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CHAPTER 439. Junkets

§439.1. Definitions.

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

Compensation - Any form of remuneration whatsoever, including, the payment of cash, the forgiveness or forbearance of a debt, or the direct or indirect provision of a product, service or item without charge or for less than full value.

Complimentary accommodations - A hotel accommodation provided to a person at no cost, or at a reduced price not generally available to the public under similar circumstances; provided, however, that the term shall include any hotel room provided to a person at a reduced price due to the anticipated or actual gaming activities of that person.

Complimentary service or item - A service or item provided directly or indirectly by a slot machine licensee at no cost or at a reduced price.

Junket -

(i) An arrangement made between a slot machine licensee and a junket enterprise or its junket representative, the purpose of which is to induce any person, selected or approved, to come to a licensed facility for the purpose of gambling and pursuant to which, and as consideration for which, any or all of the cost of transportation, food, lodging and entertainment for said person is directly or indirectly paid by a slot machine licensee. The person

shall be selected or approved on the basis of one or more of the following:

(A) His or her ability to satisfy a financial qualification obligation related to his or her ability or willingness to gamble, which shall be deemed to occur whenever a person, as an element of the arrangement is required to perform one or more of the following:

(1) Establish a customer deposit with a slot machine licensee.

(2) Demonstrate to a slot machine licensee the availability of a specified amount of cash or cash equivalent.

(3) Gamble to a predetermined level at the licensed facility.

(4) Comply with any similar obligation.

(B) His or her propensity to gamble, which shall be deemed to occur whenever that person has been selected or approved on the basis of one or more of the following:

(1) The previous satisfaction of a financial qualification obligation in accordance with the provisions of subsection (A).

(2) An evaluation that the person has a tendency to participate in gambling activities as the result of:

(i) An inquiry concerning the person's tendency to gamble.

(ii) Use of other means of determining that the person has a tendency to participate in gambling activities.

(ii) A rebuttable presumption that a person has been selected or approved for participation in an arrangement on a basis related to his or her propensity to gamble shall be created whenever such person is provided with one or more of the following:

(A) Complimentary accommodations as part of the arrangement.

(B) Complimentary food, entertainment or transportation which has a value of \$200.00 or more.

Junket enterprise - A person, other than a slot machine licensee, who employs or otherwise engages the services of a junket representative in connection with a junket to a licensed facility, regardless of whether or not such activities occur within the Commonwealth.

Junket representative -

(i) A natural person who negotiates the terms of, engages in the referral, procurement or selection of persons who may participate in any junket to a licensed facility,

regardless of whether or not those activities occur within the Commonwealth.

(ii) *Exception.* A gaming employee of a slot machine licensee who performs the duties and functions listed in subsection (i) for the licensed facility is not a junket representative.

§ 439.2. Junket enterprise license requirements.

(a) Each slot machine licensee must file a Junket Enterprise License Form (JELF) with the Board in order to conduct business with a junket enterprise.

(b) All junket enterprise license forms must be submitted by a slot machine licensee or applicant with a verification provided by the slot machine licensee or applicant that the junket enterprise's services will be utilized at the licensed facility.

(c) A junket enterprise shall be licensed as a junket enterprise prior to a slot machine licensee permitting a junket involving that junket enterprise to arrive at its licensed facility. A junket enterprise shall be considered "involved" in a junket to a licensed facility if it receives any compensation whatsoever from any person as a result of the conduct of the junket. No slot machine licensee may engage the services of any junket enterprise which has not been licensed.

§ 439.3. Junket enterprise license form.

A Junket Enterprise License Form (JELF) shall consist of an application processing fee and shall be in a format prescribed by the Board requesting the following information:

(1) Any official or trade name used.

(2) Current and former business addresses.

(3) Telephone number.

(4) The location of the applicant's business, a description of the type of junket services to be provided, a description of the geographic area from which the junkets will originate and the name of the slot machine licensees or applicants to which junkets will be provided.

(5) Federal Employer Identification Number/Tax Identification Number.

(6) Whether the junket enterprise is minority- or women-owned and controlled and the junket enterprise certification number, pursuant to Chapter 481.

(7) Form of business and a copy of the certificate of incorporation, charter, by-laws, partnership agreement, trust agreement or other basic documentation of the junket enterprise.

(8) The date on which a formal acceptance of the agreement to conduct business with a slot machine licensee

or applicant occurred and a copy of the agreement or in the absence of a written agreement, a description thereof, including the expected duration and compensation.

(9) Names and addresses of all subsidiaries.

(10) Whether the applicant has had any registration, license, permit or certificate granted, denied, suspended, conditioned or revoked by any government agency in the Commonwealth or any other jurisdiction, the nature of such registration, license, permit or certificate, the agency and its location, the date of such action and the facts related thereto.

(11) The names, addresses, title or position, date of birth and information concerning any gaming licenses, registrations or permits previously or currently applied for in any jurisdiction, for each of the following:

(i) Any individual who entered into the agreement with or will deal directly with the slot machine licensee or applicant, including junket representatives; the immediate supervisors of such persons; and all persons responsible for the office out of which such junket representatives and supervisors work.

(ii) Any officer, partner, or director who will be involved in the conduct of the junket business with the slot machine licensee or applicant.

(iii) If the junket enterprise is a sole proprietorship, the sole proprietor.

(iv) Each beneficial owner of more than five percent of the junket enterprise and the percentage of that ownership.

(12) The name, address and percentage of ownership of each entity directly owning more than five percent of the junket enterprise or its business.

(13) A Junket Enterprise License Form for the applicant and any key employee qualifier that is an entity, and for each affiliate, intermediary, subsidiary and holding company of the applicant.

(14) A Junket Enterprise Representative Registration for each junket representative, key employee qualifier who is a natural person and key employee.

(15) The applicant's Federal tax returns and related documents for the three years, State tax returns, where appropriate and related documents for the one year preceding application.

(16) Information regarding any judgments or petitions for bankruptcy or insolvency and any relief sought under any provision of the Federal Bankruptcy Act or any state insolvency law.

(17) Information regarding any civil, criminal, administrative and investigatory proceedings relating to the applicant and its key employees and key employee qualifiers.

(18) A diversity plan as set forth in section 1325(b) of the act (relating to license or permit issuance) and Chapter 481, signed by the chief executive officer of the applicant.

(19) The name, position or title and signature of the individual who supplied the information in the JELF.

(20) Properly executed forms for consents to inspections, searches and seizures; waivers of liability for disclosures of information and consents to examination of accounts and records in forms as prescribed by the Board.

(21) Any additional information requested by the Board.

§ 439.4. Junket representatives.

(a) No person shall act as a junket representative in connection with a junket to a licensed facility unless he or she has been registered as a junket representative and is employed by a junket enterprise that has been licensed by the Board.

(b) A junket representative may only be employed by one junket enterprise at a time. For the purposes of this section, to qualify as an employee of a junket enterprise, a

junket representative must:

(1) Receive all compensation for his or her services as a junket representative within the Commonwealth through the payroll account of the junket enterprise.

(2) Exhibit all other appropriate indicia of genuine employment, including Federal and State taxation withholdings.

(c) No junket enterprise shall employ or otherwise engage the services of a junket representative except in accordance with the provisions of this section.

§ 439.5. Junket enterprise representative registration.

(a) All Junket Enterprise Representatives must register with the Board.

(b) An application for a Junket Enterprise Representative Registration (JERR) shall be on a form prescribed by the Board and shall include the following:

(1) The name and address of the individual, to include the home address and residence history and all business addresses.

(2) Daytime and evening telephone numbers.

(3) Date of birth.

(4) Physical description of the applicant.

(5) Social Security number.

(6) Citizenship, and, if applicable, resident alien status, including employment authorization.

(7) Marital status.

(8) Military history.

(9) Employment history, including gaming-related employment and contact information for prior employers.

(10) Education history.

(11) Family and marital history, including any current court orders relating to alimony, spousal support or child support.

(12) Credit history.

(13) History of insurance claims relating to the business activities of the applicant.

(14) Information relating to any health-related issues involving alcohol or controlled substances.

(15) A list of at least five references, to include contact information for each.

(16) Verification of the applicant's employment or an offer of employment from a junket enterprise.

(17) A description of the employment responsibilities of the individual and their relationship to the junket enterprise and of all education, training and experience that qualifies the individual for the position.

(18) A signed, dated and notarized release

authorization necessary to obtain information from governmental agencies and other institutions about the applicant.

(19) A description of the individual's criminal history records information and arrests or criminal charges brought against the individual.

(20) A photograph that meets the requirements prescribed by the Board.

(21) A set of fingerprints taken by the Pennsylvania State Police or a criminal justice agency designated by the Pennsylvania State Police and transmitted to the Pennsylvania State Police.

(22) A list of civil judgments consistent with section 1310(b) of the act (relating to slot machine license application character requirements).

(23) Details relating to any similar licenses obtained in other jurisdictions.

(24) A tax clearance and lien review from the Department.

(25) A nonrefundable application processing fee.

(26) Any additional information requested by the Board.

(c) In addition to the information under subsection (b), the Board may require letters of reference from law

enforcement agencies under section 1310(b) of the act (relating to slot machine license application character requirements).

(d) After review of the information submitted under subsection (b) and (c), including a background investigation, the Board may issue a JERR if the individual has proven that he is a person of good character, honesty and integrity and is qualified to hold a JERR.

(e) An individual who wishes to receive a JERR under this chapter may provide the junket enterprise with written authorization to file the application on the individual's behalf.

(f) A JERR issued under this section shall be nontransferable.

(g) The Board may issue, renew or deny a JERR under this section, consistent with 18 Pa.C.S. § 9124 (relating to use of records by licensing agencies). If the Board provides an individual with the opportunity to demonstrate rehabilitation, the individual shall provide certification from the Pennsylvania Board of Probation and Parole or the County Probation and Parole Office, whichever is applicable, that all obligations for restitution, fines and penalties have been met. The Board shall provide notice to the district attorney of the individual's county of residence of

the individual's request for a determination of rehabilitation. The district attorney shall have 15 days from receipt of the notice to provide input into the determination. For an individual with out-of-state convictions, if the Board provides the individual with the opportunity to demonstrate rehabilitation, the individual shall provide certification from the equivalent state or county board of probation or parole, whichever is applicable that all obligations for restitution, fines and penalties have been met. The Board shall provide notice to the district attorney or equivalent thereof of the individual's place of residence of the individual's request for a determination of rehabilitation. The district attorney shall have 15 days from receipt of the notice to provide input into the determination.

(h) Nothing in subsection (g) shall be construed to authorize the issuance of a JERR to an applicant who has been convicted of an offense under 18 Pa.C.S. (relating to crimes and offenses) or the criminal laws of any other jurisdiction which conviction indicates that the issuance of the JERR to the applicant would be inimical to the public policy of the act or this part.

§ 439.6. Junket schedules.

(a) A Junket Schedule shall be prepared by a slot machine licensee for each junket that is arranged through a junket enterprise or its junket representative.

(b) A Junket Schedule shall be filed with the Board's Bureau of Regulatory Compliance by the slot machine licensee by the 15th day of the month preceding the month in which the junket is scheduled. If a junket for which a Junket Schedule is required by (a) above is arranged after the 15th day of the month preceding the arrival of the junket, an amended Junket Schedule shall be immediately filed with the Bureau of Regulatory Compliance by the slot machine licensee.

(c) Junket schedules shall be certified by an employee of the slot machine licensee and shall include:

- (1) The origin of the junket.
- (2) The number of participants in the junket.
- (3) The arrival time and date of the junket.
- (4) The departure time and date of the junket.
- (5) The name and registration number of all junket representatives and the name and vendor license number of all junket enterprises involved in the junket.

(d) Any change in the information which occurs after the filing of a Junket Schedule or amended Junket Schedule

with the Bureau of Regulatory Compliance shall be immediately reported in writing to the Bureau of Regulatory Compliance by the slot machine licensee. These changes, plus any other material change in the information provided in a Junket Schedule, shall also be noted on the arrival report.

(e) All filings required by this section shall be made at locations to be designated by the Bureau of Regulatory Compliance.

§ 439.7. Junket arrival report.

(a) A Junket Arrival Report shall be prepared by a slot machine licensee for each junket arranged through a junket enterprise or its junket representative with whom the slot machine licensee does business, which involves one of the following:

(1) A junket enterprise.

(2) An offer of complimentary services or items which have a value in excess of \$200.00 per participant.

(3) Complimentary accommodations.

(b) Junket Arrival Reports shall be maintained by the slot machine licensee on the premises of its licensed facility in compliance with the following:

(1) A Junket Arrival Report involving complimentary accommodations shall be prepared within 12 hours of the arrival of the junket participant.

(2) A Junket Arrival Report prepared pursuant to subsection (a) (1) or (2) shall be filed by 5:00 P.M. of the next calendar business day following arrival. A junket arrival which occurs after 12:00 A.M. but before the end of the gaming day shall be deemed to have occurred on the preceding calendar day. For the purposes of this section, a business day shall be defined as any day except a Saturday, Sunday or State and Federal holiday.

(c) Junket Arrival Reports shall be certified by an employee of the slot machine licensee and shall include:

(1) A junket guest manifest listing the names and addresses of junket participants.

(2) Any information required which has not been previously provided to the Bureau of Regulatory Compliance in a Junket Schedule pertaining to that particular junket, or an amendment thereto.

§ 439.8. Junket final reports.

(a) A final report shall be prepared by a slot machine licensee for each junket for which the slot machine licensee was required to prepare either a Junket Schedule or a Junket Arrival Report.

(b) A final report shall be placed in its files within seven days of the completion of the junket.

(c) A final report shall include:

(1) The actual amount of complimentary services and items provided to each junket participant.

(2) Any additional information requested by the Board.

§ 437.9. Monthly junket report.

Each slot machine licensee shall, on or before the 15th day of the month, prepare and file with the Board a Monthly Junket Report listing the name and registration number of each person who performed the services of a junket representative during the preceding month. The report shall be maintained by the slot machine licensee on the premises of its licensed facility and made available to the Bureau of Regulatory Compliance for inspection.

§ 437.10. Purchase of patron lists.

(a) Each slot machine licensee, junket representative and junket enterprise shall prepare and maintain a report with respect to each list of names of junket patrons or potential junket patrons purchased from or for which compensation was provided to any source whatsoever.

(b) The report required by subsection (a) shall 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.

(c) The report required by subsection (a) shall be filed as soon as is practicable at a location to be designated by the Bureau of Regulatory Compliance, but in no event shall such report be filed later than seven days after the receipt of the list by the purchaser.

§ 439.11. Junket prohibitions.

No junket enterprise or junket representative may:

(1) Engage in collection efforts.

(2) Individually receive or retain any fee from a patron for the privilege of participating in a junket.

(3) Pay for any services, including transportation or other items of value, provided to or for the benefit of any patron participating in a junket, unless otherwise disclosed to and approved by the Board.

(4) Extend credit to or on behalf of any patron participating in a junket.