



The COAM Connection

from the Georgia Lottery Corporation - COAM Division

Issue 1

2016

January - March



Message from the Georgia Lottery Corporation

**Debbie D. Alford
President & CEO**

Welcome to *The COAM Connection*, the Georgia Lottery Corporation's new quarterly e-newsletter for the coin operated amusement machine (COAM) industry. It is designed to keep you updated on COAM initiatives and activities



April 13, 2016

COAM Advisory Board Meeting (9:30 am) at the Georgia Lottery Headquarters located at 250 Williams Street, Suite 3000, Atlanta, GA 30303

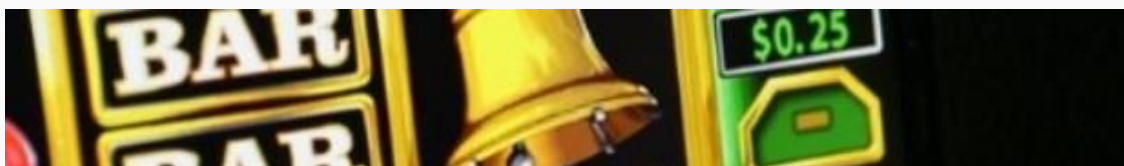
May 30, 2016

Deadline to apply for a new location license (Class A and Class B) and a new Master Class A license for the **2016 licensing period (07/01/2015 - 06/30/2016)**

December 31, 2016

Deadline to have all machines in the field fully upgraded to SAS 6.02

and to offer an additional forum for information exchange. Please share the e-newsletter with colleagues and contacts that have an interest. We welcome your feedback and suggestions. Enjoy the inaugural issue of *The COAM Connection*, and don't hesitate to contact us at COAMReporting@galottery.org with your thoughts.



Master License Holders

Display of Licenses

Georgia Code §50-27-21 requires that a Master License Holder (MLH) ensure that a copy of their license along with the business owner's original location license shall be prominently displayed where bona fide coin operated amusement machines are available for commercial use and for play by the public. MLH should verify all COAM licenses are current and prominently displayed during each one of their visits to the location.

Operational Equipment

When troubleshooting issues with machines, the MLH shall ensure they are operational prior to leaving a location. MLH should run a COAM verifier test to assist with ensuring machines are operational. Any documentation requested by Intralot shall be provided by the MLH to ensure the proper operation of machines.

Status of a License

Due to confidentiality laws, the GLC cannot provide the status of a pending Location license application or the reasons for the denial of a Location license to a MLH. The responsibility of following up on the status of a Location license lies solely upon the applicant for the Location license. Applicants for a Location license

may obtain the status of their license by accessing <https://www.gacoam.com> and clicking on the "License Status" section or contacting Retailer Contracts Administration at 1(800) 746-8546 Option 4 and 1. All approved licenses can be found in the "COAM Communications" section of the www.gacoam.com website.

Change of Ownerships

Upon the notification of a change in ownership at the location, the GLC must place the machines in an inoperable status. The machines may remain on the location premises pending the review of the licensing application. Once the new applicant has an approved license in their possession for the current license period, Intralot will be notified to complete the ownership change and place the machines in an operable status.



Location License Holders

Connectivity to COAMs

A Class B COAM Location License Holder (LLH) should not turn off the power to Class B COAMs within its location. If you turn the power off (switch-off) the Class B COAMs at your location overnight you may have trouble getting the device that assists with communication with the central accounting terminal (SMIBs) to effectively function the next morning (if using a COAM with a SMIB). This failure may occur if the SMIB was in the middle of a communication cycle at the time of powering the COAM down. The SMIB is a true on-line real time device required to operate on a 24/7 basis.

Lottery Tickets as Prizes

If a Location is a lottery retailer, it may give instant and online (draw game) tickets as COAM prizes (any price point). A Location that is a lottery retailer must ensure the instant games have not ended and ensure that none of the draws have expired for the online (draw game) tickets. If a Location is not a lottery retailer, the Location may only purchase instant tickets (any price point) from an authorized lottery retailer and provide them as COAM prizes.

Placement of COAMs

If a Class B COAM location is in compliance with GLC RU 13.1.6 and Georgia Code §50-27-102 (d), a MLH shall not place any Class B COAMs in a location that holds a valid COAM location license prior to the scheduled connection date to the central accounting system unless approved in writing by the GLC. Class

B COAMs cannot be available to the public for play until they are successfully connected to the central accounting system.

Deposit of COAM Funds

Once the COAMs are connected to the Central Accounting System, each Location Owner/Operator is responsible for depositing the net receipts to its dedicated COAM EFT account. The COAM law requires that the location licensee place all of the COAM proceeds in a separate bank account (just for COAM proceeds) no later than the next business day after the location licensee collects the proceeds. At such time of deposit, the proceeds become the property of GLC. Once a week, GLC will electronically sweep 53% of the COAM net proceeds due from the previous week's accounting period from each location licensee's designated COAM bank account. After each weekly sweep, GLC will retain its 6% of the proceeds, and then electronically transfer 47% of the COAM net proceeds to the MLH for each location. After GLC's sweep, the location licensee may withdraw its share of the proceeds (and only its share). The amount of GLC's share will increase to 7% on July 1, 2016, and will increase each fiscal year by 1% up to 10%.



Enforcement and Compliance

Awareness and Education

Awareness and education are the two most important fundamentals for a COAM licensee in today's industry. It is the licensee's responsibility to know the law, rules, and regulations. While we encourage the Master License Holder (MLH) to educate the Location License Holder (LLH), it is still the responsibility of the LLH to know, study, and put into practice the requirements of HB 487 and the Georgia Lottery Rules and Regulations. The LLH also has the responsibility of training his or her location's staff. The law and regulations can be found at <https://www.gacoam.com>. The old adage "ignorance of the law is no excuse" really holds true. Investigations for non-compliance will extend beyond the store clerk and will look for culpability on the part of the LLH and MLH when it exists.

Penalties for COAM Violations

In addition to fines, criminal sanctions and the loss of a license, a person could also lose other permissive licenses issued by the state or local government including, but not limited to licenses for alcohol, lottery and tobacco products.

Prohibited**Redemption****Prizes**

Georgia law prohibits any form of cash payout as a form of redemption for COAM awards. Redemption of COAM awards from Class B COAMs can only be made for non-cash business merchandise (up to \$5 per play) or lottery tickets at the location where the game is played. No alcohol, tobacco, or firearms can be redeemed as COAM prizes.

Citations

If a licensee is issued a citation by a GLC Compliance Inspector, they will be provided with instructions and a plea document which explains the administrative hearing office procedures and informs each licensee of its rights and duties.



COAM Legal Corner

Arbitration

A COAM Location Licensee cannot remove or replace COAMs within its location on or after October 1, 2015 unless both the MLH and the LLH certify to GLC that there is no dispute between them related to the COAMs. If either party is unable to certify that there is no dispute, the matter will be referred to arbitration. For Class B COAMs, the COAMs shall remain connected to the central accounting terminal in the location during the pendency of the dispute. Before COAMs are removed from a location, please visit the GLC COAM website <https://www.gacoam.com> (under COAM Forms) to print a copy of the arbitration form and follow the instructions on the form to return it to GLC. The MLH and the LLH should each complete an arbitration form. If either party certifies to GLC that there is a dispute, the matter will be referred to arbitration proceedings. If GLC contacts a licensee regarding a non-dispute certification and the licensee fails to respond with its own dispute certification form to GLC within five (5) calendar days, GLC will assume there is no dispute between the location and the master licensees and proceed accordingly. If GLC confirms that there is no dispute between the master and the location licensees, the COAMs may be removed from the location. For Class B COAMs, the COAMs must be disconnected from the central system with the assistance of Intralot to ensure that the central accounting system records are updated accordingly.



Central Accounting System

Financial Reports

For Master and Location licensees, go to the Georgia COAM portal website at www.gacoamrpt.com to view available Accounting and Monitoring reports. Licensees may access this website to obtain the amount which shall be deposited or pushed to its dedicated COAM EFT account for the designated accounting week.

Site

Controllers

Any person who intentionally damages or tampers with a site controller or COAMs connected to a site controller at a location may be subject to severe penalties, including large fines and criminal penalties.

Inoperable

COAMs

If COAMs become inoperable or are in need of repair, the Location owner/operator should contact its Master Licensee.

Vendor Equipment

Equipment belonging to Intralot USA shall not be removed by the MLH until the machines have been properly decommissioned. The unauthorized removal of Intralot equipment from a location may result in citations issued by the GLC. Any Intralot equipment (cables, modems, etc.) removed and retained by the MLH must be immediately returned to Intralot or be subject to fines and/or criminal penalties.

New Features and Enhancements to the COAM Reporting Portal

Intralot USA has recently updated the COAM Reporting Portal with new features and enhancements for MLHs which are:

- **Meter Exceptions/Adjustments Report** - Use this report to check the status of meter exceptions for COAMs at your locations
- **Financial Adjustment Report** - Use this report to research financial adjustments that have been processed for your locations
- **COAM Master File** - This report now includes SAS address and COAM port number

- **Monitoring Exceptions** - This page has been updated to allow a MLH to view all their locations at one time rather than one location at a time. Since MLHs can easily view all of their locations on a single page in the portal, Intralot USA will no longer email the "Not Responding COAMs" list to MLHs.

Important

Reminders

Listed below are several reminders from Intralot USA to MLHs pertaining to operational and technical issues in the field.

- **Game Board Swaps** - Any time a game board is swapped out in a machine, the MLH **must** contact Intralot USA and have the machine decommissioned and re-commissioned in order to avoid meter exceptions to the affected machines.
- **Hard Reset of Game Boards** - MLHs must contact Intralot USA before and after performing a hard reset on game boards in order to avoid meter exceptions to machines.
- **iSMIB Commissions** - MLHs must schedule an Intralot technician for an on site location visit for all iSMIB commissions. If an iSMIB is decommissioned for the purpose of installing full SAS and, for some reason, the full SAS solution does not communicate with the site controller, the iSMIB cannot be re-commissioned without an Intralot USA technician on site at the location to assist.

It is imperative MLHs follow all operational and technical procedures noted above in order to ensure accurate reporting of financial data to the Central Accounting System. Failure to comply with these procedures may result in fines up to \$50,000, suspension and/or revocation of the license, and criminal penalties may also apply per GLC RU 13.1.14 (9).



- Licensees may obtain a copy of the Financial Sweep and Push Calendar for 2016 by accessing the "Service and Support/Documents" section of the <https://www.gacoam.com> website and going to COAM Communications section and clicking on "2016 Financial Sweep and Push Calendar".

- COAM Location licenses are specific to a business address. Each COAM Location license is issued for the specific business address and State Tax Identifier (STI) number. Any relocation of a business by the owner requires a new license. COAM Location licenses are not transferable.
 - If a Location is having renovations in their location, the MLH or the LLH should contact the GLC to have the machines placed in a Disabled status. Once renovations have been completed, the MLH or the LLH should contact the GLC to have the machines placed in an Enabled status.
 - Locations that experience excessive Non-Sufficient Funds (NSF's) within a rolling 90 day period will be subject to the following actions: (1) locations that experience three NSF's within a rolling day period will be suspended for 14 days from initial disabling, (2) locations that experience a fourth NSF within a rolling 90 day period will be suspended for 30 days, (3) location that experience a fifth NSF within a rolling 90 day period will be recommended for termination.
 - Updated Georgia COAM Report Portal User Manuals for LLHs and MLHs can be found at <https://www.gacoam.com/Services/Docs.aspx>.
 - For more answers to your COAM questions, please go to our Frequently Asked Questions document located in the "COAM Communications" section of our website <https://www.gacoam.com>.
-

Staying Connected

GEORGIA LOTTERY CORPORATION

COAM Division
P.O. Box 56927
Atlanta, GA 30343

GLC Retailer Services Helpline
1(800) 746-8546

Option 6 and 2 - COAM Reporting
Option 6 and 3 - COAM Licensing/Renewals

GLC COAM Website
<https://www.gacoam.com>

GLC Retailer Contracts Administration
1(800) 746-8546
Option 4 and 1 - COAM License Applications

GLC COAM email address
COAMReporting@galottery.org

INTRALOT USA

11360 Technology Circle
Duluth, GA 30097

Intralot email address - Operational Issues
Georgia.hotline@intralot.us

Intralot Helpline
Issues
1(877) 261-6242

Intralot email address - Audit
GACOMAudit@intralot.us

RESPONSIBLE GAMING

1-888-ADMIT IT or 1(888) 236-4848

ANONYMOUS TIPLINE TO REPORT FRAUD, ABUSE OR CASH PAYOUTS

1(855)515-0004

Click here to [unsubscribe from this list](#)