

CHAPTER 439a. JUNKET ENTERPRISES

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Authority

The provisions of this Chapter 439a issued under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. §§ 1202(b)(9), (13)—(20), (23) and (30), 1202.1(b) and (e), 1205, 1311.1, 1311.2, 1317, 1317.1, 1319, 1321(a)(1) and (2), 1325, 1326, 1331 and 1406, unless otherwise noted.

Source

The provisions of this Chapter 439a adopted October 26, 2007, effective October 27, 2007, 37 Pa.B. 5752, unless otherwise noted.

Cross References

This Chapter cited in 58 Pa. Code § 439b.1 (relating to gaming junket representatives).

§ 439a.1. Definitions.

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

Gaming junket—A gaming arrangement made by a gaming junket enterprise or a gaming junket representative for an individual who:

(i) Is selected or approved for participation in the arrangement based on the individual's ability to satisfy specific financial qualifications and the likelihood that the individual will participate in playing slot machines or table games and patronize a licensed facility for the purpose of gaming.

(ii) Receives complimentary services or gifts from a slot machine licensee for participation in the arrangement including the costs of transportation, food, lodging or entertainment.

Gaming junket enterprise—A person, other than a slot machine licensee, that employs or otherwise engages the services of a gaming junket representative to arrange gaming junkets to a licensed facility, regardless of whether the activities of the person or the gaming junket representative occur within this Commonwealth.

Gaming junket representative—An individual, other than an employee of a slot machine licensee, who arranges and negotiates the terms of a gaming junket.

ket or selects individuals to participate in a gaming junket to a licensed facility, regardless of whether the activities of the individual occur within this Commonwealth.

Authority

The provisions of this § 439a.1 amended under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. Chapter 16.

Source

The provisions of this § 439a.1 amended May 13, 2011, effective May 14, 2011, 41 Pa.B. 2439. Immediately preceding text appears at serial page (345587).

§ 439a.2. Gaming junket enterprise general requirements; participation in a gaming junket.

(a) A gaming junket enterprise seeking to conduct business with a slot machine licensee shall file a Gaming Junket Enterprise License Application and Disclosure Information Form with the Board.

(b) Prior to organizing a gaming junket to a licensed facility or receiving compensation from any person as a result of the conduct of a gaming junket, the gaming junket enterprise shall be licensed by the Board. A slot machine licensee may not engage the services of any gaming junket enterprise that has not been licensed. An agreement between a slot machine licensee and a gaming junket enterprise must contain a provision stating that the gaming junket enterprise shall obtain a Gaming Junket Enterprise License prior to organizing a gaming junket to a licensed facility or receiving compensation from any person as a result of the conduct of a gaming junket.

(c) A gaming junket enterprise may not employ or otherwise engage the services of a gaming junket representative except in accordance with § 439a.5 (relating to gaming junket representative general requirements).

(d) An individual may be selected or approved to participate in a gaming junket on the basis of one or more of the following:

(1) The ability to satisfy a financial qualification related to the individual's ability or willingness to gamble, which shall be deemed to occur whenever an individual, as an element of the arrangement, is required to perform one or more of the following:

- (i) Establish a customer deposit with a slot machine licensee.
- (ii) Demonstrate to a slot machine licensee the availability of a specified amount of cash or cash equivalent.
- (iii) Gamble to a predetermined level at the licensed facility.
- (iv) Comply with any similar obligation.

(2) The individual's propensity to gamble, which shall be deemed to occur when an individual has been selected or approved on the basis of one or more of the following:

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- (i) The previous satisfaction of a financial qualification in accordance with paragraph (1).
- (ii) An evaluation that the individual has a tendency to participate in gambling activities as the result of:
 - (A) An inquiry concerning the individual's tendency to gamble.
 - (B) Use of other means of determining that the individual has a tendency to participate in gambling activities.
- (e) A rebuttable presumption that an individual has been selected or approved for participation in a gaming junket based on the individual's propensity to gamble shall be created when the individual is provided, as part of the arrangement, one or more of the following:
 - (1) Complimentary accommodations.
 - (2) Complimentary food, entertainment or transportation which has a value of \$200 or more.

Authority

The provisions of this § 439a.2 amended under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. Chapter 16.

Source

The provisions of this § 439a.2 amended May 13, 2011, effective May 14, 2011, 41 Pa.B. 2439. Immediately preceding text appears at serial page (345588).

§ 439a.3. Gaming junket enterprise license applications.

- (a) An applicant for a gaming junket enterprise license shall submit to the Bureau of Licensing an original, one paper copy and one compact disc containing the Gaming Junket Enterprise License Application and Disclosure Information Form and additional applications as required under § 439a.4a (relating to individual and entity applications).
- (b) In addition to the materials required under subsection (a), an applicant for a gaming junket enterprise license, shall:
 - (1) Submit the nonrefundable application fee posted on the Board's web site (pgcb.state.pa.us).
 - (2) Promptly provide information requested by the Board and cooperate with the Board in investigations, hearings, enforcement and disciplinary actions.
 - (3) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications).
- (c) An applicant for a gaming junket enterprise license shall be required to reimburse the Board for any additional costs, based on the actual expenses incurred by the Board, in conducting the background investigation.
- (d) Prior to engaging the services of a gaming junket enterprise, the slot machine licensee shall submit to the Bureau of Licensing a Verification and Due Diligence Form certifying that the slot machine licensee has entered into an

agreement or contract with, and has investigated the background and qualifications of, the gaming junket enterprise. The agreement or contract must contain a provision stating that the gaming junket enterprise shall obtain a license prior to organizing a gaming junket to a licensed facility or receiving compensation from any person as a result of the conduct of a gaming junket.

Authority

The provisions of this § 439a.3 amended under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. Chapter 16.

Source

The provisions of this § 439a.3 amended May 13, 2011, effective May 14, 2011, 41 Pa.B. 2439. Immediately preceding text appears at serial page (345589).

§ 439a.4. [Reserved].

Authority

The provisions of this § 439a.4 reserved under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. Chapter 16.

Source

The provisions of this § 439a.4 reserved may 13, 2011, effective May 14, 2011, 41 Pa.B. 2439. Immediately preceding text appears at serial page (345589).

§ 439a.4a. Individual and entity applications.

(a) The following individuals shall be required to submit a Pennsylvania Personal History Disclosure Information Form—Gaming Junket Enterprise and be found qualified by the Board:

(1) Each officer and director of a gaming junket enterprise applicant or licensee. The term “officer” means a president, chief executive officer, chief financial officer, chief operating officer and any individual routinely performing corresponding functions with respect to an organization whether incorporated or unincorporated.

(2) Each individual who has a direct or indirect ownership or beneficial interest of 10% or more in the gaming junket enterprise. An applicant for a gaming junket enterprise license shall provide information or documentation requested by the Board necessary to determine compliance with this paragraph.

(b) Each entity or trust that directly owns 20% or more of the voting securities of a gaming junket enterprise applicant or licensee shall be required to submit a Gaming Junket Enterprise Form—Private Holding Company and be found qualified by the Board.

(c) A gaming junket representative is required to submit an electronic application, using the SLOTS Link system, and be found suitable to hold an occupation permit. An individual who wishes to receive an occupation permit under this chapter may provide the gaming junket enterprise with written authorization to

file an application on the individual's behalf. When an application for an occupation permit is filed using SLOTS Link, the additional documents required, including releases, shall be submitted to the Board within 10 days of the submission of the SLOTS Link application by an applicant for or a holder of a gaming junket enterprise license.

(d) The following persons may be required to submit a Gaming Junket Enterprise Form—Private Holding Company or a Pennsylvania Personal History Disclosure Form and be found qualified by the Board if the Board determines that the qualification of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth:

(1) An intermediary or holding company of a gaming junket enterprise applicant or licensee not otherwise required to be qualified.

(2) An officer or director of an intermediary or holding company of a gaming junket enterprise applicant or licensee.

(3) An employee of a gaming junket enterprise applicant or licensee who is not otherwise required to be qualified or permitted.

(4) A person that holds any direct or indirect ownership or beneficial interest in a gaming junket enterprise applicant or licensee, or has the right to any profits or distributions, directly or indirectly, from the gaming junket enterprise applicant or licensee.

(5) A trustee of a trust that is required to be found qualified under this section.

(e) Individuals who are required to submit applications in accordance with subsections (a), (c) and (d) shall submit fingerprints to the Board in a manner prescribed by the Bureau of Investigations and Enforcement.

(f) An applicant for an occupation permit and individuals, entities or trusts that are required to be found qualified shall be required to reimburse the Board for additional costs, based on the actual expenses incurred by the Board, in conducting the background investigation.

Authority

The provisions of this § 439a.4a issued under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. Chapter 16.

Source

The provisions of this § 439a.4a adopted May 13, 2011, effective May 14, 2011, 41 Pa.B. 2439.

Cross References

This section cited in 58 Pa. Code § 439a.3 (relating to gaming junket enterprise license applications).

§ 439a.5. Gaming junket representative general requirements.

(a) An individual may not act as a gaming junket representative in connection with a gaming junket to a licensed facility unless the individual has obtained

an occupation permit under § 435a.3 (relating to occupation permit) and is employed by a gaming junket enterprise that is licensed by the Board.

(b) A gaming junket representative may be employed by only one gaming junket enterprise at a time.

(c) An individual who is employed by a slot machine licensee and holds a valid occupation permit may act as a gaming junket representative. Board staff will evaluate all of the following indicia of employment to determine if an individual is a bona fide employee of a slot machine licensee versus an employee of a gaming junket enterprise:

(1) The individual receives a W-2 Form, wage and tax statement, from the slot machine licensee.

(2) The slot machine licensee has the right to control or direct what work shall be done and how it shall be performed.

(3) The individual is reimbursed by the slot machine licensee for business expenses incurred on behalf of the licensee.

(4) The individual participates in or receives benefits from the slot machine licensee such as insurance, pension plan, vacation pay or sick pay.

(d) An individual may not be considered an employee of a slot machine licensee but shall be considered an employee of a gaming junket enterprise if one of the following conditions is met:

(1) The individual receives an IRS Form 1099, miscellaneous income form, from the slot machine licensee.

(2) The individual is licensed or otherwise credentialed in another gaming jurisdiction as a junket enterprise/organizer or provides the same or similar services to gaming facilities in other markets.

(3) The individual receive compensation for services through the junket enterprise.

(4) The individual exhibits other indicia of genuine employment with a gaming junket enterprise, including Federal and State taxation withholdings.

Authority

The provisions of this § 439a.5 amended under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. §§ 1202(b)(30), 1322, 13A02(1) and (2), 13A27, 1602, 1604, 1608 and Chapter 16.

Source

The provisions of this § 439a.5 amended May 13, 2011, effective May 14, 2011, 41 Pa.B. 2439; amended November 1, 2019, effective November 2, 2019, 49 Pa.B. 6676. Immediately preceding text appears at serial pages (375089) to (375090).

Cross References

This section cited in 58 Pa. Code § 439a.2 (relating to gaming junket enterprise general requirements; participation in a gaming junket).

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§ 439a.6. [Reserved].**Authority**

The provisions of this § 439a.6 reserved under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. Chapter 16.

Source

The provisions of this § 439a.6 reserved May 13, 2011, effective May 14, 2011, 41 Pa.B. 2439. Immediately preceding text appears at serial page (345590).

§ 439a.6a. Gaming junket enterprise license and occupation permit term and renewal.

(a) A gaming junket enterprise license and gaming junket representative occupation permit issued under this chapter will be valid for 3 years from the date of Board approval.

(b) A renewal application shall be submitted to the Board at least 60 days prior to the expiration of the license or occupation permit.

(c) A license or occupation permit for which a completed renewal application and fee has been received by the Board will continue in effect until the Board sends written notification to the holder of the gaming junket enterprise license or occupation permit that the Board has approved or denied the license or occupation permit.

(d) The gaming junket enterprise license and the gaming junket representative occupation permit are nontransferable.

Authority

The provisions of this § 439a.6a issued under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. Chapter 16.

Source

The provisions of this § 439a.6a adopted May 13, 2011, effective May 14, 2011, 41 Pa.B. 2439.

§ 439a.6b. Conditional licenses.

(a) The Board may grant an applicant for a gaming junket enterprise license a conditional license to conduct junkets in this Commonwealth. To be eligible to obtain a conditional gaming junket enterprise license, the applicant shall:

(1) Submit completed gaming junket enterprise applications, including the nonrefundable application fees, as posted on the Board's web site, and pass a preliminary review.

(2) Submit agreements entered into between the slot machine licensee and the gaming junket enterprise or representative.

(3) Be licensed or credentialed, in good standing, to arrange or negotiate the terms of a gaming junket in a jurisdiction in the United States or Canada

that the Board has determined has licensing standards that are as comprehensive and thorough and provide similar adequate safeguards as those required under the act.

(4) Pass a preliminary review of the applicant's criminal history.

(5) Agree, in writing, that the grant of permission to conduct business with a conditional license does not create a right to continue to conduct business and that the Bureau of Licensing may rescind, at any time, the conditional licensure granted to the applicant, with or without prior notice to the applicant, if the Bureau of Licensing is notified that the suitability of the applicant is at issue or the applicant fails to cooperate in the application process.

(b) If the Office of Enforcement Counsel issues a Notice of Recommendation for Denial to an applicant that has received a conditional gaming junket enterprise license, the Bureau of Licensing may rescind the conditional license. If the conditional license is rescinded, the gaming junket enterprise shall cease conducting business by the date specified in the notice of the rescission sent to the conditional licensee.

(c) If the conditional license is rescinded, the Bureau of Licensing will notify the holder of the conditional license and the slot machine licensee by registered mail that:

(1) Permission for the conditional licensee to conduct business has been rescinded.

(2) The slot machine licensee shall cease conducting business with the gaming junket enterprise by the date specified in the notice.

(d) Pending a hearing on the Notice of Recommendation for Denial, the conditional licensee may not seek or conduct new business in this Commonwealth.

(e) The slot machine licensee shall investigate the background and qualifications of the applicant for a gaming junket enterprise license with whom the slot machine licensee intends to have a relationship or enter into a contractual agreement.

(f) The slot machine licensee has an affirmative duty to avoid agreements or relationships with persons applying for a gaming junket enterprise license whose background or association is injurious to the public health, safety, morals, good order and general welfare of the people of this Commonwealth or who threaten the integrity of gaming in this Commonwealth.

(g) The slot machine licensee has a duty to inform Board staff of an action by an applicant for or holder of a gaming junket enterprise license which the slot machine licensee believes would constitute a violation of the act or this part.

Authority

The provisions of this § 439a.6b issued under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. §§ 1202(b)(15) and (30), 1207(2), (5), (8) and (9), 1212, 13A02(2), 13A26(c), 1509, 1516, 1518(a)(13) and 1602.

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Source

The provisions of this § 439a.6b adopted November 7, 2014, effective November 8, 2014, 44 Pa.B. 7057.

§ 439a.7. [Reserved].**Authority**

The provisions of this § 439a.7 amended under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. Chapter 16; reserved under 4 Pa.C.S. §§ 1202(b)(30), 1322, 13A02(1) and (2), 13A27, 1602, 1604 and 1608.

Source

The provisions of this § 439a.7 amended September 25, 2009, effective September 26, 2009, 39 Pa.B. 5562; amended May 13, 2011, effective May 14, 2011, 41 Pa.B. 2439; reserved November 1, 2019, effective November 2, 2019, 49 Pa.B. 6676. Immediately preceding text appears at serial pages (375092) to (375093).

§ 439a.8. [Reserved].**Authority**

The provisions of this § 439a.8 amended under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. Chapter 16; reserved under 4 Pa.C.S. §§ 1202(b)(30), 1322, 13A02(1) and (2), 13A27, 1602, 1604 and 1608.

Source

The provisions of this § 439a.8 amended October 10, 2008, effective October 11, 2008, 38 Pa.B. 5652; amended September 25, 2009, effective September 26, 2009, 39 Pa.B. 5562; amended May 13, 2011, effective May 14, 2011, 41 Pa.B. 2439; reserved November 1, 2019, effective November 2, 2019, 49 Pa.B. 6676. Immediately preceding text appears at serial pages (375093) to (375094).

§ 439a.9. [Reserved].**Authority**

The provisions of this § 439a.9 amended under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. Chapter 16; reserved under 4 Pa.C.S. §§ 1202(b)(30), 1322, 13A02(1) and (2), 13A27, 1602, 1604 and 1608.

Source

The provisions of this § 439a.9 amended May 13, 2011, effective May 14, 2011, 41 Pa.B. 2439; reserved November 1, 2019, effective November 2, 2019, 49 Pa.B. 6676. Immediately preceding text appears at serial page (375094).

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§ 439a.10. Monthly gaming junket reports.

(a) Each slot machine licensee shall, on or before the last day of the month, file with the Bureau of Casino Compliance and the Bureau of Investigations and Enforcement a monthly gaming junket report for the preceding month. The monthly gaming junket report must contain all of the following:

- (1) The name of the gaming junket enterprise.
- (2) The name and gaming identification number of each individual who performed the services of a gaming junket representative.
- (3) Patron name.
- (4) Patron address.
- (5) Patron account number.
- (6) Date of association with the gaming junket enterprise or gaming junket representative.
- (7) Date of the trip.
- (8) Table games theoretical win.
- (9) Table games actual win.
- (10) Slot machine theoretical win.
- (11) Slot machine actual win.
- (12) The actual amount of complimentary goods or services provided to each junket participant.
- (13) Patron's outstanding markers.
- (14) Table game percentage rate paid.
- (15) Slot machine percentage rate paid.
- (16) Commission accrued per patron.
- (17) Commission paid per patron.
- (18) Total amount of commission paid to each gaming junket enterprise or representative.
- (19) Other information as requested by Board staff.

(b) Copies of the monthly gaming junket reports shall be maintained on the premises of the licensed facility for a minimum of 5 years and shall be made available to Board staff upon request.

(c) If there is no junket activity in the preceding month, the slot machine licensee shall notify the Bureau of Investigations and Enforcement and the Bureau of Casino Compliance, in accordance with subsection (a), that junket activity has not occurred during the previous month.

(d) In addition to the monthly gaming junket report, the licensee shall submit a list of all employees who conduct business on behalf of the slot machine licensee with a gaming junket representative or gaming junket enterprise on a full-time, part-time or temporary basis.

(e) An employee of the slot machine licensee shall certify the list of employees and the monthly gaming junket report submitted in accordance with subsections (a) and (d).

Authority

The provisions of this § 439a.10 amended under the Pennsylvania Race Horse Development and Gaming Act, under 4 Pa.C.S. §§ 1202(b)(30), 1322, 13A02(1) and (2), 13A27, 1602, 1604, 1608 and Chapter 16.

Source

The provisions of this § 439a.10 amended October 10, 2008, effective October 11, 2008, 38 Pa.B. 5652; amended September 25, 2009, effective September 26, 2009, 39 Pa.B. 5562; amended May 13, 2011, effective May 14, 2011, 41 Pa.B. 2439; amended November 1, 2019, effective November 2, 2019, 49 Pa.B. 6676. Immediately preceding text appears at serial pages (375094) to (375095).

§ 439a.11. Purchase of patron lists.

- (a) Each slot machine licensee, gaming junket representative and gaming junket enterprise shall prepare and maintain a report with respect to each list of names of gaming junket patrons or potential gaming junket patrons purchased from or for which compensation was provided to any source whatsoever.
- (b) The report required under subsection (a) must include:
 - (1) The name and address of the person or enterprise selling the list.
 - (2) The purchase price paid for the list or any other terms of compensation related to the transaction.
 - (3) The date of purchase of the list.
 - (4) The zip codes of all participants or potential participants.
- (c) The report required under subsection (a) shall be filed with the Bureau of Gaming Operations, no later than 7 days after the receipt of the list by the purchaser.

Authority

The provisions of this § 439a.11 amended under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. Chapter 16.

Source

The provisions of this § 439a.11 amended October 10, 2008, effective October 11, 2008, 38 Pa.B. 5652; amended September 25, 2009, effective September 26, 2009, 39 Pa.B. 5562; amended May 13, 2011, effective May 14, 2011, 41 Pa.B. 2439. Immediately preceding text appears at serial page (345592).

§ 439a.12. Gaming junket enterprise and representative prohibitions.

- (a) Gaming junket representatives and qualifiers of a gaming junket enterprise shall comply with the wagering restrictions in § 435a.1 (relating to general provisions).
- (b) A gaming junket enterprise or gaming junket representative may not:
 - (1) Engage in efforts to collect on any check provided by a gaming junket participant that has been returned by a financial institution.
 - (2) Exercise approval authority over the authorization or issuance of credit under section 13A27 of the act (relating to other financial transactions).

(3) Receive or retain a fee from an individual for the privilege of participating in a gaming junket.

(4) Pay for any service, including transportation, or other thing of value provided to a participant participating in a gaming junket except as authorized by this part.

Authority

The provisions of this § 439a.12 amended under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. Chapter 16.

Source

The provisions of this § 439a.12 amended May 13, 2011, effective May 14, 2011, 41 Pa.B. 2439. Immediately preceding text appears at serial page (345593).

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