron account activity;
6. Privacy policies, including information access;

7. Legal age policy, including a statement that it is a criminal offense to allow a person who is under the age of 21 to participate in Internet or mobile wagering;
8. Notification that if the patron's Internet gaming account remains dormant for a period of one year any funds remaining on deposit and any pending wagers shall be forfeited;
9. Patron's right to set responsible gaming limits and to self-exclude;
10. Patron's right to suspend his or her account for a period of no less than 72 hours;
11. Actions that will be taken in the event a patron becomes disconnected from the Internet or mobile gaming system during game play;
12. Notice that a malfunction voids all pays;
13. Estimated time period for withdrawal of funds from Internet or mobile account; and
14. Information to be displayed on a patron protection page. The patron protection page shall be accessible to a patron during a patron session. The patron protection page shall contain, at a minimum, the following:
  - i. A prominent message, which states "If you or someone you know has a gambling problem and wants help, call 1-800-Gambler";

- ii. A direct link to the Council on Compulsive Gambling New Jersey, Inc. and one other organization based in the United States dedicated to helping people with potential gambling problems; and
- iii. The following responsible gaming information:
  - (1) A clear statement of the Internet gaming operator's policy and commitment to responsible gaming;
  - (2) Information regarding the subjects in (l)14iii(2)(A) through (D) below, or a direct link to information regarding the following subjects, if available, from an organization based in the United States dedicated to helping people with potential gambling problems:
    - (A) Practical tips to stay within safe limits;
    - (B) Myths associated with gambling;
    - (C) Information regarding the risks associated with gambling; and
    - (D) The potential signs of a gambling problem;
  - (3) Rules governing self-imposed responsible gaming limits;
- iv. Method for changing or retrieving a password or other approved access security feature and the ability to choose "strong authentication" log in protection;

- v. Method for filing a complaint with the licensee;
- vi. Method for filing with the Division an unresolved complaint after all reasonable means to resolve the complaint with the licensee have been exhausted utilizing the Internet Dispute Form on the Division's website;
- vii. Method for obtaining a copy of the terms and conditions agreed to when establishing an Internet or mobile gaming account;
- viii. Method for the patron to obtain account and game history from the licensee;
- ix. Notification that underage gambling is a criminal offense and that anyone who facilitates someone under the age of 21 to gamble has committed a criminal offense and shall be prohibited from Internet gaming;
- x. Notification that the patron is responsible to configure his or her client terminal's auto-lock feature to protect the client terminal from unauthorized use;
- xi. Notification that a patron is prohibited from allowing any other person to access or use his or her Internet or mobile gaming account;

- xii. Notification of Federal prohibitions and restrictions regarding Internet gaming, specifically, any limitations upon Internet gaming as set forth in 18 U.S.C. §§ 1084 et seq. (The Wire Act) and 31 U.S.C. §§ 3163 through 3167 (UIEGA). The notice shall explicitly state that it is a Federal offense for persons physically located outside of New Jersey to engage in Internet wagering through a New Jersey casino, unless explicitly authorized by the Division; and
- xiii. Notification that for mobile gaming if the mobile device is removed from the property boundaries of the casino hotel facility the connection will be terminated.

(m) Whenever the terms and conditions that apply to Internet or mobile gaming are changed, the licensee shall require a patron to acknowledge acceptance of such change. Unless otherwise authorized by the Division, the patron's acknowledgement shall be date and time stamped by the Internet or mobile gaming system, as applicable.

(n) A casino operator's gaming equipment used to conduct Internet or mobile gaming shall be located, with the prior approval of the Division, as set forth below:

1. Primary gaming equipment shall be located:
  - i. In a restricted area on the premises of the casino hotel within the territorial limits of Atlantic City, New Jersey; or

ii. In another facility owned or leased by the casino licensee that is secure, inaccessible to the public, and specifically designed to house that equipment, and where the equipment shall be under the complete control of the casino licensee or its Internet gaming affiliate, within the territorial limits of Atlantic City, New Jersey. For the purposes of this subsection, a secure facility within Atlantic City that is owned or leased by the casino licensee to house Internet gaming equipment shall be considered to be part of the casino hotel facility notwithstanding that the facility may not be contiguous with the premises of the casino hotel.

2. Backup gaming equipment used to conduct Internet or mobile gaming may also be located:

i. Subject to Division approval, in a restricted area on the premises of a casino hotel facility within the territorial limits of Atlantic City to conduct Internet gaming for a time period not to exceed 60 days unless otherwise authorized by the Division; or

ii. In another facility owned or leased by the casino licensee that is secure, inaccessible to the public, and specifically designed to house that equipment, and where the equipment shall be under the complete control of the casino licensee or its Internet gaming affiliate, within the territorial limits of Atlantic City, New Jersey.

For the purposes of this subsection, a secure facility within Atlantic City that is owned or leased by the casino licensee to house Internet gaming equipment shall be considered to be part of the casino hotel facility notwithstanding that the facility may not be contiguous with the premises of the casino hotel.

3. Backup gaming equipment that is not used to conduct Internet or mobile gaming but which is used only to restore data to primary Internet gaming equipment may be located within the State of New Jersey.

(o) Internet or mobile gaming systems shall require a patron after 15 minutes of user inactivity, as measured by the Internet or mobile gaming system, to re-enter his or her username and password.

(p) A casino licensee offering Internet or mobile gaming shall comply with all Federal requirements including, but not limited to, suspicious activity reporting and W2-G reporting.

(q) Each casino licensee offering Internet gaming shall perform an annual system integrity and security assessment conducted by an independent professional selected by the licensee, subject to the approval of the Division. The independent professional's report on the assessment shall be submitted to the Division annually and shall include:

1. Scope of review;
2. Name and company affiliation of the individual(s) who conducted the assessment;

3. Date of the assessment;
4. Findings;
5. Recommended corrective action, if applicable; and
6. Casino licensee's response to the findings and recommended corrective action.

(r) A casino licensee shall investigate each patron complaint related to Internet gaming and provide a response to the patron within five calendar days. For complaints that cannot be resolved to the satisfaction of the patron, related to patron accounts, game outcomes, and/or illegal activity, a copy of the complaint and licensee's response including all relevant documentation shall be provided to the Division. All other complaints and responses related to Internet gaming (for example, password problems, online chat disputes and technical matters) shall be provided biweekly or with such frequency approved by the Division.

(s) An Internet or mobile gaming system may offer games that do not require a wager or payment from a patron's Internet gaming account to patrons who have not exceeded any daily time-based limit, provided that the games comply with the following requirements:

1. Any game substantially similar to a game approved by the Division shall utilize a payout percentage equal to or less than the lowest payout percentage of the approved game;

2. Any game not substantially similar to a game approved by the Division shall prominently display the following prior to the start of the game and during game play:
  - i. The game is offered for entertainment purposes only;
  - ii. The game is not approved by the Division; and
  - iii. The game outcomes may not be representative of those for a Division-approved game; and
  
3. Games traditionally played on social networks that may require a payment for certain game features (social games) may be fundable or accessible from a patron's Internet gaming account provided that the operator provides a clear and conspicuous notice on the initial screen of any social game and in its terms and conditions that such social games are not regulated by the Division.

(t) An Internet or mobile gaming system shall not induce a patron to continue placing wagers when play is in session, when the patron attempts to end a session, or when the patron wins or loses a bet.

(u) If a patron is prohibited by the permit holder or the Internet gaming intermediary from engaging in Internet wagering for reasons other than those enumerated in (i) above, the casino licensee shall notify the Division within 24 hours of the patron's prohibited status and suspend the Internet gaming account of that patron and prohibit such patron from

creating an Internet gaming account. If an account suspended pursuant to this section is reinstated, the casino licensee shall notify the Division within 24 hours of the reinstatement.

(v) An Internet or mobile gaming system shall allow patrons to access a player protection page at all times while logged into their Internet or mobile gaming account. The player protection page shall include all features listed in (l)14 above.

(w) Employees of an Internet gaming operator who perform activities such as Internet casino accounting, patron identification and verification, problem gaming detection, anti-money laundering detection, fraud prevention, or other similar functions and that require access to confidential patron account information shall be physically present in New Jersey.

(x) Internet gaming operators and related vendors shall be prohibited from retaining patron account information without the expressed written consent of the Internet gaming permit holder.

(y) All Internet gaming operators with employees who have direct contact with patrons via phone, e-mail, electronic chat, or other means, shall implement training for those employees, at the start of their employment and at regular intervals thereafter, addressing areas set forth in (y)1 through 3 below. If the training requirement under this subsection follows the standards set forth by the Council on Compulsive Gambling of New Jersey it shall be deemed sufficient.

1. Recognizing the nature and symptoms of problem gambling behavior and how to assist players in obtaining information regarding help for a gambling problem and self-exclusion programs;
  2. Responding to patrons who may disclose that they have a gambling problem; and
  3. Responding to reports from third parties, such as family members, about patrons who may have a gambling problem.
- (z) The authorization to conduct Internet gaming shall expire on October 21, 2020.

### **13:690-1.3 Internet or mobile gaming accounts**

(a) Prior to engaging in Internet or mobile gaming, a patron shall establish an Internet or mobile gaming account. The Internet or mobile gaming system shall be required to display a message stating that those casino key employees and casino employees prohibited from wagering in any casino or simulcasting facility in the State shall not be permitted to establish an Internet or mobile account.

(b) In order to establish an Internet or mobile gaming account, a casino licensee shall:

1. Create an electronic patron file, which shall include at a minimum:
  - i. Patron's legal name;
  - ii. Patron's date of birth;
  - iii. Entire or last four digits of the patron's Social Security number, if voluntarily provided, or equivalent for a foreign patron such as a passport or taxpayer identification number;
  - iv. Patron's Internet and/or mobile account number;
  - v. Patron's address;
  - vi. Patron's electronic mail address;
  - vii. Patron's telephone number;
  - viii. Any other information collected from the patron used to verify his or her identity;
  - ix. The method used to verify the patron's identity; and
  - x. Date of verification.

2. Encrypt all of the following information contained in an electronic patron file:
  - i. Patron's Social Security number or equivalent for a foreign patron such as a passport or taxpayer identification number;
  - ii. Patron's passwords and/or PINs; and
  - iii. Credit card numbers, bank account numbers, or other personal financial information.
3. Verify the patron's identity in accordance with:
  - i. N.J.A.C. 13:69D-1.5A and, in addition, record the document number of the government issued credential examined; or
  - ii. Other methodology for remote multi-sourced authentication, which may include third-party and governmental databases, as approved by the Division.
4. Require the patron to establish a password or other access security feature as approved by the Division and advise the patron of the ability to utilize "strong authentication" log in protection;
5. Verify that the patron is of the legal age of 21, not self-excluded, on the exclusion list, or otherwise prohibited from participation in gaming;
6. Record the patron's acceptance of the licensee's terms and conditions to participate in Internet or mobile gaming;
7. Record the patron's certification that the information provided to the operator by the individual who registered is accurate;

8. Record the patron's acknowledgement that the legal age for Internet or mobile gaming is 21 and that he or she is prohibited from allowing any other person to access or use his or her Internet or mobile gaming account; and
9. Notify the patron of the establishment of the account via electronic mail or regular mail.

(c) A patron shall have only one Internet or mobile gaming account for each Internet gaming intermediary. Each Internet or mobile gaming account shall be:

1. Non-transferable;
2. Unique to the patron who establishes the account; and
3. Distinct from any other account number that the patron may have established with the casino licensee.

(d) A patron's Internet or mobile gaming account may be funded through the use of:

1. A patron's deposit account pursuant to N.J.A.C. 13:69D-1.24;
2. A patron's credit or debit card;
3. A patron's deposit of cash, gaming chips, or slot tokens at a cashiering location approved by the Division.
4. A patron's reloadable prepaid card, which has been verified as being issued to the patron and is non-transferable;

5. Cash complimentaries, promotional credits, or bonus credits;
6. Winnings;
7. Adjustments made by the licensee with documented notification to the patron; or
8. Any other means approved by the Division.

(e) Prior to any withdrawal, if a patron used a credit or debit card to fund an Internet or mobile gaming account, any remaining balance in the account up to the amount of the deposit shall be refunded to the patron's credit or debit card account used to fund the Internet or mobile gaming account provided that a credit or debit card issuer permits the return of a withdrawal from an Internet or mobile gaming account funded by the credit or debit card of the issuer.

(f) Funds may be withdrawn from a patron's Internet or mobile gaming account for the following:

1. The funding of game play;
2. Cash-out at the cashier's cage immediately upon patron request;
3. A cash-out transfer to a patron's deposit account established pursuant to N.J.A.C. 13:69D-1.24;
4. A cash-out transfer to a patron's reloadable prepaid cash card, which has been verified as being issued to the patron and is non-transferable;

5. Adjustments made by the licensee with documented notification to the patron;
6. Cash-out transfers directly to the patron's individual account with a bank or other financial institution (banking account) provided that the licensee verifies the validity of the account with the financial institution; or
7. Any other means approved by the Division.

(g) A casino licensee shall not permit a patron to transfer funds to another patron.

(h) All adjustments to patron accounts for amounts of \$ 500.00 or under shall be periodically reviewed by supervisory personnel as set forth in the licensee's internal controls. All other adjustments shall be authorized by supervisory personnel prior to being entered.

(i) Internet or mobile gaming systems shall provide an account statement with account details to a patron on demand, which shall include detailed account activity for at least the six months preceding 24 hours prior to the request. In addition, an Internet or mobile gaming system shall, upon request, be capable of providing a summary statement of all patron activity during the past year. Information to be provided on the summary statement shall include, at a minimum, the following:

1. Deposits to the Internet or mobile gaming account;
2. Withdrawals from the Internet or mobile gaming account;
3. Win or loss statistics;

4. Beginning and ending account balances; and
5. Self-imposed responsible gaming limit history, if applicable.

(j) A casino licensee shall maintain a New Jersey bank account separate from all other operating accounts to ensure the security of funds held in patron Internet gaming accounts. The balance maintained in this account shall be greater than or equal to the sum of the daily ending cashable balance of all patron Internet gaming accounts, funds on game, and pending withdrawals. A casino licensee shall have unfettered access to all patron Internet gaming account and transaction data to ensure the amount held in its independent account is sufficient. The casino controller or above shall file a monthly attestation with the Division that the funds have been safeguarded pursuant to this subsection.

(k) Patron funds held in an Internet gaming account shall not be automatically transferred by a casino licensee nor shall a casino licensee be permitted to require a patron to transfer funds from his or her Internet gaming account in order to circumvent the requirements of (i) above.

(l) A casino licensee shall periodically reverify a patron's identification upon reasonable suspicion that the patron's identification has been compromised.

**13:690-1.4 Internet or mobile gaming system standards and operational controls**

(a) An Internet or mobile gaming system shall utilize sufficient security to ensure patron access is appropriately limited to the account holder. Unless otherwise authorized by the Division, security measures shall include at a minimum:

1. A Username;
2. Password of sufficient length and complexity to ensure its effectiveness;
3. Upon account creation the option for users to choose "strong authentication" log in protection; and
4. Electronic notification to the patron's registered e-mail address, cellular phone or other device each time an Internet or mobile gaming account is accessed provided however that a patron may opt out of such notification.

(b) An Internet or mobile gaming system shall be designed with a methodology approved by the Division to ensure secure communications between a client terminal and the Internet or mobile gaming system.

(c) An Internet or mobile gaming system shall be designed to detect and report:

1. Suspicious behavior, such as cheating, theft, embezzlement, collusion, money laundering, or any other illegal activities; and
2. Excluded persons pursuant to N.J.S.A. 5:12-71, 5:12-71.2, or any person who is prohibited from entering a casino or a casino simulcasting facility pursuant to N.J.S.A. 5:12-119(a).

(d) Patron account access information shall not be permanently stored on client

terminals used with a mobile gaming system. Such information shall be masked after entry, encrypted immediately after entry is complete, and may be temporarily stored or buffered during patron entry provided that the buffer is automatically cleared as follows:

1. After the patron confirms that the account access entry is complete; or
2. If the patron fails to complete the account access entry within one minute.

(e) Unless otherwise approved by the Division, an Internet and mobile gaming system shall associate a patron's account with a single client terminal during each patron session.

(f) Each patron session shall have a unique identifier assigned by the Internet or mobile gaming system.

(g) The Internet and mobile gaming system shall immediately terminate a patron session whenever:

1. Required by the Division or licensee;
2. The patron ends a session;
3. The patron fails any authentication during a game or patron session; or
4. A system error impacts game play.

(h) Internet and mobile gaming systems shall employ a mechanism that can detect and prevent any patron initiated wagering or withdrawal activity that would result in a negative balance of an Internet and mobile gaming account.

(i) Internet and mobile gaming systems shall disable a patron's account after three failed log in attempts and require strong authentication to recover or reset a password or

username.

(j) Internet and mobile gaming systems shall employ a mechanism that places an Internet or mobile gaming account in a suspended mode:

1. When requested by the patron for a specified period of time, which shall not be less than 72 hours;
2. When required by the Division; or
3. When initiated by a licensee that has evidence that indicates:
  - i. Illegal activity;
  - ii. A negative patron account balance; or
  - iii. A violation of the terms of service has taken place on an authorized patron's Internet or mobile gaming account.

(k) When an Internet or mobile gaming account is in a suspended mode, the licensee shall not remove funds from the account without prior approval from the Division and the system shall:

1. Prevent the patron from engaging in Internet or mobile gaming;
2. Prevent the patron from depositing funds;
3. Prevent the patron from withdrawing funds from his or her Internet or mobile gaming account, unless the suspended mode was initiated by the patron;
4. Prevent the patron from making changes to his or her Internet or mobile gaming account;
5. Prevent the removal of the Internet or mobile gaming account from the

gaming system; and

6. Prominently display to the authorized patron that the account is in a suspended mode, the restrictions placed on the account, and any further course of action needed to remove the suspended mode.

(l) A licensee shall notify the Internet or mobile wagering account holder via electronic mail, regular mail, or other method approved by the Division, whenever his or her account has been closed or placed in a suspended mode. Such notification shall include the restrictions placed on the account and any further course of action needed to remove the restriction.

(m) A suspended account may be restored:

1. Upon expiration of the time period established by the patron;
2. When permission is granted by the Division; or
3. When the licensee has lifted the suspended status.

(n) An Internet or mobile gaming system shall be capable of allowing a patron to establish the following responsible gaming limits. Any decrease to these limits shall be effective no later than the patron's next log in. Any increase to these limits shall become effective only after the time period of the previous limit has expired and the patron reaffirms the requested increase.

1. A deposit limit shall be offered on a daily, weekly, and monthly basis and shall specify the maximum amount of money a patron may deposit into his or her Internet gaming account during a particular period of time.
2. A spend limit shall be offered on a daily, weekly, and monthly basis and

shall specify the maximum amount of patron deposits that may be put at risk during a particular period of time.

3. A time-based limit shall be offered on a daily basis and shall specify the maximum amount of time, measured hourly from the patron's log in to log off, a patron may spend playing on an Internet gaming system, provided, however, that if the time-based limit is reached a patron will be permitted to complete any round of play, or active or prepaid tournament.

(o) An Internet or mobile gaming system shall implement automated procedures to identify and prevent the following persons from placing a wager:

1. Persons under the age of 21;
2. Persons on the self-exclusion list;
3. Persons on the Internet self-exclusion list;
4. Persons on the exclusion list;
5. Patrons who have had their account closed;
6. Patrons who have had their account suspended; and
7. Patrons who have exceeded their spend or time-based limit.

(p) An Internet or mobile gaming system shall provide a patron with the ability to view the outcome and subsequent account balance changes for the previous game, including a game completed subsequent to an outage (for example, network disconnection or client terminal malfunction).

(q) Unless otherwise approved by the Division, a record of all bonus and

promotional wagering offers related to Internet gaming shall be maintained in an electronic file that is readily available to the Division. All bonus and promotional wagering offers shall be stated in clear and unambiguous terms and shall be readily accessible by the patron. Offer terms and the record of all offers shall include at a minimum:

1. The date and time presented;
2. The date and time the offer is active and expires; and
3. Patron eligibility and redemption requirements.

(r) Manual adjustments by a casino licensee to Internet or mobile gaming data shall only be made by a software application approved by the Division.

(s) When a patron's lifetime deposits exceed \$ 2,500, the Internet or mobile gaming system shall immediately prevent any wagering until the patron acknowledges the following:

1. The patron has met the Division's gaming deposit threshold of \$ 2,500;
2. The patron has the capability to establish responsible gaming limits or close his or her account; and
3. The availability of 1-800-GAMBLER.

(t) The acknowledgement prescribed in (s)2 and 3 above shall be required on an annual basis thereafter.

(u) Internet gaming operators may utilize celebrity or other players to participate in peer to peer games for advertising or publicity purposes. Such players may have their accounts funded in whole or in part by an Internet gaming operator. An Internet gaming operator may pay a fee to the celebrity player. If a celebrity player is utilized and the celebrity player generates winnings that the Internet gaming operator does not permit the celebrity player to

retain, such winnings shall be included as Internet gaming gross revenue in a manner approved by the Division.

**13:690-1.5 Server-based gaming system; server-based games (table games, slot machines, and peer-to-peer gaming)**

(a) A server-based gaming system shall:

1. Comply with N.J.A.C. 13:69D-2;
2. Ensure continued operation in the event of a temporary power failure via an Uninterrupted Power Supply (UPS);
3. Maintain the integrity of the hardware, software, and data contained therein in the event of a shutdown;
4. Ensure the system recovers to the state it was in prior to any system outage;
5. Have physical and logical controls, as appropriate, to ensure that only authorized hardware components are connected to the system;
6. Ensure only approved client terminal software is used to conduct gaming activity;
7. Ensure that client terminals meet minimum compatibility requirements in order to conduct gaming activity; and
8. Be designed with a method for the Division to approve all game software installations before the game software may be offered to patrons.

(b) Any software used in server-based gaming shall be designed with a method to permit the validation of software using a Gaming Authentication Tool (GAT) or other method

approved by the Division.

(c) A server-based gaming system shall perform an authentication process on all control programs on demand and at least once every 24 hours.

(d) Server-based gaming systems shall provide a mechanism to notify the operator whenever an authentication process has failed. The operator shall immediately cease operation of the software and immediately notify the Division.

(e) Client terminals used with a server-based gaming system may be installed in a fixed location in the casino hotel facility as approved by the Division, and may be configured to offer multiple and simultaneous wagering opportunities to patrons. The Division may require such location to be used in the calculation of casino floor space.

(f) A server-based gaming system shall be designed with a methodology approved by the Division to ensure secure communications between a client terminal and a server-based gaming system.

(g) Server-based gaming systems shall notify patrons, via the client terminal, of software that is scheduled for or ordered to be removed by the Division. Unless otherwise authorized by the Division, the system shall:

1. Immediately disable a game, which has been ordered to be removed by the Division; or
2. Notify the patron that the game will be removed at the conclusion of the round of play.

(h) A server-based gaming system shall be designed with a method to automatically identify potential collusion or cheating activity and shall provide a method for a patron to report such activity to the licensee.

(i) Server-based gaming systems shall provide a patron with the ability to view the outcome and subsequent account balance changes for the previous game including a game completed subsequent to an outage (for example, network disconnection or client terminal malfunction).

(j) The following information shall be readily available through a client terminal before a patron begins play on an Internet or mobile gaming system and at all times during play, where applicable:

1. Sufficient information to identify the specific game selected;
2. Game play and payout rules, which shall not rely on sound to convey their meaning; and
3. All charges imposed on patrons, such as fees, rake, and vigorish.

(k) Server-based gaming systems with client terminals that utilize a bill changer or are connected to a gaming voucher system shall:

1. Be permitted exclusively on approved casino floor space;
2. Comply with all applicable Division rules governing slot machines and electronic table games; and

3. Provide for revenue reporting separately as server-based games on the Slot Win Report pursuant to N.J.A.C. 13:69D-1.43A.

(l) Game play shall be initiated only after a patron has affirmatively placed a wager and activated play. No auto play feature shall be permitted in game software unless authorized by the Division.

(m) Unless otherwise authorized by the Division, all server-based table games shall:

1. Accurately represent the layout and equipment used to play its corresponding authorized non-electronic table game including, when applicable, wagering areas, cards, dice, or tiles;
2. Function in accordance with approved rules for its corresponding authorized non-electronic table game;
3. Function as approved by the Division pursuant to the software submission process;
4. Conspicuously indicate minimum and maximum wagers; and
5. Contain help screens that provide information and rules regarding approved variations, such as the number of decks used, special odds, and supplemental wagers.

(n) Server-based table games may be designed to permit a patron to occupy more than one betting position at an individual game, provided that same option is available in its

authorized non-electronic version.

(o) All server-based slot machine games shall comply with standards established by N.J.A.C. 13:69E-1.28A and 1.28G.

(p) Server-based games shall operate in accordance with rules submitted to and approved by the Division, which describe procedures in case of patron disconnection from the network server during a game in accordance with the following:

1. Where no patron input is required to complete the game, the game shall produce the final outcome as determined by the RNG and the patron's account shall be updated accordingly;
2. For single patron games, where patron input is required to complete the game, the game shall:
  - i. Upon subsequent activation, return the patron to the game state immediately prior to the interruption and allow the patron to complete the game; or
  - ii. After an approved period of time, cancel the game resulting in either the forfeiture of the patron's wager or the return of funds to the patron in accordance with a methodology approved by the Division; or
  - iii. Make a selection on behalf of the patron in order to complete the game; and

3. For games with multiple patrons, where the result is affected by the time to respond to a game event, such as poker or blackjack, the game shall, after an approved period of time, make a selection on behalf of the patron in order to complete the game.

(q) Unless otherwise authorized by the Division, server-based table game software used to conduct peer-to-peer gaming, such as poker, shall:

1. Be prohibited from utilizing automated computerized patrons to compete with patrons; and
2. Provide a patron the option to be randomly assigned to a table where all patrons have been selected at random.

(r) Unless otherwise authorized by the Division, server-based table games with multiple patrons, where the result is affected by the time to respond to a game event, such as poker or blackjack, shall be designed with a game recall feature which allows the patron to recall the last five game outcomes and associated wagers. The game recall information shall be viewable from the client terminal.

(s) A server-based gaming system utilizing an approved data warehouse shall be designed to securely transmit a copy of all transactions received from a server-based gaming system's primary gaming equipment to the data warehouse. The data stored in the data warehouse shall be owned by the Internet gaming permit holder.

(t) Equipment used by a server-based gaming system for the sole purpose of

restoring data following a disaster shall be located in the State of New Jersey.

(u) All wagers pending disposition under (p)2i above shall be held in a pending wager account.

(v) One or more Internet gaming operators may, with prior approval of the Division, participate in an Internet gaming network in accordance with a written agreement that has been executed by each Internet gaming operator. The agreement shall:

1. Designate the party responsible for the operation and administration of the network;
2. Identify and describe the role, authority, and responsibilities of each participating Internet gaming operator and, if applicable, any third-party network provider;
3. Include a description of the process by which significant decisions that affect the operation of the network are approved and implemented by each operator; and
4. Allocate the Internet gaming gross revenue and tax liability thereon between the participating Internet gaming operators to ensure the accurate reporting thereof.

(w) Each party to an agreement for an Internet gaming network in (v) above shall be jointly and severally liable for acts, omissions, and violations of the Act or the rules of the Division.

(x) An Internet gaming operator may conduct an Internet gaming tournament for any game approved by the Division pursuant to N.J.S.A. 5:12-5. No Internet gaming tournament shall be conducted unless the Internet gaming operator, prior to the first time a tournament type is offered, files written notice with the Division of its intent to offer such a tournament. Each Internet gaming operator shall have on file internal controls for each tournament type, which shall address at a minimum:

1. Game type (for example, hold 'em poker);
2. Rules concerning tournament play and participation;
3. Entry fee amount(s) per participant;
4. Funding source amount(s) comprising the prize pool (for example, buy-ins, re-buys, or add-ons);
5. Prize structure on payout; and
6. Methodology for determining win

**13:690-1.6 Table game simulcasting**

(a) A casino licensee shall obtain Division approval to simulcast authorized table games.

(b) Table game simulcasting shall utilize a simulcast control server for the purpose of recording all wagering activity and game results. The simulcast control server shall:

1. Provide the patron with real time visual access to the live game being played;
2. Prevent anyone from accessing the wagering outcome prior to finalizing a wager;
3. Record dealer-verified game results before posting; and
4. Be equipped with a mechanism to void game results, if necessary.

(c) Information about wagering conducted during table game simulcasting shall be provided to a patron in real time and shall include all game play information that would normally be available from the table game equivalent. Such information shall include at a minimum:

1. The table number and location;
2. The table minimum and maximum wagers;
3. The number of decks used, if applicable;
4. Dealer actions, if applicable;
5. The amount wagered;

6. The game outcome;
7. Vigorish amount, if applicable;
8. Payout odds, where applicable; and
9. The amount won or lost.

(d) The following information shall be readily available through the client terminal before a patron begins play on an Internet or mobile gaming system and at all times during play, where applicable:

1. Sufficient information to identify the specific game selected;
2. Game play and payout rules, which shall not rely on sound to convey their meaning; and
3. All charges imposed on the patron, such as fees and vigorish, when applicable.

**13:690-1.7 Communications standards for gaming systems**

(a) All gaming systems authorized by this chapter shall be designed to ensure the integrity and confidentiality of all patron communications and ensure the proper identification of the sender and receiver of all communications. If communications are performed across a public or third-party network, the system shall either encrypt the data packets or utilize a secure communications protocol to ensure the integrity and confidentiality of the transmission.

(b) Wireless communications between the authenticator device and the authentication server shall be encrypted using a robust method such as IPsec, WPA2, or other method approved by the Division.

(c) A licensee shall mask the service set identification (SSID) of the gaming system network to ensure that it is unavailable to the general public.

(d) All communications that contain patron account numbers, user identification, or passwords and PINs shall utilize a secure method of transfer (for example, 128-bit key encryption) approved by the Division.

(e) Only devices authorized by the Division shall be permitted to establish communications between a client terminal and a gaming system.

(f) Server-based gaming systems shall maintain an internal clock that reflects the current date and time that shall be used to synchronize the time and date between all components that comprise the gaming system. The system date and time shall be visible to the patron when logged on.

**13:690-1.8 Mandatory gaming system logging**

(a) Gaming systems shall employ a mechanism capable of maintaining a separate copy of all of the information required to be logged in this section on a separate and independent logging device capable of being administered by an employee with no incompatible function. If the gaming system can be configured such that any logged data is contained in a secure transaction file, a separate logging device is not required.

(b) Gaming systems shall provide a mechanism for the Division to query and export, in a format required by the Division, all gaming system data.

(c) Gaming systems shall electronically log the date and time any Internet or mobile gaming account is created or terminated (Account Creation Log).

(d) A gaming system shall maintain all information necessary to recreate patron game play and account activity during each patron session, including any identity or location verifications, for a period of no less than 10 years.

(e) Unless otherwise authorized by the Division, when software is installed on or removed from a gaming system, such action shall be recorded in a secure electronic log (Software Installation/Removal Log), which shall include:

1. The date and time of the action;
2. The identification of the software; and
3. The identity of the person performing the action.

(f) Unless otherwise authorized by the Division, when a change in the availability of

game software is made on a gaming system, the change shall be recorded in a secure electronic log (Game Availability Log), which shall include:

1. The date and time of the change;
2. The identification of the software; and
3. The identity of the person performing the change.

(g) Unless otherwise exempted by the Division, a gaming system shall record all promotional offers (Promotions Log) issued through the system. Such log shall provide the information necessary to audit compliance with the terms and conditions of current and previous offers.

(h) Results of all authentication attempts shall be retained in an electronic log (Authentication Log) and accessible for a period of 90 days.

(i) All adjustments to gaming system data made using stored procedures shall be recorded in an electronic log (Adjustments Log), which lists:

1. The date and time;
2. The identification and user ID of user performing the action;
3. A description of the event or action taken; and
4. The initial and ending values of any data altered as a part of the event or action performed.

**13:690-1.9 Required reports; reconciliation; test accounts**

(a) The system shall be designed to generate reports as specified by the Division that shall include at a minimum:

1. The report title;
2. The version number of the current system software and report definition;
3. The date or time period of activity, or description "as of" a point in time;
4. The date and time the report was generated;
5. Page numbering, indicating the current page and total number of pages;
6. Subtotals and grand totals as required by the Division;
7. A description of any filters applied to the data presented in the document;
8. Column and row titles, if applicable; and
9. The name of the casino licensee.

(b) All required reports shall be generated by the system, even if the period specified contains no data to be presented. The report generated shall indicate all required information and contain an indication of "No Activity" or similar message if no data appears for the period specified.

(c) Gaming systems shall provide a mechanism to export the data generated for any

report to a format approved by the Division.

(d) An Internet gaming system and a mobile gaming system shall generate the following daily reports, at a minimum, for each gaming day in order to calculate the taxable revenue:

1. A Patron Account Summary Report, which shall include transaction information for each patron account for the following categories:
  - i. Beginning balance;
  - ii. Total amount of deposits;
  - iii. Total amount of non-cashable bonuses deposited;
  - iv. Total amount of non-cashable bonuses wagered;
  - v. Total amount of non-cashable bonuses expired;
  - vi. Total amount of transfers to games;
  - vii. Total amount of transfers from games;
  - viii. Total amount of withdrawals;
  - ix. Total amount of funds on game at the beginning of the gaming day (the amount of pending wagers at the end of the prior gaming day);
  - x. Total amount of funds on game at the end of the gaming day (the

amount of pending wagers plus funds transferred to a game but not yet wagered);

xi. Win or loss, calculated as the amount of transfers from games and beginning funds on game less the amount of transfers to games and ending funds on game; and

xii. Ending balance;

2. A Wagering Summary Report, which shall include the following by authorized game and poker variation, as applicable:

i. Total amounts wagered;

ii. Total amounts won;

iii. Total tournament entry or participation fees;

iv. Rake or vigorish;

v. Total amounts of guaranteed funds paid to players;

vi. Total amounts due to or from an Internet gaming network; and

vii. Win or loss calculated as the net of the total amounts wagered and total amounts won plus tournament entry fees, rake, or vigorish, guaranteed funds, and amounts due to or from an Internet gaming network; and

3. A Non-cashable Promotional Account Balance Report, which shall include the ending non-cashable promotional balance in each patron account.

(e) An Internet gaming network shall generate the following daily reports for each participating casino operator, at a minimum, for each gaming day in order to reconcile the daily Internet gross gaming revenue:

1. A Network Patron Account Summary Report, which shall include the following transaction information for each patron account:
  - i. Patron identification number;
  - ii. Total amount of transfers to games;
  - iii. Total amount of transfers from games;
  - iv. Win or loss statistics;
  - v. Total amount of rake; and
  - vi. Total amount of entry fees; and
2. A Network Wagering Summary Report, which shall include the following game activity by authorized game or poker variation:
  - i. Total amounts wagered;
  - ii. Total amounts won;
  - iii. Total tournament entry or participation fees;

- iv. Rake or vigorish;
- v. Total amounts of guaranteed funds paid to players; and
- vi. Win or loss statistics, calculated as the net of the total amounts wagered and total amounts won plus tournament entry fees, rake, or vigorish, and guaranteed funds.

(f) A casino licensee shall utilize the Wagering Summary Report to calculate mobile gaming gross revenue and Internet gaming gross revenue on a daily basis for reporting purposes. In addition, the casino licensee shall:

1. Prepare a Variance Report documenting the win/loss amounts from the Patron Account and Wagering Summary Reports;
2. Calculate the variance between the two amounts;
3. Document the reason for the variance; and
4. Report a manual adjustment to increase revenue by the amount of the variance whenever the total of the Patron Account Summary Report is greater than the total of the Wagering Summary Report, unless the reason for the variance as documented in (f)3 above is sufficient to support a determination that revenue was properly reported.

(g) In lieu of (f) above, a licensee may accumulate the daily Variance Report information on a monthly Variance Report in a manner described in the licensee's internal

controls.

(h) A gaming system shall generate, on a daily basis commencing one year after the creation of the first Internet or mobile gaming account, a Dormant Account Report, which shall list all patron accounts including the Pending Wager Account that have had no activity for a period of one year. The report shall include:

1. The patron name and account number;
2. The date of the last transaction; and
3. The account balance.

(i) No voids of completed wagering transactions shall occur without Division approval.

(j) A gaming system shall generate a Performance Report, which compares the theoretical Return to Patron (RTP) as defined in N.J.A.C. 13:69D-1.1 to the actual RTP of each game offered by a gaming system. The report shall also provide the total number of rounds of play for each game and shall be generated and reviewed monthly by the licensee to evaluate the performance of all games offered to the public. The Performance Report shall include the data required by this subsection from the first day Internet gaming was offered to the date of the report.

(k) A gaming system shall generate a Patron Account Adjustments Report, which shall be reviewed on a daily basis by either the permit holder or Internet gaming intermediary to evaluate the legitimacy of patron account adjustments. If the daily review is performed by

the Internet gaming intermediary, the permit holder shall conduct a weekly review of the Patron Account Adjustment Reports. Unless otherwise authorized by the Division, the report shall at a minimum include:

1. The patron's name;
2. An account number;
3. The date and time of the adjustment;
4. The person who performed the adjustment;
5. The reason for the adjustment; and
6. The amount of the adjustment.

(l) An Internet gaming system shall generate a report on a weekly basis identifying potential problem gamblers, including those patrons who self-report. The casino licensee shall review the report and document any action taken.

(m) An Internet gaming system shall be capable of generating a Pending Transaction Account Report, which shall include and separately itemize all pending transactions for each patron account, including, but not limited to, funds on game and deposits and withdrawals not yet cleared.

(n) In accordance with internal controls, a casino licensee shall periodically submit to the Division a copy of the bank statement that reflects the balance of the restricted account maintained to protect patron funds required pursuant to N.J.A.C. 13:69O-1.3(j).

(o) Internet gaming operators may establish test accounts to be used to test the various components and operation of an Internet gaming system in accordance with internal controls, which, at a minimum, address the following:

1. The procedures for the issuance of funds used for testing, including the identification of who is authorized to issue the funds and the maximum amount of funds that may be issued;
2. The procedures for assigning each test account for use by only one person;
3. The maintenance of a record for all test accounts, to include when they are active, to whom they are issued, and the employer of the person to whom they are issued;
4. The procedures for the auditing of testing activity by the Internet gaming permit holder to ensure the accountability of funds used for testing and proper adjustments to Internet gross revenue;
5. The ability to withdraw funds from a test account without the Division's prior approval shall be disabled by the Internet gaming system;
6. For testing of peer-to-peer games:
  - i. A person may utilize multiple test accounts; and
  - ii. Test account play shall be conducted without the participation of

patrons; and

7. In addition to the required internal controls in (o)1 through 6 above, for any wagering on test accounts conducted outside the boundaries of the State of New Jersey, the procedures for auditing of testing activity shall include the method for ascertaining the location from which persons using test accounts access the Internet gaming system.

## **SUBCHAPTER 2. INTERNET GAMING RECIPROCAL AGREEMENTS**

### **13:690-2.1 Reciprocal agreements; prohibition of Internet gaming in establishments that do not hold an Internet gaming permit**

(a) The Division may authorize a permit holder in New Jersey to participate in Internet gaming with patrons located in jurisdictions outside New Jersey pursuant to a reciprocal agreement that has been entered into by the State of New Jersey, if the Division determines that such wagering is not inconsistent with Federal law or the law of the jurisdiction in which any such person is located or such wagering is conducted.

(b) No organization or commercial enterprise, other than a casino located in Atlantic City or its Internet gaming affiliate that has been issued a permit to conduct Internet gaming and has located all of its equipment used to conduct Internet gaming, including computers, servers, monitoring rooms, and hubs, in Atlantic City, shall make its premises available for placing wagers at casinos using the Internet or advertise that its premises may be used for such purpose.

(c) An organization or commercial enterprise that is determined by the Division to have violated the provisions of this section shall be subject to a penalty of \$ 1,000 per patron per day for making its premises available for placing wagers at casinos using the Internet and of \$ 10,000 per violation for advertising that its premises may be used for such purpose.