

# PENNSYLVANIA GAMING CONTROL BOARD

[58 PA. CODE CH. 439]

## Junket Enterprises

The Pennsylvania Gaming Control Board (Board), under authority in 4 Pa.C.S. § 1202 (relating to general and specific powers), has drafted temporary regulations to facilitate the prompt implementation of 4 Pa.C.S. Part II (relating to gaming), enacted by the act of July 5, 2005 (P. L. 572, No. 71). Included in this draft are regulations pertaining to the licensure of junket enterprises and the registration of junket representatives. Upon adoption of the regulations by the Board, the Board's temporary regulations will be added to Part VII (relating to Gaming Control Board). By publishing these regulations in draft form, the Board seeks public comment prior to the adoption of the regulations.

### Contact Person

Interested persons are invited to submit written comments, suggestions or objections to the draft temporary regulations to the Pennsylvania Gaming Control Board, Office of Communications, P. O. Box 69060, Harrisburg, PA 17106-9060, Attn: Public Comment. The public comment period will end on Monday, November 7, 2005.

THOMAS A. DECKER,  
Chairperson

### Annex A

#### TITLE 58. RECREATION

#### PART VII. GAMING CONTROL BOARD

#### Subpart B. LICENSING, REGISTERING AND PERMITTING

#### CHAPTER 439. JUNKET ENTERPRISES

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#### § 439.1. Definitions.

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

*Compensation*—Any form of remuneration whatsoever, including:

- (i) The payment of cash.
- (ii) The forgiveness or forbearance of a debt.
- (iii) The direct or indirect provision of a product, service or item without charge or for less than full value.

*Complimentary accommodations*—

- (i) A hotel accommodation provided to a person at no cost, or at a reduced price not generally available to the public under similar circumstances.

- (ii) The term includes 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 that 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) The ability to satisfy a financial qualification obligation related to the person's 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:

(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.

(B) The 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:

(I) The previous satisfaction of a financial qualification obligation in accordance with clause (A).

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

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

(-b-) 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 the person's propensity to gamble shall be created whenever the 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 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 the activities occur within this 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 this Commonwealth.

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

**§ 439.2. Junket enterprise license requirements.**

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

(b) Junket Enterprise License Forms shall 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. A slot machine licensee may not engage the services of any junket enterprise which has not been licensed.

**§ 439.3. Junket Enterprise License Form.**

A 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, under Chapter 481 (relating to general provisions).
- (7) The 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 this Commonwealth or any other jurisdiction, the nature of the registration, license, permit or certificate, the agency and its location, the date of the 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 the persons; and all persons responsible for the office out of which the 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 5% 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 5% 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 3 years, State tax returns, when appropriate and related documents for the 1 year preceding application.

(16) Information regarding any judgments or petitions for bankruptcy or insolvency and relief sought under provisions 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 Junket Enterprise License Form.

(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) Additional information requested by the Board.

**§ 439.4. Junket representatives.**

(a) A person may not act as a junket representative in connection with a junket to a licensed facility unless the person 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 shall:

- (1) Receive all compensation for services as a junket representative within this 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) A junket enterprise may not employ or otherwise engage the services of a junket representative except in accordance with this section.

**§ 439.5. Junket Enterprise Representative Registration.**

(a) Junket enterprise representatives shall register with the Board.

(b) An application for a Junket Enterprise Representative Registration must be on a form prescribed by the Board and 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) 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.

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

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

(f) A Junket Enterprise Representative Registration issued under this section shall be nontransferable.

(g) The Board may issue, renew or deny a Junket Enterprise Representative Registration under this section, consistent with 18 Pa.C.S. § 9124 (relating to use of records by licensing agencies).

(1) If the Board provides an individual with the opportunity to demonstrate rehabilitation, the individual shall provide certification from the 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.

(i) The Board will provide notice to the district attorney of the individual's county of residence of the individual's request for a determination of rehabilitation.

(ii) The district attorney shall have 15 days from receipt of the notice to provide input into the determination.

(2) 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.

(i) The Board will 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.

(ii) The district attorney shall have 15 days from receipt of the notice to provide input into the determination.

(h) Nothing in subsection (g) will be construed to authorize the issuance of a Junket Enterprise Representative Registration 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 Junket Enterprise Representative Registration 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 subsection (a) 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 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) 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 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 under subsection (a)(1) or (2) shall be filed by 5 p.m. of the next calendar business day following arrival. A junket arrival which occurs after 12 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 include:

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

(2) 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 7 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) 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 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.

(c) The report required under subsection (a) shall be filed as soon as is practicable at a location to be designated by the Bureau of Regulatory Compliance, but may not be filed later than 7 days after the receipt of the list by the purchaser.

**§ 439.11. Junket prohibitions.**

A junket enterprise or junket representative may not:

- (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.

[Pa.B. Doc. No. 05-1975. Filed for public inspection October 21, 2005, 9:00 a.m.]



**Statement of Ownership, Management, and Circulation**

1. Publication Title <b>Pennsylvania Bulletin</b>		2. Publication Number 0 1 6 2 - 2 1 3 7		3. Filing Date 09/20/05
4. Issue Frequency Weekly		5. Number of Issues Published Annually 52		6. Annual Subscription Price \$82.00
7. Complete Mailing Address of Known Office of Publication (Not printer) (Street, city, county, state, and ZIP+4) Legislative Reference Bureau 641 Main Capitol Building Harrisburg, Dauphin County, PA 17120-0033				Contact Person Mary Jane Phelps Telephone 717-783-1530
8. Complete Mailing Address of Headquarters or General Business Office of Publisher (Not printer) Legislative Reference Bureau 641 Main Capitol Building Harrisburg, PA 17120-0033				
9. Full Names and Complete Mailing Addresses of Publisher, Editor, and Managing Editor (Do not leave blank)				
Publisher (Name and complete mailing address) Mary Jane Phelps, Director Pennsylvania Bulletin (same as above)				
Editor (Name and complete mailing address) Barbara Furjanic Pennsylvania Bulletin (same as above)				
Managing Editor (Name and complete mailing address)  None				

10. Owner (Do not leave blank. If the publication is owned by a corporation, give the name and address of the corporation immediately followed by the names and addresses of all stockholders owning or holding 1 percent or more of the total amount of stock. If not owned by a corporation, give the names and addresses of the individual owners. If owned by a partnership or other unincorporated firm, give its name and address as well as those of each individual owner. If the publication is published by a nonprofit organization, give its name and address.)

Full Name	Complete Mailing Address
Commonwealth of Pennsylvania	Commonwealth of Pennsylvania
Legislative Reference Bureau	Legislative Reference Bureau
641 Main Capitol Building	641 Main Capitol Building
Harrisburg, PA 17120-0033	Harrisburg, PA 17120-0033

11. Known Bondholders, Mortgagees, and Other Security Holders Owning or Holding 1 Percent or More of Total Amount of Bonds, Mortgages, or Other Securities. If none, check box  None

Full Name	Complete Mailing Address

12. Tax Status (For completion by nonprofit organizations authorized to mail at nonprofit rates) (Check one)  
 The purpose, function, and nonprofit status of this organization and the exempt status for federal income tax purposes:  
 Has Not Changed During Preceding 12 Months  
 Has Changed During Preceding 12 Months (Publisher must submit explanation of change with this statement)

13. Publication Title  
Pennsylvania Bulletin

14. Issue Date for Circulation Data Below  
September 17, 2005

15. Extent and Nature of Circulation		Average No. Copies Each Issue During Preceding 12 Months	No. Copies of Single Issue Published Nearest to Filing Date
a. Total Number of Copies (Net press run)		6252	6319
b. Paid and/or Requested Circulation	(1) Paid/Requested Outside-County Mail Subscriptions Stated on Form 3541. (Include advertiser's proof and exchange copies)	5970	6037
	(2) Paid In-County Subscriptions Stated on Form 3541 (Include advertiser's proof and exchange copies)	0	0
	(3) Sales Through Dealers and Carriers, Street Vendors, Counter Sales, and Other Non-USPS Paid Distribution	0	0
	(4) Other Classes Mailed Through the USPS	0	0
c. Total Paid and/or Requested Circulation (Sum of 15b. (1), (2), (3), and (4))		5970	6037
d. Free Distribution by Mail (Samples, complimentary, and other free)	(1) Outside-County as Stated on Form 3541	0	0
	(2) In-County as Stated on Form 3541	0	0
	(3) Other Classes Mailed Through the USPS	0	0
e. Free Distribution Outside the Mail (Carriers or other means)		0	0
f. Total Free Distribution (Sum of 15d. and 15e.)		0	0
g. Total Distribution (Sum of 15c. and 15f.)		5970	6037
h. Copies not Distributed		282	282
i. Total (Sum of 15g. and h.)		6252	6319
j. Percent Paid and/or Requested Circulation (15c. divided by 15g. times 100)		100	100

16. Publication of Statement of Ownership  Publication required. Will be printed in the October 22, 2005 issue of this publication.  Publication not required.

17. Signature and Title of Editor, Publisher, Business Manager, or Owner  
 Signature: *Barbara Furjanic* Title: **EDITOR** Date: October 18, 2005

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