



The COAM Connection from the Georgia Lottery Corporation - COAM Division

Issue 2

April - June 2016

The 2016 - 2017 COAM Licensing Application Period (07/01/16 thru 06/30/17) is NOW OPEN!



July 13, 2016

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

August 1, 2016 - Revised

(was previously July 1, 2016)
Date a **\$1,000 late fee will be assessed to Location Class A and Class B licenses, Master Class A and Class B licenses** that have not RENEWED for the 2017 licensing period (07/01/16 - 06/30/17). Date was extended due to system enhancements that took place during the renewal period.

August 1, 2016

Date the COAM licensing application opens for Manufacturers and Distributors to apply for the 2017 licensing period (07/01/16 - 06/30/17). Manufacturers and Distributors will apply online at www.gacoam.com for the COAM license. Paper application and payments will not be accepted by mail.

NEW REGULATORY & LICENSING INFORMATION VIDEO COMING SOON!

The Georgia Lottery Corporation (GLC) is proud to announce that the Coin Operated Amusement Machine (COAM) Regulatory & Licensing Information video is going through final edits and will be released soon! This video will be available online and will include such topics as:

- What Qualifies as a COAM
- COAM Licenses & How They Work
- Applying for a COAM License
- COAM Accounting & Financial Reporting
- COAM Law Enforcement & Compliance Regulation

Helpful Hints for COAM Licensing Application

The COAM Division is pleased to announce the opening of our 2016 - 2017 licensing application period. The 2016 - 2017 licensing period covers the period of July 1, 2016 through June 30, 2017. Applicants may access the COAM online application process by going to www.gacoam.com. Below, you will find some helpful hints that will ensure the timely and efficient processing of your COAM application.

- Make sure to apply for the correct **type** (Master, Location,

September 1, 2016

Date a **\$1,000 late fee will be**

Manufacturer, or Distributor) and **class** of COAM license (Class A and/or Class B). **Note:** Those Location Licensees with **both** Class A and Class B machines in the same business location or anticipate having **both** Class A and Class B machines in the same business location **anytime** during the licensing year shall apply for a Class B license

- Have all registration information available prior to logging into the licensing application (i.e. your www.gacoam.com username and password, STI number, method of payment information, and any identification or citizenship information which may be required to be uploaded)
- Master and Location licensees are **NOT REQUIRED TO MAIL IN COAM APPLICATIONS**
- If you encounter problems with the COAM Licensing website (www.gacoam.com) or have any questions, please contact the GLC COAM Helpline at **1(800) 746-8546 Option 4 and 1**

Percentage Updates

Effective July 1, 2016, the GLC shall update its revenue share by one-percent (1%). The COAM law requires that the location licensee place all of the COAM proceeds in a separate bank account no later than the next business day after the location licensee collects the proceeds. The updated percentage distribution for the Location License Holders (LLHs), Master License Holders (MLHs), and the GLC is listed below:

- Location License Holder 46.5%
- Master License Holder 46.5%
- Georgia Lottery Corporation 7.0%

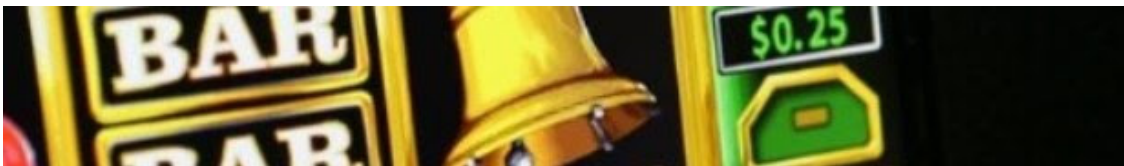
assessed to Manufacturer and Distributor licenses that have not RENEWED for the 2017 licensing period (07/01/16 - 06/30/17).

September 30, 2016

Deadline to submit a **RENEWAL** Location Class A and Class B License, Master Class A and Class B licenses and Manufacturer and Distributor license. **If a holder of a 2016 COAM license fails to renew its license application or its license application is not approved on or before this date, the person or entity will no longer be allowed to operate COAMs.** Any COAM licensee that receives a notice from GLC that its application for the 2017 license period is denied and requests a hearing shall only be allowed to operate COAMs until this date.

December 31, 2016

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



Master License Holders

Mandatory Class B Machine Upgrade To SAS 6.02 By December 31, 2016

The deadline to have all Class B coin operated amusement machines (COAMs) in the field fully upgraded to SAS 6.02 is **December 31, 2016**. Machines not upgraded to SAS 6.02 by **December 31, 2016** will be disabled and must be immediately removed from the business location by the MLH. In order to better serve you and ensure errors in meters are minimized and financial data is accurate, the MLH will take the following actions:

- When on site at the Location and **before** upgrading the machine boards to SAS 6.02 machine, the MLH must contact the Intralot Support Line at **1(877) 261-6242** and inform them of the board upgrade from Transitional to SAS
- Intralot will decommission the old machine board
- MLH will proceed with the upgrade or replacement of the machine board

- Intralot will commission the new machine board
- MLH will perform a coin test on the machine(s) with the board upgrade/replacement
- Intralot will confirm the coin test results

Note: An Intralot Technician is NOT REQUIRED to be on site at the business location to assist with a board upgrade.

MLHs may obtain a listing of machines requiring a SAS upgrade by accessing the Intralot Website Portal at www.gacoamrpt.com and performing the following steps:

- Click "Reports" in the menu on the left side of the screen
- Click on "COAM Master File" on the right side of the screen
- Click on "Monitoring Reports" on the right side of the screen
- Select "SAS-Transitional" from the Protocol drop down menu
- Click the "Submit" button
- A list of all Locations that currently have SAS-Transitional protocols will be generated from the website
- MLHs must upgrade those machines that are listed under the "COAM Status" column as Active, To Be Activated, or Disabled

Do not wait until the last minute to convert to full SAS or you will be at risk for missing the deadline due to expected heavy volume at the end of the year. Commissioning of SAS boards by Intralot will occur in the order calls are received and sheer volume may push you into the next year past the deadline. You may schedule your upgrade to SAS in advance by calling Intralot at **1(877) 261-6242**.

Equipment Upgrade

It is important for MLHs to ensure their bill acceptors contain the most current hardware and software features to detect and prevent instances of "*fishing*" or "*stringing*" to COAMs. Cheating by "*fishing*" or "*stringing*" involves feeding the bill with an attached thin line (i.e. polyester) into the machine. When the credits accrue, the line is pulled back to retrieve the bill. MLHs should remind Location owners to routinely monitor COAMs and pay particular attention if a player is playing for a very long time and most often wins, or the meter readings have a mismatch. Other signs may include the COAM consistently losing money, and the rate of failure of game boards is on the high side. MLHs can stop or minimize cheating by "*fishing*" on bill acceptors by having upgrade kits or switching to a different brand of bill acceptor. MLHs can find the best bill acceptors and its components from various online websites.



Location License Holders

Status of COAM License Application

Applicants may obtain application updates by accessing the COAM website 24 hours a day at www.gacoam.com and following the below listed steps:

- Input the User ID and Password that you created when you registered on the website
- Click on "Licenses" in the menu at the top of the screen
- Go to the "Select from Available Businesses" section and click on the drop down list and select the desired license
- Click on the "License Status" button
- Click on the "View Details" button

In order to process your application in a timely and efficient manner, please respond immediately to any comments or requests in the Compliance Checks section. If you have any questions regarding your COAM application, call **1(800)746-8546 Option 4 and 1** (Retailer Contracts Administration).

Mandatory Class B Machine Upgrade To SAS 6.02 By December 31, 2016

Ensure your MLH meets the deadline to have all Class B coin operated amusement machines (COAMs) in your business location fully upgraded to SAS 6.02 by **December 31, 2016**. Machines not upgraded to SAS 6.02 by **December 31, 2016** will be disabled and must be immediately removed from the business location by the Master License Holder (MLH). Make sure your MLH does not wait until the last minute to convert the machines to full SAS or you will be at risk for missing the deadline due to expected heavy volume at the end of the year.

Class A Licensee Adding Class B Machines

Applicants who currently have a Class A license and want to add Class B machines must submit a letter to GLC Retailer Contracts Administration (RCA). The letter must contain the following information:

- Class A license number
- Applicant/owner making request
- Contact information (phone number and email address)
- Specific request to add Class B machines

Submit the request to the attention of **Camille Stokes** using one of the following methods:

- Email the request to cstokes@qalottery.org
- Fax the request to **(404)215-8897**

Once the request is received, RCA will make the appropriate system updates and contact the applicant and instruct them to apply for a Location Class B license at www.gacoam.com.



Enforcement and Compliance

Additional COAM Inspectors

Compliance monitoring is one of the key components the COAM Division uses to ensure the regulated community obeys laws and regulations. For the upcoming licensing year, the COAM Division will hire additional Compliance Inspectors. With these additional staff, the COAM Division will be able to conduct more targeted inspections and training programs.

Raids

Law enforcement is a critical component of the coordinated effort to end cash payouts as a form of redemption for COAM awards. It is important that law enforcement, the COAM Division and licensees of the industry work together to ensure the 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. State and local law enforcement agencies will continue the coordinated efforts through investigations and conducting raids to combat illegal cash payouts at businesses throughout the State of Georgia.

Security Screenings for COAM Hearings

In an effort to maintain a safe and secure environment at COAM Hearings, in April 2016 the COAM Division introduced the use of hand-held screening devices to check persons as they enter the COAM

Hearing and Waiting Room venues. Additionally, COAM Security will conduct searches of all bags upon entry into the venues. All attendees to COAM Hearings are encouraged to arrive early on their scheduled hearing date to accommodate the security screenings. As a reminder, guns, knives or any item that may be used as a weapon are NOT permitted into the venue.



COAM Legal Corner

Outstanding Fines

Fines imposed by an Executive Order to LLHs and MLHs must be paid within (10) days of receipt of such Executive Order or your COAM license will be suspended until such payment is received by the GLC. Accordingly, the COAMs in your location(s) will be disabled due to the outstanding fine payment. You may pay the fine by sending in a cashier's check or money order made payable to:

Georgia Lottery Corporation - COAM
Attention: Julie Barker
P. O. Box 56927
Atlanta, GA 30343

Arbitration Follow-Up

Any licensee that wishes to inquire about the status of any dispute certification forms related to the arbitration provisions in OCGA 50-27-102(d) should send an email to COAMReporting@galottery.org. The email message must include the COAM location license number that is associated with the request. Be advised that it takes approximately 2 - 3 weeks to process the forms after they are received by GLC. If a change of MLH is approved, it takes approximately 1 -2 weeks for GLC and Intralot to update their records. Lastly, note that effective May 3, 2016, OCGA 50-27-87 (b)(3)(C), an applicant for a COAM license where COAMs were placed in the location within the immediately preceding nine (9) months, must either (i) not place COAMs in the location for nine (9) months from the date of the granting of the location license; or (ii) accept an assignment of the written agreement between the MLH and the immediately preceding location owner. In other words, if a new location owner wishes to change the MLH that is associated with the location, the location owner may wish to wait nine (9) months without COAMs in its location before applying for a COAM location license; or apply for a COAM location license upon taking ownership of the location (assuming COAMs are still in the location or were removed recently) and if the license is granted, then wait nine (9) months without COAMs. A licensee may wish to consult his or her own attorney for legal advice.



Central Accounting System

Power Supply to Site Controller and COAMs

It is imperative there is no electrical power interruption to the site controller and machines in order to ensure accurate reporting of financial data. Therefore, business locations must ensure the electrical

power to the site controller and machines are on at all times to ensure the timely and accurate transfer of financial data from the site controller 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).

Monitoring Machine Connectivity to the Central Accounting System

MLHs must check the **Monitor Exceptions** report (under Monitoring section of the portal) on the Intralot Website Portal (www.gacoamrpt.com) to confirm connectivity of the site controller to the Central Accounting System. If you are unable to restore connection to the Central Accounting System, the machine(s) must be decommissioned and removed from the location or be subject to fines up to \$50,000, suspension and/or revocation of the license, and criminal penalties may also apply.



- A Master and Location User Guide for the Intralot Portal website (www.gacoamrpt.com) is available through the www.gacoam.com website. The user manuals provide you with detailed instructions for operating the Georgia COAM Reporting Portal. Just click on either "Master Portal User Guide" or "Location Portal User Guide" and download the PDF document.
- An existing LLH can add machines (for a license total of 9 Class B's and unlimited Class A's) to their Location license throughout the licensing year.
- Amendments to the COAM law (SB388) took effect on May 3, 2016. Updated versions of the COAM law are available online at www.gacoam.com.

Staying Connected

GEORGIA LOTTERY CORPORATION

Mailing Address

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

GLC COAM Helpline

1(800) 746-8546

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

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

Intralot email - Audit issues
GACOAMAudit@intralot.us

Intralot portal website
www.gacoamrpt.com

RESPONSIBLE GAMING

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

ANONYMOUS TIPLINE TO REPORT FRAUD, ABUSE OR CASH PAYOUTS

1(855)515-0004
