



from the Georgia Lottery Corporation - COAM Division

Issue 7

Jul - Sep 2017



**LAST DAY TO RENEW YOUR LICENSE FOR THE
2017 - 2018 COAM LICENSING PERIOD IS**

SEPTEMBER 30, 2017

Your Coin Operated Amusement Machine (COAM) license **must be renewed** in order to continue owning or operating Class A and Class B machines (Master or Location Licensee), supplying and selling major components or parts (Manufacturer Licensee), or buying, selling, or distributing Class B machines to or from operators (Distributor Licensee). If a holder of a 2017 COAM license fails to renew its license application or its license application is not approved on or before September 30, 2017, the person or entity will no longer be allowed to own or operate COAMs, supply or sell major components or parts, or buy, sell, or distribute Class B machines. Submitting your application and resolving any outstanding compliance matters as soon as possible will ensure the timely and efficient processing of your COAM application. Below, you will find some common reasons for a delay in the processing of licenses:



September 30, 2017

Last date to submit a RENEWAL Location Class A and Class B License, Master Class A and Class B License, and Manufacturer and Distributor License. **If a holder of a 2017 COAM license fails to renew its license or its license application is not approved on or before this date, the person or entity will no longer be allowed to operate COAMs.**

October 11, 2017 9:30 EST

COAM Advisory Board Meeting at the Georgia Lottery Corp. Headquarters which is located at [250 Williams Street, Suite 3000, Atlanta, GA 30303](https://www.galottery.com/locations/3000-williams-street-atlanta-ga-30303).

reminder

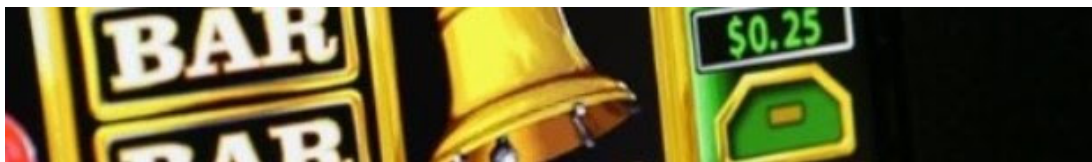
- **Failure to resolve outstanding issues with the Department of Revenue (DOR).** The most common issue related to the processing of COAM licenses each year are outstanding matters between the licensee and the Georgia Department of Revenue. Licensees are notified by email and on the status screen of the COAM website that their application is delayed due to DOR outstanding issues. It is in the licensee's best interest to resolve any DOR outstanding issues by calling them at [\(404\) 417-4445](tel:404-417-4445). To protect a licensee's right to privacy, COAM staff are barred from discussing tax return issues with anyone other than the taxpayer or with the taxpayer's designated representative. Therefore, before any confidential tax information is released over the telephone, a COAM representative will ask questions to verify your identity.
- **Failure to respond to communications from the GLC.** The GLC COAM Retailer Contracts Administration Department communicates with licensees through email, written letters and phone calls. The licensee's failure to promptly respond to communications from the GLC regarding Fiduciary Security Deposit (FSD) issues, address clarifications, or other lottery related matters may delay the timely and efficient processing of the COAM application. Contact a member of our COAM Retailer Contracts Department at [\(800\) 746-8546](tel:800-746-8546) Option 4 and 1 to discuss matters involving your COAM license.

Monthly Reporting by LLH

Each monthly report should be submitted by LLHs in electronic format via the www.gacoam.com website as required by the GLC by the 20th of each following month. For example, the report for the month of August 2017 will be due by September 20, 2017, and subsequent reports due on the 20th of each month thereafter for the previous month.

Power Supply to COAMs

In order to ensure accurate reporting of financial data to the Central Accounting System, it is required the LLH ensures all Class B COAMs and any peripheral equipment remain connected and powered up at all times. Failure to comply with these required procedures may result in fines up to \$50,000, suspension and/or revocation of the license, and criminal penalties may also apply.



Master License Holders

Labeling COAMs with MLH Name and Contact Phone Number

MLHs should take proactive measures to ensure their COAMs are functioning properly and are protected from damage or abuse. There may be times when a business owner, property owner or landlord may need to contact the MLH because a business has been abandoned or the tenant has been evicted and the property owner needs to have the COAMs picked up from the business. That is why it is important for a MLH to place their company name and service phone number in a visible area on each of the COAMs. Failure to do so can result in COAMs becoming lost, damaged, or may result in unnecessary storage fees.

Regular Site Visits to Business Locations

A site visit can be one of the most important tools by a MLH. A MLH can make a site visit meaningful through education, mutually understood goals, and see the event as part of an ongoing relationship. MLHs must conduct regular site visits at business locations to ensure the proper operation of COAMs and Intralot designated equipment, and that new employees of the business location are properly trained

on the operation of the machines and any peripheral equipment, as well as, informed of the laws, rules, and regulations governing COAMs.



Location License Holders

Update of Contact Information

It is important for LLHs to keep contact information up to date with the GLC. Failing to keep your information up to date could result in delayed processing of licenses or lost revenue. LLHs have access to make these updates as needed at any time via the www.gacoam.com website. LLHs may access the "License" tab and update their mailing address as well as adding or deleting business contact information including names, titles, email addresses and primary phone numbers. This contact information will be accessed by GLC COAM staff if there is a need that requires your immediate attention.

Failed COAM Financial Sweeps

The most basic and important aspect of COAM account management is ensuring there is enough money in your account to cover your sweep transactions. Ultimately, keeping your account in good standing is your responsibility.

A "bank return" occurs if the total amount due is not available when the EFT system sweeps your COAM account. In the event of a bank return, the licensee will be subject to a \$35 ACH (automated clearing house) return fee (if in excess of \$100). Acceptable commercial deposits for an ACH return made be made by cash, wire transfer, or cashier's check. Failed ACH drafts are calculated on a rolling 180 day period and the number of NSF's (non-sufficient funds) calculated begins from the date of the **first** return going forward and, in the case of multiple returns, the 180 days is calculated from the date of the **last** return. Listed below are the disable periods for failed ACH drafts.

- **One (1) ACH Return Within 180 Days** - Licensee experiencing a first ACH return will have until 2:00 pm EST the day of the return to make an acceptable commercial deposit for the full payment of the ACH return into the designated COAM bank account to avoid having the COAMs disabled.
- **Two (2) ACH Returns Within 180 Days** - Licensees experiencing a second ACH return in a rolling 180 day period will have until 2:00 pm EST the day of the return to make an acceptable commercial deposit for the full payment of the ACH return into the designated COAM bank account to avoid having the COAMs disabled. Licensees will also be subject to a 14 day period of disabled COAMs, from the date of the receipt of payment, if the following circumstances occur: 1.) Licensee has been operating COAMs six (6) months or less and has no FSD (Fiduciary Security Deposit); 2.) Licensee has two (2) ACH returns on consecutive weeks; 3.) Licensee has two (2) ACH returns in a rolling thirty (30) day period.
- **Three (3) ACH Returns Within 180 Days** - Licensees experiencing a third ACH return in a rolling 180 day period will be disabled **immediately** and are subject to a 14 day period of disabled COAMs upon the payment in full of the third failed ACH return or any additional ACH returns that have not been paid. In the event the licensee does not have an FSD, the licensee will be required to provide the standard FSD for lottery and COAM and, at its discretion, the GLC may increase any existing FSDs.
- **Four (4) ACH Returns Within 180 Days** - Licensees experiencing a fourth ACH return in a rolling 180 day period will be disabled **immediately**, provided they are not already disabled due to serving a 14 day period of disabled COAMs, and are immediately subject to a 30 day period of disabled COAMs upon the payment in full of the fourth failed ACH return. The

GLC may seek to revoke a location license for failing to timely deposit COAM proceeds which include public funds due to the State of Georgia.

- **Five (5) ACH Returns Within 180 Days** - Licensees experiencing a fifth ACH return in a rolling 180 day period will be **immediately** considered by the Management Review Committee for termination of COAM operations.



Enforcement and Compliance

COAM Fraud Tip Line

Individuals may report fraud, abuse, or cash payouts related to the operation of coin operated amusement machines to the COAM Tip Line 24 hours a day, seven days a week. When you submit a tip through the tip line, you have the option of remaining anonymous or providing your contact information so that inspectors can follow up with you directly with any additional questions. Please be as specific as possible in order to give inspectors the best opportunity to follow up on your tip. **The anonymous tip line phone number is [\(855\) 515-0004](tel:855-515-0004).**

Theft of COAM Funds

At some point a business owner may find that one or more of its COAMs have been vandalized or broken into and money has been taken from the COAMs. Licensees will **NOT** be reimbursed by the GLC for the loss of money from COAMs due to theft or casualty. In order to protect yourself against the vandalism and/or the theft of funds from COAMs, you should do the following:

- **Reduce Trouble by Building Relationships** - Location owners and their employees should be attentive to activity within their location and around the COAMs. Greet people and be mindful of activity around COAMs in an effort to identify any potential security risks. People are less likely to do bad things to people they feel a connection or have a rapport with.
- **Place COAMs in Visible Area of the Business** - Placing COAMs in an area of the business that can be easily observed by employees helps prevent a lot of damage and destruction as well as theft.
- **Remove Cash Daily** - Licensees should remove cash from COAMs daily and deposit the funds on a daily basis into their COAM designated bank account and maintain accurate accounting records.
- **Security Camera Installation** - One of the best methods of vandalism and theft prevention may be the installation of a simple security camera in the area. If a particular section of your business is more susceptible to theft, consider better placement of the COAMs. A COAM may be more profitable in a different part of a business location. As a reminder, any movement of COAMs must be coordinated ahead of time between the MLH and Intralot.



COAM Legal Corner

Use of Gambling Terminology in COAM Advertising or Promotions

COAMs should not be promoted, described or advertised as gambling devices or casino games. Words or terms such as "Vegas style", "casino", or "slot machines are not appropriate and should not be used in connection with Class B COAMs. " The words "Las Vegas", "slots" or "casino" connote gambling and suggest use of unlawful gambling devices. COAMs are intended to be for amusement purposes and redemption for non-cash business merchandise (up to \$5 per play) or Lottery tickets at the location where the game is played. No cash, alcohol, tobacco, or firearms can be redeemed as COAM prizes. Additionally, any use of such inappropriate terminology to describe COAMs along with any suggestion that such use is approved by GLC or the State of Georgia may subject the licensee to disciplinary action.



Central Accounting System

24 Business Hour Cancellation and Rescheduling Policy

The efficient connection of your COAMs to the Central Accounting System is very important to the GLC and Intralot teams. Connection appointments and times are reserved especially for you. We understand that sometimes schedule adjustments are necessary. Therefore, we respectfully request at least 24 business hour notice to Intralot for cancellations or rescheduling of appointments between MLHs and Intralot Technicians. Please understand that when you forget, cancel, or change your appointment without giving enough notice, we miss the opportunity to fill that appointment time, and customers on our wait list miss the opportunity to receive services. Any appointments missed, late cancelled, or changed without a 24 business hour notice may result in a charge of \$85 invoiced by Intralot. Intralot will invoice the MLH separately from their regularly schedule weekly push of financial amounts. Failure to pay the invoice amounts within 30 days of invoice date may result in disciplinary action to the MLH. The 24 hour cancellation policy gives us time to inform our wait list clients of any availability, as well as keeping our staff's schedules filled, thus better serving everyone.

RS232 Tester (Verifier)

How can a MLHs save time and money when connecting or trouble shooting COAMs to the Central Accounting System? Purchase an RS232 In-Line Signal Link Tester to diagnose connection issues between COAMs and the Central Accounting System. The RS232 Tester is a palm sized device that verifies data presence for serial communication transmission of data. There is no need for MLHs to carry bulky, expensive cable testers to test only one or two cable types. The RS232 Tester fits easily in your pocket or tool box, and requires no external power. The RS232 Tester connects in-line and displays signal data connectivity on LED's per each conductor. MLHs may shop the internet for the best purchase price. See sample image to the right and information below for instructions on correct configuration and transmission.



RXD = Green: COAM is transmitting correctly.

RXD = No Light: COAM not configured correctly or faulty serial cable.

TXD = Green: SC is transmitting.

TXD = No light: Bad port.

RTS = Red: SC port is properly configured.

RTS = Green: SC port not configured correctly. Intralot Operations will check COAM settings.



Manufacturers and Distributors

COMING SOON! Performance and Software Set Detail Reports for Manufacturers

Manufacturers will be able to access Performance Reports and Software Set Detail Reports in the near future through the Intralot website portal. The reports will only be available to Manufacturers. MLHs and LLHs will not have access to these reports. The Performance Report will have production financial data so Manufacturers can monitor the performance of their games. The report will NOT show information about LLHs and MLHs. Intralot will notify all Manufacturers of their access credentials for the website portal as soon as we are ready to go live with this new feature for Manufacturers.



- A LLH is not required to display its contract with the MLH, however, the LLH must have the contract on site 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, denial of any license application, license 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](http://11360TechnologyCircle.com)
Duluth, GA 30097

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

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

Intralot email - Audit issues
GACOAMAudit@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)

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