

S.I. 80/1995

**LOTTERIES AND GAMING (SPORTS BOOK)
REGULATIONS**

(SECTION 66(1)(h))

[Commencement 6th October, 1995]

Citation.

1. These regulations may be cited as the Lotteries and Gaming (Sports Book) Regulations.

Interpretation.

2. In these regulations, unless the context otherwise requires —

“betting ticket” means a ticket issued to record a wager in conformity with regulation 7;

“writer/cashier” means the member of the Sports Book personnel who performs the functions as described in regulation 13(3);

“computer system” or “computer” is as described in regulation 14;

“Internal Audit” is as described in regulation 12 of the Lotteries and Gaming (Accounting and Internal Controls) Regulations;

“parlay card” means a pre-printed form provided by the Sports Book for the purposes of making a parlay card wager;

“parlay card wager” means a wager on the outcome of a series of three or more games, matches or similar sports events or on a series of three or more contingencies incident to a particular game, match or any similar sports event;

“Security Department” is as described in regulation 12 of the Lotteries and Gaming (Accounting and Internal Controls) Regulations;

“Sports Book” means a holder of a casino licence issued pursuant to section 34 of the Act and who accepts wagers on any athletic game or sport (other than horse or other races) taking place within or outside The Bahamas.

Application of these regulations.

3. These regulations apply to the wagering of bets on premises licensed under Part IV of the Act in respect of athletic games and sports (other than horse races or other races) taking place within or outside The Bahamas.

4. (1) All wagers to which these regulations apply shall be transacted by the writer/cashier through a computer system and, in the case of a failure of the system the Sports Book shall cease operation until the computer system is restored. Equipment.

(2) There shall be maintained by the Sports Book a log containing the following information in relation to computer system failure —

- (a) the date and time of system failure;
- (b) the reason for the failure;
- (c) the date and time when the computer system was restored; and
- (d) the name of the Sports Book Shift Manager on duty at the time of the failure and restoration.

(3) The time generated by the computer during ticket writing shall be tested each day by a supervisor from Internal Audit.

(4) The test and any adjustments necessary due to discrepancies shall be documented in a log and shall include the station number, date, time of test, time per computer, name and certificate number of employee performing the test, and any other relevant information.

(5) All date and time stamping machines used by the Sports Book for parlay cards, voiding cards, tickets and payouts shall be wired directly and permanently to the electrical supply system or in some other manner approved by the Board.

(6) Only maintenance or engineering personnel, accompanied by Security Department, employees, shall have access to devices used in connection with the computers.

(7) Stamping machines shall be tested by security personnel at least once during each eight hours of operation to ensure accurate date and time to the nearest minute.

(8) A similar test to that described in paragraph (7) shall be performed each week by a supervisor from Internal Audit.

(9) The tests described in paragraphs (7) and (8) shall be documented in a log in the manner described in paragraph (4).

(10) All keys for the stamping devices and for the computer room shall be kept by the Security Department and shall only be used in the presence of a Security Officer.

(11) A key log shall be maintained by the Security Department showing the following —

- (a) a list of individuals authorized to obtain keys;
- (b) the date and time a key is issued;
- (c) the signature and certificate number of the individual obtaining a key;
- (d) the type of key obtained;
- (e) the reason for obtaining the key;
- (f) the date and time keys are returned; and
- (g) the signature and permit number of the security officer receiving the key.

Systems security standards.

5. (1) Access to the computer system is restricted to such persons as may be approved by the Board in writing.

(2) The procedures to be followed in the case of hardware, software or a power failure, or fire, shall be approved by the Board.

Opening and closing of betting stations.

6. (1) Whenever a betting station is opened for wagering or turned over to a new writer/cashier, the writer/cashier shall enter into the electronic records of the computer the writer/cashier's identity, the date and time, and the fact that the station was opened and the same information shall be written on either the unused ticket that is first in sequence or in a separate report.

(2) Whenever the betting station is closed or the writer/cashier is replaced, the writer/cashier shall enter into the electronic records of the computer the writer/cashier's identity card the date and time, and when the station was closed and the same information shall be written on either the unused ticket that is next in sequence after the last ticket written or in a separate report.

Betting ticket and acceptance of wagers.

7. (1) A Sports Book may accept wagers, including parlay card wagers, as to which of the participating contestants will win specified sports events and as to whether the total points scored in a specified game, match, or similar sports event will be higher or lower than the number specified for that event.

(2) Upon accepting a wager, a betting ticket shall be issued from a printer at the betting station and given to the patron.

(3) Betting tickets shall be printed on continuous form paper and shall contain the following information —

- (a) a computer generated consecutive number;
- (b) the date and time of issue;
- (c) the identification of the station from which the betting ticket was issued; and
- (d) a description of the wager, including the type of wager and the amount.

(4) There shall be two records of the information printed on each ticket, namely —

- (a) a print out on the printer of the Sports Book Manager; and
- (b) a record stored on the hard drive of the computer.

(5) Sports Book employees shall not have access to the records referred to in regulation 7(4).

(6) When a betting ticket is voided —

- (a) the word “void” shall be immediately written or stamped on the original and the date and time at which the ticket was voided shall also be stamped;
- (b) an employee of the level of a Shift Manager or above and the cashier or writer shall sign the ticket at the time of voiding; and
- (c) no ticket shall be voided after the start of the event on which a wager has been placed.

(7) A Sports Book shall not accept wagers unless made with cash or chips.

(8) A Sports Book shall not accept a wager on an event unless the date and time at which the outcome of the event is determined can be confirmed from reliable sources satisfactory to the Board.

(9) A Sports Book shall not accept wagers, including a parlay card wager, unless the outcome of the relevant events is reported in newspapers of general circulation in The Bahamas, or in official, public records maintained by the appropriate sports league or other governing body.

(10) A Sports Book may not accept a wager from a person who is placing the wager on behalf of another.

(11) A Sports Book may not accept a wager which only becomes effective upon the occurrence of a specified future contingency unless a betting ticket documenting both the wager and the contingency is issued immediately.

(12) A Sports Book shall accept wagers only on its licensed premises and at betting stations approved by the Board.

(13) The odds offered on the outcome of sporting events shall be conspicuously displayed within the premises of the Sports Book.

Wagering cutoff.

8. (1) At the commencement of each sports event, no more wagering shall be transacted through the computer in respect of that particular sports event and the computer shall indicate to the writer that the event is locked out.

(2) A Sports Book shall not accept a wager if the computer is incapable of transacting or accepting a wager.

(3) A wager shall not be accepted when the computer is either incapable of voiding a ticket subsequent to the cutoff time or the computer is incapable of producing a report which specifically identifies voided tickets.

(4) A Sports Book shall not write or void tickets after the outcome of an event is known.

Payout
procedures on
winning tickets.

9. (1) Before patrons receive payouts on winning tickets, the results shall be put into the computer's administrative terminal for computerized grading of all wagers.

(2) Before making payment on a ticket, the writer/cashier shall input the ticket sequence number into the writer/cashier's terminal.

(3) If the computer authorizes payment, the patron shall be paid; and the patron's ticket shall be marked "paid", noted with the amount of payment, and the date and time of the payment shall be stamped on the ticket by both the computer and the time stamp.

(4) Winning tickets shall be honoured for six months from the date of the sports event.

(5) There shall be no reimbursement for lost tickets.

(6) A Sports Book shall make payment on a winning wager to the person who presents the patron's copy of the

betting ticket representing the wager unless a decision not to do so is made by the Sports Book Shift Manager or other senior manager in which case the decision and relevant particulars shall be reported immediately to the Secretary of the Gaming Board.

(7) The computer shall be incapable of authorizing payment on a ticket which has been previously paid, a voided ticket, a losing ticket, or an unissued ticket.

(8) Prior to the payment of net winnings in excess of five thousand dollars, a Gaming Board Inspector, together with a Sports Book Shift Manager or other senior manager shall verify and confirm the integrity of the patron's ticket which shall be initialled by the Sports Book Shift Manager or other senior manager.

10. In the event of a computer malfunction, winning tickets shall be approved by the Shift Supervisor or a senior manager, and the cashier shall also sign and write the words "Hand Paid" on the ticket, and documentation supporting and explaining such pay outs shall be maintained in the Exception Logbook. Hand payouts.

11. (1) A parlay card betting ticket issued by the computer, shall be subject to the same control and audit procedures as betting tickets described in regulation 7. Parlay card wagers.

(2) A parlay card report shall be produced by the computer to show the total value of tickets sold, total payouts, and net win.

(3) The procedures described in regulation 9 shall apply to the payment of winning parlay card tickets.

(4) If one or more parlay card selections become invalid under the applicable Sports Book rules the wager shall be void and the money wagered shall be refunded.

(5) A Sports Book shall not accept a parlay card wager after the start of the first game, match, or other sports event covered by the wager.

(6) All parlay cards shall fully, accurately and unambiguously show:

- (a) the amounts to be paid to winners or the method by which such amounts are to be determined and, if the Sports Book limits payouts at an aggregate amount, the aggregate amount;
- (b) the effect of ties;

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- (c) the minimum and maximum betting limits, if any;
 - (d) the procedure for claiming winnings, including but not limited to the documentation patrons shall present for the purpose of claiming winnings, time limits, if any, for claiming winnings, whether winnings may be claimed and paid by mail and, if so, the procedure for claiming winnings by registered mail;
 - (e) the effect of a Sports event wagered on not being played on the date specified and of other sports events that will cause selections to be invalid;
 - (f) the requirements that a parlay card wager must consist of at least three selections that have not become invalid under applicable house rules or the wager will be void and the money wagered will be refunded;
 - (g) the rights, if any, reserved by the Sports Book, including, but not limited to reservation of the right to refuse any wager or delete or limit any specified amounts until the outcome of each proposition offered by the parlay card has been determined;
 - (h) the requirement that the point spread printed on the parlay card when the wager is accepted will be used to determine the outcome of the wagers.
- (7) A Sports Book may limit the aggregate amount to be paid to winners on a parlay card in proportion to the amounts won, provided that the aggregate limit shall not be less than the amount disclosed on the parlay card, in these regulations referred to as (the “base amount”), plus twice the amount wagered on the parlay card to which the aggregate limit applies.
- (8) When a Sports Book knows that actual payouts on a parlay card will be limited by an aggregate amount established under paragraph (7), the Sports Book shall cease accepting wagers and making payouts on the parlay card. After the outcome of the final game, match, or event covered by the parlay card has been determined, the Sports Book shall pay each winner at least that proportion of the payout amount stated on the parlay card that the aggregate limit bears to total payouts (including payouts made prior to the suspension of payouts) that would otherwise have been made but for the limit.

(9) When a Sports Book ceases accepting wagers and making payouts on a parlay card under paragraph (8), the Sports Book may accept wagers on the parlay card on those propositions whose outcomes have not been determined if the parlay card and related documentation are distinguishable from the card and documentation as to which the Sports Book has ceased accepting wagers, in which case the parlay card shall be considered a different parlay card for purposes of this paragraph.

(10) If a Sports Book pays the winner of a parlay card wager more than ten per cent of the base amount established under paragraph (7) before the outcome of every proposition offered by the parlay card has been determined, the Sports Book shall pay every winner of a wager on that parlay card the proper payout amount stated on the parlay card in full and without regard to any aggregate limit established under paragraph (7), but a Gaming Board Inspector shall be informed prior to such proper payout being paid to each winner.

(11) The Board may waive or impose requirements more restrictive than the requirements referred to in this regulation.

12. (1) For each betting station, the computer shall indicate the amount of cash in a given drawer.

Checkout procedures.

(2) Writers and cashiers shall not be permitted access to this information without supervisory approval.

(3) For each betting station a summary report shall be completed at the conclusion of each shift to include the computation of net cash proceeds for the shift, and signatures and certificate numbers of two employees, one of whom shall be a Supervisor who verified the net cash proceeds for the shift.

13. (1) For the purposes of these regulations, the Sports Book shall employ a Sports Book Manager whose functions shall include —

Sports Book employee functions.

- (a) the safeguarding of assets;
- (b) the monitoring of all Sports Book activities for adherence to company’s procedures and gaming regulations;
- (c) setting and adjusting of betting odds;
- (d) the making of recommendations for hiring and terminating Sports Book employees;

- (e) the scheduling of Sports Book personnel;
- (f) complete authority over the Sports Book operation;
- (g) the verification and entering of results into the computer; and
- (h) approval of all payouts in excess of five thousand dollars.

(2) The functions of a Sports Book Shift Manager shall include —

- (a) the safeguarding of assets;
- (b) the operation of the Sports Book premises on an assigned shift;
- (c) the directing and supervising of employees on an assigned shift;
- (d) the verification and the entering of results into the computer; and
- (e) the approval of all payouts in excess of five thousand dollars.

(3) The duties and responsibilities of a Sports Book writer/cashier include —

- (a) the inputting of wagers into the computer terminal for the issuance of tickets;
- (b) informing the supervisor of large wagers;
- (c) the paying of winning tickets; and
- (d) the operation of the writer/cashier computer terminals.

Computer system.

14. Sports Book Computer System shall consist of but shall not be limited to —

- (a) at least one central processing unit;
- (b) a main hard disk;
- (c) a secondary mirrored hard disk;
- (d) an item capable of backing up the day's work from the hard disk of all daily activities;
- (e) a writer's station;
- (f) a parlay card reader;
- (g) a cashiers' station;
- (h) management stations;
- (i) management printers;
- (j) sports book software; and

- (k) the ability to produce at least a four digit random number on each and every ticket sold together with a bar code.

15. (1) The Sports Book Computer shall be capable of producing, but shall not be limited to, the following reports — Computer reports.

- (a) a report of wagers accepted;
- (b) a report of payouts made;
- (c) a results report;
- (d) a futures report;
- (e) an unpaid winners report;
- (f) an exception report;
- (g) a daily recapitulation report; and
- (h) personnel access listing.

(2) Reports made under this paragraph (1)(a) to (f) shall contain, but shall not be limited to, the following information —

- (a) the relevant ticket numbers;
- (b) the date and time when each ticket was written and paid for;
- (c) the type and amount of each wager made;
- (d) the team identifications; and
- (e) the amount of each payout.

(3) A daily futures report shall contain —

- (a) the relevant ticket numbers;
- (b) the date and time when each ticket was written;
- (c) the amount of each wager;
- (d) future wagers for the day in total and broken down by dates of sports events; and
- (e) a summary of future wagers broken down by dates of sports events and in total at the time of revenue recognition.

(4) A daily unpaid winners report shall contain —

- (a) the relevant ticket numbers;
- (b) the date and time when each ticket was written;
- (c) the amount of each wager and payout
- (d) the total of unpaid winners and wagers.

(5) A daily exception report shall contain —

- (a) the relevant ticket numbers;
- (b) the date and time when each ticket was written;

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- (c) the type and amount of each wager;
 - (d) exceptions;
 - (e) the time of each exception;
 - (f) a summary of exceptions in a list sorted by exception type.
- (6) A daily results report shall contain —
- (a) the date and time of the relevant sports event according to cutoff time input into the computer;
 - (b) the team names and numbers; and
 - (c) the event results and any other relevant payoff data.
- (7) A daily recapitulation report shall contain —
- (a) the date of the report;
 - (b) the total —
 - (i) cash write for the day;
 - (ii) futures written for the day;
 - (iii) futures brought back into revenue in respect of the days events;
 - (iv) accrual write;
 - (v) cash paid out on the prior day's events;
 - (vi) cash paid out on the day's events;
 - (vii) cash payouts for the day;
 - (viii) unpaid tickets for the day;
 - (ix) accrual payouts;
 - (x) unpaid winners brought back into revenue;
 - (xi) sports book revenue.
- (8) The personnel access listing report shall contain —
- (a) employee's name;
 - (b) employee identification number;
 - (c) listing of employee's functions;
- (9) All reports shall be reviewed by the Sports Book and general management personnel, and any unusual occurrences or fluctuations shall be documented and reported to the Secretary to the Gaming Board each day and in summary each month.

(10) In paragraph (7) of regulation 15 —

“accrual write” means cash write for the day less futures written for the day plus futures brought back into revenue in respect of the day’s events;

“cash payouts for the day” means cash paid out on the prior day’s events plus cash paid out on the day’s events;

“accrual payouts” means cash paid out on the day’s events plus unpaid tickets for the day;

“sports book revenue” means cash write for the day less futures written for the day plus futures brought back into revenue in respect of the day’s events less cash paid out on the day’s events plus unpaid tickets for the day plus unpaid winners brought back into revenue.

16. (1) The Sports Book accounting procedures shall be performed by personnel who are independent of the transactions being recorded.

Accounting and audit functions.

(2) The Sports Book auditing procedures shall be performed by the Internal Audit department of the casino.

17. (1) The audit procedures described in this regulation and (4) shall be performed for all betting tickets and parlay card tickets in excess of five thousand dollars, all voided tickets, and for a random sample of all other winning betting tickets and parlay card tickets.

Auditing procedures.

(2) The tickets referred to in paragraph (1) shall be recalculated and regraded using the computer record of sports event results.

(3) The date and starting time of the sports event according to the Results Report shall be compared to the date and time stamped on the ticket and in the Computer Sales and Transaction Reports.

(4) The terms of the wagers as recorded in the Computer Reports shall be reviewed and compared to an independent source for extravagant or questionable activity.

(5) The computer reports which display voided ticket information shall be examined to verify that tickets were properly voided prior to the cutoff times for sports event wagering.

(6) The voided tickets shall be examined for the word “void” and proper signatures.

(7) A computerized summary of sports events and results reports of the Sports Book shall be traced to an independent source of all sporting events to verify the accuracy of starting times and final results.

Exception reports.

18. Exception reports shall be reviewed by the Sports Book Manager on a daily basis for propriety of transactions and unusual occurrences prior to any investigation being performed regarding the exception reports, and the Secretary to the Gaming Board shall be informed of any such occurrences.

Reports.

19. (1) Reports shall be maintained for each month and year to date which shall indicate the total amount of wagers accepted, the total amount paid out on winning wagers, the net amount won by the Sports Book, and the win to write percentage for each sport, all betting tickets and all parlay cards, and in total this information shall be reviewed by general management personnel at least once a month and copies of these reports shall be submitted to the Secretary to the Gaming Board not later than the fifteenth day of the succeeding month.

(2) At least one day in every month, the computer-generated reports shall be reviewed by Internal Audit personnel for proper handling of future wagers and unpaid winners.

(3) Any unusual statistical fluctuations shall be reported to the Gaming Board Inspector and an investigation shall be carried out by the management of the Sports Book.

Posting of Rules.

20. A copy of the rules of the Sports Book which shall conform to these regulations and also a statement of minimum and maximum wagers shall be conspicuously posted within the premises of the Sports Book.