



The COAM Connection

from the Georgia Lottery Corporation - COAM Division

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AUDITS OF MASTER AND LOCATION LICENSE HOLDERS

The Georgia Lottery Corporation (GLC) is pleased to announce its partnership with the audit firms of **McGovern & Greene** and **KPMG** to conduct audits of Master License Holders (MLHs) and Location License Holders (LLHs). Through professionalism, integrity and transparency, both audit firms aim to redefine and reshape what it means to be a coin operated amusement machine (COAM) licensee. We are excited about this new partnership and cannot wait to see how it can help progress and compliance within the COAM industry.

Performing audits of MLHs and LLHs is necessary to encourage compliance and identify any regulatory deficiencies through review of accounting and business records. Fraud, abuse, or non-compliance with rules and regulations can all be hidden beneath the surface of the day-to-day accounting practices and operations of MLHs and LLHs, and can become more pronounced the more the business grows. As a reminder, all MLHs and LLHs are subject to audit by the GLC and its authorized agents. For the purpose of such audits, each licensee shall retain records of all its COAM transactions for no less than the last five (5) full calendar years and current year to date.



April 12, 2017

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

May 1, 2017

The COAM licensing application (www.gacoam.com) opens for the **2018 licensing period (07/01/2017 - 06/30/2018)** for all license types except NEW Master Class B licenses.

May 3, 2017

(Pre-qualification required)

COAM Class B Master License Auction (10:30 am EST) at the Georgia Lottery Corporation Headquarters located at 250 Williams Street, Atlanta, GA 30303 in the auditorium located on the street level of the building.

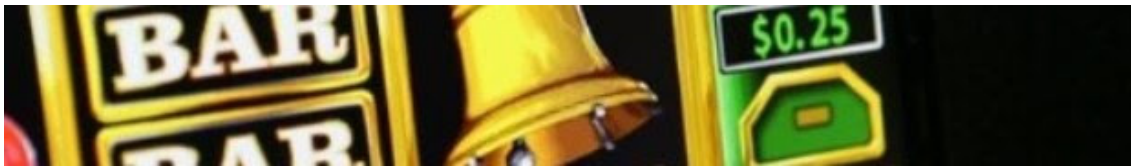
*****CLASS B MASTER LICENSE AUCTION*****

MAY 3, 2017

The GLC will hold a competitive auction of up to five (5) COAM Class B Master Licenses on **May 3, 2017 beginning at 10:30 am EST**. The auction will take place at the GLC Headquarters located at 250 Williams Street, Atlanta, Georgia 30303 in the auditorium located on the street level of the building. Any person wishing to participate in the auction **must be approved** by the GLC to be a bidder for any Class B Master License available at the auction. To be considered for qualification as a bidder at the auction, a person or entity must submit the following documents:

- COAM Pre-Qualification Auction Participation Form
- Proof of Funds Letter

The minimum starting bid for a Class B Master License will be \$100,000 and bids shall increase by increments of \$10,000. The bid amount **does not include** the \$5,000 licensing fee and the cost of permit stickers that are due upon submission of a license application to GLC. A winning bid is not transferable to any other bidder or party other than the person or entity that made such winning bid prior to being granted the Class B Master License by the GLC. For important auction details and access to the pre-qualification forms, see the "Documents/COAM Forms" section of the www.gacoam.com website.



Master License Holders

Scheduling Connectivity with Intralot

MLHs may confirm receipt of LLH information by Intralot, for the purpose of connectivity, by accessing the Intralot portal site and verifying the LLH is displayed on its portal as the MLH associated with the LLH. If the LLH is showing on the Intralot portal site but the location license has not been received by the business owner OR the location license has been received but is not showing on the Intralot portal site, the MLH should contact the **GLC COAM Helpline at 1(800) 746-8546** for follow up. MLHs may contact **Intralot at 1(877) 261-6242** to confirm the date/time a location is scheduled for installation.

Display of Play Responsibly Decals and Fraud Signs

MLHs must prominently display the "Play Responsibly" decals on each Class B machine. The Play Responsibly decal should be displayed so that a player can see it while playing the COAM. The "Play Responsibly" decal provides a toll free number ([888-236-4848](tel:888-236-4848)) to assist problem gamblers and their loved ones with a means to receive much needed treatment regardless of their ability to pay.

MLHs shall provide LLHs with a "Fraud, Abuse, and Cash Payout" tip line sign which must be displayed within close proximity of the Class B COAMs. If you would like to report any instances of fraud or other illegal activity related to the operation of COAMs, please call our confidential tip line at [855-515-0004](tel:855-515-0004). Reports will be assigned to a Compliance Inspector for follow up investigation.

Failure to post a "Play Responsibly" decal on each Class B COAM or post a "Fraud, Abuse, and Cash Payout" sign within close proximity of the COAM(s) may result in disciplinary action, fines and other penalties.



Location License Holders

Connectivity and Power Supply to COAMs

The GLC is seeing an increase in the number of LLHs that are either not ensuring the COAMs at the business location are connected to the site controller or are not powered up on a continual basis. In order to ensure accurate reporting of financial data to the Central Accounting System, it is imperative the LLH ensures all equipment remains connected and powered up at all times. The GLC maintains a record of those LLHs that are repeat offenders of failing to ensure the continuous connectivity and operation of Class B COAMs. Failure to comply with these procedures may result in fines up to \$50,000, suspension and/or revocation of the license.

Maintaining Intralot Designated Equipment

The best way to make sure COAMs are always operating at optimal performance levels is to ensure COAM equipment is clean and well maintained at all times. The best way to achieve that level of performance is to not allow COAM players to place drinks or other fluids on or near Intralot designated equipment such as modems, cradle points, or site controllers. Contact your MLH to come out to your business location and conduct a thorough inspection and assessment of your equipment at regular intervals.



Enforcement and Compliance

Class B Master License Holder Interest in a Class B Location

No person, or immediate family member of a person, with or applying for a Location Owner's or Location Operator's license shall have an interest in any person, or immediate family member of a person, with a Master License, or doing business as a Distributor, or Manufacturer in the State of Georgia. COAM Inspectors conduct regular checks of LLH and MLH files to ensure license holders do not have any interest in a COAM Class B Location and vice versa. Failure to comply with these requirements may result in fines up to \$50,000, suspension and/or revocation of the license.

Performance of Licensing COAM Activity

COAM licensed activity shall be performed by only a person or entity that holds a valid COAM license for that activity. Except as provided in rules and regulations, a COAM license holder shall not allow any other person or entity to perform licensed activity for or on behalf of such COAM license holder. A person or entity that holds a valid COAM license shall not conduct COAM license activity for or on behalf of another COAM license holder. COAM licensed activity shall mean: facilitating or managing the placement of COAMs between or among COAM licensees or prospective COAM license applicants; operating COAMs; submitting a form or license application to GLC; control of segregated COAM bank accounts in which COAM proceeds are withdrawn or deposited by GLC; appearance before GLC; or similar activities. This subdivision shall not prohibit the performance of duties by an employee of a COAM licensee, an attorney representing a COAM licensee, or a person providing language interpretation or translation services to a COAM licensee.



COAM Legal Corner

Options For Licensees Receiving a COAM Citation

If the GLC has served you with a citation alleging that you have violated a Georgia law or a GLC rule regarding your COAM license, you may challenge the charges before the GLC's Administrative Hearing Officer at the date, time and location shown on your citation. Hearings are conducted under RU 13.2 of the COAM Rules and Regulations. If you appear at the hearing, you will be asked to enter a plea to the charge(s) against you. The three possible pleas to a citation are:

- **Guilty** - By entering a plea of GUILTY, you admit that you committed the act charged, that the act is prohibited by law or regulation, and that you have no defense for your act. The Hearing Officer may enter an order and impose an appropriate penalty.
- **No Contest** - A plea of NO CONTEST simply means that you do not wish to contest the GLC's charge against you but wish to explain mitigating circumstances to the Hearing Officer. The Hearing Officer will hear your explanation and may enter an order and impose an appropriate penalty.
- **Not Guilty** - A plea of NOT GUILTY means that you are informing the Administrative Hearing Officer that you deny guilt and the GLC must prove its charges against you.

You are not required to have an attorney represent you but may wish to contact an attorney for legal advice. If you wish to plead no contest prior to the hearing, you may complete and submit the no contest plea form that is given to each person that receives a citation within a packet of other information related to the hearing process. It is important that you respond to the citation by either appearing at the hearing or submitting a no contest plea prior to the hearing date as described on the no contest plea form. Failure to choose either method will result in the imposition of an additional fine due to the licensee's failure to respond to the citation. If you have any questions about the citation, contact the GLC COAM Inspector whose name and telephone number is located on the citation.



Central Accounting System

Accessing Weekly Invoice Reports

LLHs may obtain their weekly invoice reports for their business location(s) by accessing the Intralot portal site at www.gacoamrprt.com. Once LLHs access the Intralot portal, they will click on "Reports" in the menu on the left side of the screen and then click on "Location Period Accounting" under the Accounting Reports menu. Generally, the Location Period Accounting report is updated for the prior week every Monday morning unless there is an observed holiday.



Manufacturers and Distributors

Licensing of Manufacturers and Distributors

Manufacturers and Distributors conducting business in the State of Georgia COAM market are required to possess a COAM Manufacturer or Distributor license for the current licensing period. Unlicensed Manufacturers and Distributors conducting business with MLHs will be subject to fines up to \$50,000 per incident and such conduct may also subject MLHs to disciplinary action. New Manufacturers and Distributors may apply for a COAM license by accessing online licensing application at www.gacoam.com.



- A LLH is not required to display its contract with the MLH but the LLH must have the contract onsite and available for a COAM Compliance Inspector or other authorized representative to review during inspections.
 - The LLH must receive the physical COAM location license and post the original license in its establishment BEFORE Class A and/or Class B machines can be lawfully placed in the business. Placement of COAMs in an unlicensed location may result in fines and denial of any license application or suspension and/or revocation of the license.
 - Pursuant to Department of Revenue (DOR) regulations, COAMs are not allowed within a location that is a retailer of distilled spirits (for example, a package store that sells liquor).
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Staying Connected

GEORGIA LOTTERY CORPORATION

Mailing Address

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

GLC COAM Helpline

[1\(800\) 746-8546](tel:18007468546)

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

GLC COAM Website

www.gacoam.com

GLC Retailer Contracts Administration
[1\(800\) 746-8546](tel:18007468546)
Option 4 and 1 - COAM License Applications

GLC COAM email
COAMReporting@galottery.org

INTRALOT USA

Mailing Address
11360 Technology Circle
Duluth, GA 30097

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

Intralot Helpline
[1\(877\) 261-6242](tel:18772616242)

Intralot email - Audit issues
GACOMAudit@intralot.us

Intralot portal website
www.gacoamrpt.com

RESPONSIBLE GAMING

1-888-ADMIT IT or [1\(888\) 236-4848](tel:18882364848)

ANONYMOUS TIPLINE TO REPORT FRAUD, ABUSE OR CASH PAYOUTS

[1\(855\) 515-0004](tel:18555150004)
