



NYCRR Title 9, Executive

Subtitle T

New York State Gaming Commission

Chapter I

Division of Horse Racing and Pari-Mutuel Wagering

Subchapter G

Internet and Telephone Account Wagering

Part

4500 Internet and Telephone Account Wagering

PART 4500

Internet and Telephone Account Wagering

Section

- 4500.1 Definitions and general provisions
- 4500.2 Account wagering, general
- 4500.3 Approval of account wagering
- 4500.4 Establishment of an account
- 4500.5 Official address
- 4500.6 Changes to account information
- 4500.7 Right to refuse an account
- 4500.8 Segregation of funds
- 4500.9 Conduct of wagering
- 4500.10 Record of wager; pari-mutuel tickets
- 4500.11 Withdrawals and other debits to accounts
- 4500.12 Credits to accounts
- 4500.13 Account statements
- 4500.14 Recordkeeping
- 4500.15 Confidentiality of accounts
- 4500.16 Closing of accounts
- 4500.17 Dormant accounts
- 4500.18 Surcharge
- 4500.19 Vouchers
- 4500.20 Reports to commission
- 4500.21 Yearly audit
- 4500.22 Disputes/complaints/adjustments
- 4500.23 Cooperation with officials



§ 4500.1. Definitions and general provisions.

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

(a) *Account* means a formal record of all transactions (debits, wagers, deposits, withdrawals and credits) initiated by an account holder in a wagering account with an authorized pari-mutuel wagering entity.

(b) *Account holder* means a natural person authorized by an authorized pari-mutuel wagering entity to place wagers via account wagering.

(c) *Account wager* means a wager placed by means of account wagering. An account wager may be made by the account holder in person, via telephonic device or by the internet or by communication through other electronic means.

(d) *Account wagering* means pari-mutuel wagering in which an individual deposits money in an account with an authorized pari-mutuel wagering entity to be used for pari-mutuel wagering authorized by law to be conducted by the authorized pari-mutuel wagering entity.

(e) *Account wagering center* means the facility or facilities which have the capability of accepting account wagers utilizing wired or wireless communications devices, including but not limited to wireline telephones, wireless telephones, and the internet, to transmit the placement of wagers on races and special events.

(f) *Account activity* means any deposit, withdrawal, wager or other transaction made by the account holder.

(g) *Authorized pari-mutuel wagering entity* means a corporation or association that is duly licensed by the commission or holds a franchise to conduct pari-mutuel wagering and simulcasting activity.

(h) *Commission* means the New York State Gaming Commission.

(i) *Internet* means a computer network consisting of a worldwide network of computer networks that use the TCP/IP network protocols to facilitate data transmission and exchange.

(j) *Official* means a representative(s) of the commission.

(k) *Racing law* means title 47A of the consolidated laws of the State of New York, the New York State Racing, Pari-Mutuel Wagering and Breeding Law.

(l) *Regional off-track-betting corporation* means a corporation created pursuant to section 502 or section 603 of the New York State Racing, Pari-Mutuel Wagering and Breeding Law.



(m) *Report* means a summary of wagering activity or other written record prepared pursuant to this subchapter.

(n) *Stored value instrument* means funds or monetary value represented in digital electronics format (whether or not specially encrypted) and stored or capable of storage on electronic media in such a way as to be retrievable and transferable electronically.

(o) *Totalisator system* means a computer system that registers and computes the wagering and payoffs in pari-mutuel wagering.

(p) *Wagering device* means a device enabling the placing of wagers.

§ 4500.2. Account wagering, general.

An authorized pari-mutuel wagering entity may offer a system of account wagering whereby wagers and withdrawals are debited and winning payoffs and deposits are credited to an account held by an authorized pari-mutuel wagering entity on behalf of an account holder provided:

(a) Prior commission approval is granted for the account wagering system.

(b) Accounts are restricted for wagering purposes only.

(c) Account wagers are deemed to be on-track wagers for those wagering entities licensed or franchised pursuant to Articles II, III or IV and Section 1007 of the Racing, Pari-Mutuel Wagering and Breeding Law, and are deemed to be simulcast wagers for those entities licensed pursuant to Sections 1008 or 1009 of the Racing, Pari-Mutuel Wagering and Breeding Law.

§ 4500.3. Approval of account wagering.

Authorized pari-mutuel wagering entities are authorized to conduct account wagering pursuant to the written plan of operation approved by the commission. The plan of operation shall include, at a minimum:

(a) Systems of processing wagers.

(b) Internal controls for account wagering.

(c) System security that shall include but not be limited to the use of access encryption and firewalls.

(d) Account wagering rules.

(e) Provide for a recording for each transaction on a system separate from the totalisator system.



§ 4500.4. Establishment of an account.

(a) Accounts shall be used for wagering purposes only. Authorized pari-mutuel wagering entities may establish/open accounts for individuals provided the following minimum requirements are met:

- (1) An account holder shall be a natural person 18 years of age or older.
- (2) Accounts may be opened in accordance with procedures set forth in a plan of operation approved by the commission.
- (3) Account holders shall provide their age, address, mailing address (if different), phone number, social security number and date of birth.
- (4) Application shall be signed attesting to its accuracy. In the case of an online application, the applicant shall provide an electronic signature to attest to the accuracy of the information provided. *Electronic signature* shall mean an electronic sound, symbol, or process, attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the record.
- (5) Except in the case of an online application, the name of each new account holder will be confirmed in accordance with the Federal Government's standards for evaluating and confirming government issued identification and credentials (U.S. Department of Homeland Security Employment Verification Form I-9). A copy of each properly validated credential will be maintained with the appropriate account application. A copy of a social security card is not required to be maintained at the time of the application if the number is verified with a credit reporting agency and such report is maintained with the account application. In the case of an online application, the pari-mutuel wagering entity shall verify the applicant's identity using, at a minimum, the name, address, social security number and date of birth of the applicant through a credit reporting agency, public database, or similarly reliable sources as provided for in the plan of operation. If there is a discrepancy between the minimum information submitted and the information provided by the electronic verification described above or if no information on the applicant is available from such electronic verification, then the pari-mutuel wagering entity shall not open the account and shall require verification through the Federal Government's standards for evaluating and confirming government issued identification and credentials (U.S. Department of Homeland Security Employment Verification Form I-9).
- (6) Account is non-transferable.
- (7) The authorized pari-mutuel wagering entity shall issue a card or other document representative of the account.
- (8) The authorized pari-mutuel wagering entity shall provide to the account holder rules governing the conduct of account wagering.



(9) The authorized pari-mutuel wagering entity shall notify the account holder whenever rules have changed and provide a copy of such changes.

(10) The authorized pari-mutuel wagering entity may require a minimum balance consistent with their internal controls.

(11) Bank account number and other necessary information if the account holder desires to make electronic fund transfers.

(b) *Bearer Accounts.*

(1) Notwithstanding the provisions of subdivision (a) of this section, an authorized pari-mutuel wagering entity may establish an account for a customer without collecting the information found in paragraphs (2) through (5) of subdivision (a) of this section provided that:

(i) The account can only be used in person through a teller or self service machine at a duly approved location and

(ii) The account cannot be used for internet and telephone wagering.

(2) The authorized pari-mutuel entity shall issue a card or other document representative of such account.

(3) The authorized pari-mutuel entity may establish guidelines for the expiration of such accounts consistent with its approved plan of operation.

(4) A wager placed through a bearer account cannot be cancelled once the account holder has accepted it and it has been processed by the authorized pari-mutuel wagering entity.

(5) All other provisions of this Subchapter apply except:

(i) Withdrawals shall be made in person and may be paid in cash to the person bearing the card or other document issued in paragraph (2) of this subdivision and after verification of the PIN.

(ii) Account Statements pursuant to section 4500.13 of this Part are not required to be mailed but must be made available to the person possessing the card issued in paragraph (2) of this subdivision.

(iii) The provisions of sections 4500.5 and 4500.6 of this Part do not apply.

(iv) Accounts shall only be closed by the account holder by presenting the card issued and after verification of the PIN or pursuant to other applicable provisions of the law.



§ 4500.5. Official address.

The address listed on the account wagering application is deemed the account holder's official address for purposes of this section. The authorized pari-mutuel wagering entity shall use the official address for all mailings, including notices, checks, withdrawal slips, account statements and other correspondence.

§ 4500.6. Changes to account information.

The authorized pari-mutuel wagering entity shall provide a method for the account wagering holder to make official changes to his or her account information. The method shall include the name, date, address, and social security number, account wagering identification number, PIN and signature.

§ 4500.7. Right to refuse an account.

(a) The authorized pari-mutuel wagering entity may exclude anyone from opening an account based on business judgment.

(b) The authorized pari-mutuel wagering entity shall refuse an account to:

- (1) known or reputed bookmakers;
- (2) any person who engages in any activity that is deemed to be a gambling offense as defined in Article 225 of the Penal Law of the State of New York;
- (3) a known fugitive from justice; and
- (4) persons on the entity's self-exclusion list.

§ 4500.8. Segregation of funds.

The authorized pari-mutuel wagering entity shall, upon receipt of money from account holders and related winning wagers, deposit such money within 72 hours in a segregated bank account, kept and maintained by the authorized pari-mutuel wagering entity until appropriately distributed.

§ 4500.9. Conduct of wagering.

(a) Account wagers shall be transacted through only an account wagering center.

(b) The authorized pari-mutuel wagering entity may accept account wagers via any wired or wireless communications device, including but not limited to wireline telephones, wireless telephones, and the internet subject to applicable laws, rules and the approved plan of operation.

(c) The authorized pari-mutuel wagering entity shall:



- (1) require the account holder to provide the account wagering identification number and PIN before an account wager is accepted.
- (2) confirm all account wagering transactions before acceptance of an account wager.
- (3) verify that the account has sufficient funds to pay for the wager. No wager or portion of wager shall be accepted if the account fails to have sufficient funds to cover the wager.
- (4) debit the total amount of the wager from the account immediately after verifying wager.
- (5) not accept any account wager if the recording devices are inoperable; and
- (6) not cash or accept any public assistance check or electronic benefit transfer device issued by a public welfare official or department, or agent thereof, as and for public assistance, as proscribed by section 151 of the Social Services Law. Any entity that violates this paragraph shall be disciplined by the commission. Such discipline may include one or more of the following actions:
 - (i) revocation of a license;
 - (ii) suspension of a license;
 - (iii) a fine; or
 - (iv) issuance of a public or private letter of reprimand to be placed in the file of the licensee.

§ 4500.10. Record of wager; pari-mutuel tickets.

For purposes of this section, all wagers placed through the account wagering system are deemed pari-mutuel tickets and are subject to all rules and laws governing pari-mutuel tickets.

§ 4500.11. Withdrawals and other debits to accounts.

- (a) Excepting bearer accounts, withdrawals may be made by completing a request for withdrawal in accordance with procedures set forth in a plan of operation approved by the commission. The request for withdrawal shall include, at a minimum:
- (1) the account holder's name,
 - (2) account identification number,
 - (3) account holder's signature, (except for electronic fund transfers) and



(4) date the request for withdrawal was made.

(b) Fund transfers may be made via alternate means pursuant to an approved plan of operation.

(c) Withdrawals can be for all or any portion of the account holder's balance.

(d) The authorized pari-mutuel wagering entity shall process all requests for withdrawals made via mail within five business days of receiving the request. All other requests for withdrawals shall be processed immediately. If the request is incomplete or required information is missing, the authorized pari-mutuel wagering entity must notify the account holder of the required information as soon as possible.

(e) If the account does not contain sufficient funds to cover the requested withdrawal, the authorized pari-mutuel wagering entity shall release the remaining funds and notify the account holder.

§ 4500.12. Credits to accounts.

(a) Deposits to existing accounts may be made by an account holder in the form of cash, cash equivalent, check, or other method as specified in the plan of operation.

(b) Deposits shall be credited to the account promptly after receipt and verification of funds.

(c) Funds from winning wagers shall be credited to the account immediately after a race is declared official. However, funds from winning wagers subject to Internal Revenue Service reporting requirements shall be held and not available for use until compliance with applicable Internal Revenue Service reporting requirements.

(d) Credits for other transactions are only permitted to the extent of the approved plan of operation.

§ 4500.13. Account statements.

(a) The authorized pari-mutuel wagering entity shall no less than once per calendar month make available a statement to each account holder detailing the month's beginning and ending balances and each debit and credit by date.

(b) Upon written demand, the authorized pari-mutuel wagering entity shall make available to the account holder any monthly statement from the current or the previous calendar year.

(c) Upon written demand, the authorized pari-mutuel wagering entity shall make available to the account holder a statement beginning on the last day of the prior period through the date of written demand.



§ 4500.14. Recordkeeping.

- (a) The authorized pari-mutuel wagering entity shall maintain records of every deposit, withdrawal, wager, winning payoff and other credit and debits to an account for a period of three years.
- (b) The authorized pari-mutuel wagering entity shall ensure that wagers are accepted only at designated telephone numbers and account wagering centers.
- (c) The authorized pari-mutuel wagering entity shall record account wagering accounts as a separate liability on its books and records.

§ 4500.15. Confidentiality of accounts.

The authorized pari-mutuel wagering entity, its employees and agents may not divulge any account information without the express written permission of the account holder except to the commission, by commission order, or as may otherwise be prescribed by law.

§ 4500.16. Closing of accounts.

Excepting bearer accounts, accounts may be closed at the request of an account holder made in-person or by mail or other method consistent with the plan of operation. For those requests made by mail, authorized pari-mutuel wagering entities shall mail to the account holder's official address or send via electronic funds transfer to the account specified in the account wagering application all funds within five business days of receiving such request. All other requests shall be processed immediately.

§ 4500.17. Dormant accounts.

The authorized pari-mutuel wagering entity shall deactivate all accounts if there is no account wagering activity during a period of 36 consecutive months. All monies in such dormant accounts shall be distributed in accordance with section 1012 of the Racing, Pari-Mutuel Wagering and Breeding Law.

§ 4500.18. Surcharge.

Any regional off-track-betting corporation may suspend surcharge of accounts pursuant to section 1012 of the Racing, Pari-Mutuel Wagering and Breeding Law and consistent with such corporation's plan of operation.

§ 4500.19. Vouchers.

A voucher is a document or card produced by a pari-mutuel system device, with a value printed on its face, that is recorded in and redeemed through the pari-mutuel system.

- (a) Vouchers are not accounts or account wagers for purposes of this section.



(b) Vouchers may only be used to place wagers in-person and only pursuant to an approved plan of operation.

§ 4500.20. Reports to commission.

No later than March 15, the authorized pari-mutuel wagering entity shall file with the commission a report detailing the following for the previous calendar year in which account wagering was offered:

- (a) Total handle bet through the account wagering system;
- (b) Total handle segregated by telephone, internet and other means;
- (c) Total handle segregated by track;
- (d) The beginning number of accounts, total accounts opened and closed and the ending number of accounts;
- (e) Any other report as may be prescribed by the commission.

§ 4500.21. Yearly audit.

Authorized pari-mutuel wagering entities shall audit or cause to have audited the account wagering system data input and account updates not less than once during each calendar year. Such reports shall be provided to the commission upon request.

§ 4500.22. Disputes/complaints/adjustments.

(a) Subject to applicable laws, customer disputes concerning account transactions shall be addressed by the mutuel department supervisor, or such other pari-mutuel supervisor as may be designated by the authorized pari-mutuel wagering entity's management. Such designation must be in writing. The mutuel department supervisor or appropriate designee shall approve all final resolutions of account disputes. Documentation of all disputes and final resolutions shall be maintained by the authorized pari-mutuel wagering entity for a period of three years from the end of the year the dispute was resolved.

(b) Disputed transactions that lead to an adjustment shall be audited by internal audit within 30 days of the adjustment.

§ 4500.23. Cooperation with officials.

If the commission determines that a certain computer printout, mutuel report, or other totalisator or mutuel record is needed to perform the official's regulatory duties, the official shall request the item from the mutuel manager (or his or her designee) and/or totalisator company representative. On receipt of a request under this section, the mutuel manager and/or totalisator company representative shall make the information



available to the official no later than the deadline established by the official or provisions of this Subchapter.