

Sec. 12-574-F65. Pari-mutuel accounting, reporting and control

(a) **Totalizator.** Pursuant to section 12-575(b) of the Connecticut General Statutes, use of a computerized electronic totalizator system to conduct pari-mutuel wagering shall be subject to the approval of the executive director. In addition, the executive director may require the association licensee to submit information on the daily operation of the system as he deems necessary for administration including records of all wagering transactions.

(b) **Requirements and control.**

(1) System. The totalizator equipment selected for use shall automatically register the wagers made on each race track program number by pool, wager location and performance and print and issue a ticket representing each such wager. Such system shall ensure that all pari-mutuel tickets sold contain the same information as entered in the computer memory files. Such system must also have the capability of accounting for the aggregated wagering for each type of pool and determining odds and calculating pay-offs by program number for independent pools and common pool wagering. For the purposes of telephone betting, the totalizator equipment selected for use shall be capable of accounting for all wagering and other transactions which may affect customer accounts.

(2) Internal control. The association and totalizator licensee(s) shall maintain a system of internal control subject to the approval of the division to monitor and restrict data access and provide property control over on-site hardware. Prior to the first day of operation in a calendar year, the association and totalizator licensee(s) shall submit to the division a plan of control to include the types of control in place and the procedures for the detection of unauthorized data access and misuse of wagering information and hardware. Revisions to the plan of control shall be reported to the division as they are initiated.

(3) Reports. The association and totalizator licensee shall submit to the division a listing of all reports, analyses or summaries which the totalizator equipment being utilized is capable of generating both "on-line" and "off-line" and shall provide the division with a listing of designated individuals who have access to such on line print-outs, and the number of copies, the date or time and proposed usage of such print-outs. In addition, a log shall be maintained for off-line print-outs or information detailing the time, date, type of report, number of copies, distribution of copies and the names of individuals requesting such print-outs. The extraction of any and all information from the system shall be restricted to designated association, totalizator and division personnel all of whom will have been previously authorized by the division.

(A) It shall be the totalizator licensee's responsibility to ensure that an accurate record is maintained and the division is informed of all data access. Line-printer-generated reports for ticket issuing machines (TIM) and console logs shall be made available to the division upon request or as designated.

(4) Testing requirements. Not less than seven (7) days in advance of the first day of operation or prior to any modification of the system, the totalizator licensee shall certify to the division that the totalizator equipment to be utilized has been tested and is operating correctly. The division shall have the right to test the totalizator system as needed and as determined by the division at reasonable times and upon reasonable notice, and the association and totalizator licensee(s) shall make the system accessible and available to the division for adequate testing prior to the first day of operation. If required by the division,

the association or totalizator licensee shall make pari-mutuel tellers or computer system operators available during totalizator system tests to perform teller or computer operations. In addition, the totalizator licensee shall test the equipment prior to the opening of wagering each day. Said test and certification thereof shall be made in a manner as directed by the division and shall be conducted to determine and ensure the proper functioning and operation of the equipment or systems utilized. In addition to the provisions of section 12-574-F9(s) of the Regulations of Connecticut State Agencies any malfunction, its effect on operations, and the remedial steps taken to correct such malfunction and the procedures established to prevent recurrence thereof shall be reported to the division at the time of occurrence and on a daily basis until such malfunction is corrected.

(c) **Inventory.** Prior to the first day of operation, the totalizator licensee shall provide the division with an inventory listing by location within the facility of its TIM's and hardware including tapes, discs or other storage media. Any changes in the inventory (either in number or location) of TIM's or consoles shall be reported to the division immediately with an explanation of such change.

(d) **Advance wagering.** Every association permitted to conduct advance wagering of any type shall, at the conclusion of each type of advance wagering program, and prior to the start and at the end of each performance, prepare and submit to the division a report of wagering by each performance of the amounts wagered by race or game, pool and program number. A report showing each location's sales, refunds, cashes and cancels by TIM for those TIMs in operation during such advance wagering program shall also be submitted.

(e) **Internal control system storage media.** The licensee shall be required to provide storage media that shall be a compatible interface to the division's computer systems. The storage media shall contain all transactions generated by the computer system during a given program by facility. These transactions shall include, but not be limited to: cashes, cancels, sells with bet detail information, draws, returns, stop betting, W2-g, pools, prices, account wagering, if applicable, terminal initialization and control transactions including signons and signoffs, system and terminal error messages, time stamps, all teller activity, new or next customer indicators, keyboard or reader indicators, race results, scratches, dead heat indicators, facility performance number identifiers, pool closed indicators, pool cleared indicators and all transactions with transaction status included. Should the licensee have a voucher processing capability, the licensee shall provide the same detail for all voucher transactions. The licensee shall provide this information to the division as soon as possible after the close of a program, and in any case no later than the following day. The storage media shall be accompanied by a printout of the licensee's system console messages or console log. The licensee shall also provide to the division complete system documentation including, but not limited to, a detailed description of all transactions appearing on the storage media, along with a complete description of all fields in a transaction including bet types, error code breakouts, current/future indicators and runner maps. If the division encounters any errors in the processing of the storage media, the licensee shall make available, at no cost to the division, replacement storage media. The division shall make copies of the storage media and shall return the original storage media to the licensee. The recycling period for the storage media shall be subject to the prior written approval of the division.

(f) **Hardware and software modification.** Prior to hardware or software changes, system documentation describing the hardware or software modification(s) and test data on storage media simulating the change(s), shall be provided before patches, upgrades or other changes are to be installed and shall not be installed into production by the vendor without the division's prior written approval. Acceptance testing shall be performed by the division in accordance with the provisions of subsection (b)(4) of this section and after receipt of certification from the totalizator licensee as required therein, and written acceptance obtained from the division prior to being placed in production. If the change is minor in nature, a written waiver of the test may be obtained prior to being placed in production. The association, in addition to any other regulatory remedies available to the division, shall compensate division for all expenses (including personnel costs) the division incurs due to the association's failure to comply with this provision.

(g) **Software patching.** Software patching that is performed in order to resume operation after system failure shall be allowed without prior written notice, however, the association shall notify the division in writing within one (1) working day of such patching.

(h) **Emergency repairs.** The division shall conditionally approve emergency repairs in the event of an emergency requiring immediate action or repairs resulting from reasonably unforeseen circumstances or acts of God and the totalizator system shall be ordered restored to its former state. A report detailing the revision, change or alteration shall be delivered to the executive director within two business days of implementation for final division approval. This report shall be in addition to the notification requirements as found under section 12-574-F9(s) of the Regulations of Connecticut State Agencies. If emergency repairs do not result in revisions, changes or alterations, no report shall be required to be submitted to the executive director.

(i) **Payout schedule.** The association or totalizator licensee shall prepare and submit to the division at the conclusion of each race or game a schedule detailing the pool distribution of the pari-mutuel handle for the race or game just ended and a schedule showing the amounts wagered by pool and program number per race or game for the races or games yet to be conducted. Such pool distribution or pay-out schedule by program number and by pool shall be based upon the stop betting printouts (available prior to the start of the race or games).

(j) **Cash transactions.** The association and totalizator licensee shall provide the division with access to a listing of sellers and cashiers (or combination) to include the employee name, employee number, assignment window for each race or game and a summary of all cash transactions (by race or game) while on duty. Such listing shall be available to the division at the close of each session. Furthermore, the licensees shall provide the division with a reconciliation of all pari-mutuel cash activities between mutuel employees and the money room bank. In addition, a listing or print-out of all cashed or canceled tickets by race or game, pool and program number shall be compiled and shall be submitted to the division after each session.

(k) **Distribution of handle.** The association and totalizator licensee shall be responsible for their accounting of the pari-mutuel handle for each session in order to assure compliance with the provisions of section 12-575 of the Connecticut General Statutes. The association shall certify the accuracy of the distribution of the handle as represented in summary forms

provided by the division. The state's share (tax plus one-half of the positive breakage) of the pari-mutuel handle of a performance shall be paid over to the state in the method or manner directed by the division no later than the close of banking hours the next banking day following the session.

(l) **Manual computations.** The mutuel manager and the association shall maintain an adequate number of written copies of procedures for manual computation or verification of pay-outs for the various pools. If any manual computation or verification is used, exact copies of all such records and sheets shall be provided by totalizator and the association to the division as soon as possible after each game or race and prior to the posting of the official payouts.

(Adopted effective October 3, 2001)