

**Sec. 12-865-29. Enforcement and Summary Suspension**

(a) Investigation. The department may investigate any person with a license issued pursuant to this act for potential violation of the technical standards or state or federal law.

(b) Failure to comply with the act, sections 12-865-1 to 12-865-34, inclusive of the Regulations of Connecticut State Agencies, internal controls, or technical standards established pursuant to section 12-865-3(n) of the Regulations of Connecticut State Agencies shall constitute a violation of law and the commissioner shall have authority to issue fines, or suspend, revoke, deny, or place conditions upon a license pursuant to section 12-862 of the Connecticut General Statutes.

(c) Inspection of records. Every person required by sections 12-865-1 to 12-865-34, inclusive, of the Regulations of Connecticut State Agencies, to prepare, obtain or keep records, logs, reports or other documents, and every person in charge of or having custody of such documents, shall maintain such documents in an auditable format. Upon request, such person shall make such documents available for review and copying by the department. When possible, such documents shall be submitted to the department in electronic form. The commissioner may request any information the commissioner deems necessary for the proper administration of the act and sections 12-865-1 to 12-865-34, inclusive, of the Regulations of Connecticut State Agencies. Inspection may include the review and reproduction of any record.

(d) Application Denial. The department may deny any application for a license or renewal application for cause, including, but limited to, conduct of a character inimical to the integrity of gaming, the provision of false or misleading information, or due to an incomplete application. Upon refusal to issue or renew a license, the commissioner shall notify the applicant of the denial and of the applicant's right to request a hearing within ten days from the date of receipt of the notice of denial. If the applicant requests a hearing within such ten days, the commissioner shall give notice of the grounds for the commissioner's refusal and shall conduct a hearing concerning such refusal in accordance with the provisions of chapter 54 of the Connecticut General Statutes concerning contested cases. If the commissioner's denial of a license is sustained after such hearing, an applicant may make new application not less than one year after the date on which such denial was sustained.

(e) License Enforcement Actions. The commissioner shall have the authority to take enforcement action against licensees in accordance with chapter 54 of the Connecticut General Statutes. The department is authorized to engage in settlement negotiations and enter into settlement agreements with licensees in lieu of formal administrative enforcement action.

(f) Summary Suspension, Cease and Desist. A license may be summarily suspended, pending a hearing pursuant to section 4-182 of the Connecticut General Statutes, or a cease and desist order may be issued to the licensee by the commissioner, if the department finds that based on the conduct of a licensee, emergency action is required to protect public health, safety, or welfare, such as when a licensee, or employee or officer of a licensee, is alleged to have manipulated or inappropriately accessed an electronic wagering system or any associated hardware or software; tampered with a licensee's gaming files; or otherwise defrauded the public by compromising wagering authorized by the act.

(g) Distribution of Investigation and Enforcement Information. To ensure compliance with technical standards, and state and federal laws and regulations, the department may refer any case involving an alleged violation of law to a state, federal or local law enforcement agency. In addition, the department may inspect, obtain or provide information regarding applicants, licensees or any of their affiliates from or to law enforcement entities or gaming authorities and other domestic, federal or foreign jurisdictions, including the Federal Bureau of Investigation.

(h) Embargo of Unlawful Hardware. Whenever the department finds, or has probable cause to believe, that any hardware related to gaming authorized by the act has been compromised in such a way that affects the integrity of gaming or causes economic harm to consumers or the state, the department may require that such hardware be embargoed in a manner acceptable to the department. Upon notice by the department of such embargo, the licensee or such third party in control of the hardware shall immediately affix a tag or other appropriate marking on the hardware to indicate that it is not available for use. The licensee may request a hearing before the commissioner in accordance with chapter 54 of the Connecticut General Statutes. Such request for hearing shall be made in writing to the commissioner within ten days of receipt from the department of the notice of embargo. The Commissioner may grant or deny the request for a hearing at the Commissioner's discretion. If such request for a hearing is denied, the denial shall be final and the licensee may appeal such denial to the Superior Court in accordance with section 4-183 of the Connecticut General Statutes.

(i) No person shall transfer, remove or dispose of the embargoed hardware without the written permission of the commissioner. The embargo shall remain in force until removed by the commissioner, ordered to be removed by a court of competent jurisdiction or the hardware is confiscated pursuant to an order by the court.

(Effective February 1, 2022)