



INTEROFFICE MEMO

Gary Grief, Executive Director LaDonna Castañuela, Charitable Bingo Operations Director

To: Robert G. Rivera, Chairman
Cindy Fields, Commissioner
Mark A. Franz, Commissioner
Erik C. Saenz, Commissioner
Jamey Steen, Commissioner

From: Tyler Vance, Assistant General Counsel *TV*

Date: August 11, 2022

Re: Consideration of and possible discussion and/or action on petition of Daniel R. Moore, Inc.; K&B Sales, Inc.; and Roy Bingo Supplies of Texas, Inc. for adoption of eight new Charitable Bingo Operations Division rules relating to shutter card bingo systems

The referenced petition for adoption of new charitable bingo rules was submitted to the Commission on July 5, 2022. Under the Texas Administrative Procedure Act §2001.021 and Commission rule §403.110, not later than the 60th day after the date of submission of a petition, the agency shall either:

- (1) Deny the petition in writing, stating its reasons for the denial; or
- (2) Initiate a rulemaking proceeding.

The Legal Services Division and Charitable Bingo Operations Division will be prepared to discuss the attached petition and draft rules at the meeting and provide a recommendation.

PETITION FOR ADOPTION OF RULES

The undersigned represents Daniel R. Moore, Inc., 8505 Mosley Rd., Houston, Texas 77075, K&B Sales, Inc., 11827 Judd Court, Dallas, Texas 75243-4401, and Roy Bingo Supplies of Texas, Inc., 5446 US Hwy 290 #205, Austin, Texas 78735, ("Petitioners"), licensed distributors of bingo equipment, and on their behalf and pursuant to Texas Government Code Section 2001.021, the Bingo Enabling Act, Texas Occupations Code, Sections 2001.051 and 2001.054; and 16 Texas Administrative Code Section 403.110, petitions the Texas Lottery Commission ("Commission") through its General Counsel for the adoption of the new rules relating to shutter card bingo systems. Attached to this Petition and incorporated by reference herein are the requested new rules.

Petitioners are business entities located in Texas and each holds a distributor's license issued by the Texas Lottery Commission under Texas Occupations Code, Chapter 2001 ("Bingo Enabling Act").

Pursuant to Texas Government Code, Chapter 467, the Texas Lottery Commission has broad authority over all activities authorized and conducted in Texas under Chapter 2001, Occupations Code and may adopt rules for the enforcement and administration of the Bingo Enabling Act.

Brief Explanation and Justification for the Adoption of the Proposed New Rules

The proposed new rules would address the use of shutter card bingo systems, using shutter cards, shutter card stations, shutter card bingo site systems, and customer accounts, for the play of bingo. The text of each of the proposed new rule is attached to this petition.

Explanation of Shutter Card Bingo System Proposed New Rules

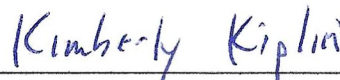
1. Definitions. The new rule sets out definitions for words and terms used in the Shutter Card Bingo Systems rules.
2. Site System Standards. The new rule sets out required standards that address the requirements for the site system design, internal accounting system, verification of winning shutter cards, storing of certain information regarding transactions affecting a shutter card station and shutter cards, capability to generate reports that detail each transaction of a shutter card sale or return, and use of and requirements of a customer account.
3. Shutter Card Station and Customer Account Standards. The new rule sets out required standards and restrictions for shutter card stations and customer accounts.
4. Approval of Shutter Card Bingo Systems. The new rule sets out the process for approval of a shutter card bingo system for use in Texas.

5. Licensed Authorized Organization Requirements. The new rule sets out the requirements for licensed authorized organizations that use a shutter card bingo system.
6. Distributor Requirements. The new rule sets out the requirements for a distributor that that leases, sells, or otherwise furnishes a shutter card bingo system to a licensed authorized organization.
7. Security Standards. The new rule sets out security standards and restrictions for the shutter card bingo system components: site system, shutter card station, and customer account.
8. Inspections and Restrictions. The new rule sets out the requirements for inspections and restrictions of the shutter card bingo system.

The proposed new rules are necessary in order to set out clear guidelines for use of Shutter Card Bingo Systems in Texas. The bingo game using a shutter card bingo system that incorporates as part of the shutter card bingo system using shutter cards, site system, shutter card stations, and customer accounts provides more accountability for the player and the licensed authorized organization. By using a shutter card bingo system, a licensed authorized organization is able to offer a low risk and profitable pari-mutual style bingo game since the shutter card bingo system tracks all sales in real time and the size of the prize is determined by a percentage of sales.

For the foregoing reasons, Petitioners respectfully requests the Texas Lottery Commission grant this Petition and initiate rulemaking proceeding to adopt the new rules or rules that are similar to these rules that authorize and implement a shutter card bingo system for use in Texas.

Respectfully submitted,



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Shutter Card Bingo Systems--Definitions

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

(1) Shutter Card Bingo System--A shutter card and related hardware and software, that is interfaced with, or connected to, equipment used to conduct a game of bingo using shutter cards. A shutter card bingo system consists of the following three parts:

(A) Shutter Card—A device made of cardboard or other suitable material with plastic “shutters” that cover a number to simulate the number being daubed and is used in conjunction with a shutter card customer account.

(B) Shutter Card Bingo Site System--Computer hardware, software, and peripheral equipment, that is located at the bingo premises, is controlled by the licensed authorized organization conducting bingo, and interfaces with, connects with, controls, or defines the operational parameters of shutter card customer accounts. Shutter Card Bingo Site Systems must include, but are not limited to, the following components: point of sale station, shutter card station, a caller station verifier, printers, remote access capability, proprietary executable software, report generation software and an accounting system and database.

(C) Shutter Card Station—Computer hardware and software that is located at a player’s seat that allows the player to select up to three shutter cards located at the player’s seat for play in a bingo game at the bingo premises.

(2) Cards and Card Sets — The number of unique bingo shutter cards on site, with the card numbers and card data being used.

(3) Checksum – A value of fixed-size computed from a block of digital data for the purpose of detecting changes or modifications. Also referred to as a digital signature or hash sum.

(4) Connected – Communication between the player’s shutter card station and the site system by wired or wireless means during an active bingo session.

(5) Customer Account – An account established by a customer and tracked with the use of a unique player shutter card station identification assigned by a licensed authorized organization based on a player’s seat position. The customer may access their own Customer Account to track:

(A) the deposit of funds; and

(B) the purchase of bingo shutter cards.

(6) Shutter Card Station ID number — The unique identification number assigned by a manufacturer to a specific shutter card station.

(7) Shutter Card Station played – A shutter card station utilized within a bingo occasion .

(8) End of occasion log – Information stored in the site system database at the end of each bingo occasion containing pertinent sales, returns, game, and system accounting information to include the following:

- (A) licensed authorized organization's name;
 - (B) licensed authorised organization's license number;
 - (C) bingo occasion site (location);
 - (D) listings of transactions or receipt numbers, including shutter card returns;
 - (E) date and time of the bingo occasion and occasion number, if applicable;
 - (F) total quantity of shutter cards played;
 - (G) the shutter card station ID number of each shutter card station loaded;
 - (H) total dollar value of sales of shutter cards sold;
 - (I) total dollar value of shutter cards returned;
 - (J) total dollar value of shutter card bingo prizes awarded;
 - (K) listing of the balls called, in order called, for each game; and
 - (L) listing of all shutter cards verified for each game, both the non-winning and the winning card face numbers.
- (9) Independent testing facility – A laboratory approved by the commission that is demonstrably competent and qualified to test the site systems scientifically and evaluate them for compliance with statutes and regulations. An independent testing laboratory shall maintain the current applicable standards of the International Organization of Standardization as an accredited laboratory in the field of information technology testing. An independent laboratory shall not be owned or controlled by a licensed authorized organization, the state, or any manufacturer or distributor or operator of shutter card bingo systems.
- (10) Mobile point of sale – Mobile device that allows a licensed authorized organization to conduct customer shutter card sales transactions anywhere within the bingo premises and is a component of the site system.
- (11) Model number – A number designated by the manufacturer that indicates the unique structural design of the shutter card bingo system.
- (12) Occasion report – A report generated by the site system at the end of each bingo occasion containing pertinent sales, returns, game and system accounting to include the following information:
- (A) licensed authorized organization's name;
 - (B) licensed authorized organization's license number;
 - (C) bingo occasion site (location);
 - (D) total dollar sales of shutter cards;

- (E) total dollar value of shutter cards returned;
 - (F) total dollar value of prizes awarded;
 - (G) total dollar value of prize fees collected in conjunction with shutter card bingo prizes awarded.
- (13) Occasion summary report – A report generated by the site system for any specified period which contains the following information:
- (A) licensed authorized organization’s name;
 - (B) licensed authorized organization’s tax payer number;
 - (C) bingo occasion site (location);
 - (D) total dollar sales of shutter cards;
 - (E) total dollar value of shutter cards returned;
 - (F) total dollar value of shutter card bingo prizes awarded; and
 - (G) total dollar value of prize fees collected in conjunction with shutter card bingo prizes awarded.
- (14) Secondary component--Additional software or hardware components provided by the manufacturer, that are part of, or are connected to, a shutter card bingo system and that do not affect the conduct of the bingo game. Secondary components may include computer screen backgrounds, battery charge-up software routines, printers, and printer software drivers.
- (15) Proprietary software - Custom computer software developed by a licensed manufacturer that is the primary component of a shutter card bingo system and is required for a shutter card bingo system to be used in a game of bingo.
- (16) Secondary component--Additional software or hardware components provided by the manufacturer, that are part of, or are connected to, a shutter card bingo system and that do not affect the conduct of the bingo game. Secondary components may include computer screen backgrounds, battery charge-up software routines, printers, printer software drivers, and charging racks.
- (17) Software modifications--Alterations to proprietary software.
- (18) Transaction log--A site system report containing a record of transaction information in detail.
- (19) Version number--A unique number designated by the manufacturer to signify a specific version of software used on or by the shutter card bingo system.

Shutter Card Bingo Systems—Site System Standards

- (a) The site system must be designed so that the Commission may remotely verify the operation, compliance and internal accounting systems of the site system at any time. The manufacturer shall provide to the Commission all current protocols, usernames, passwords, and any other required information needed to access the system. Any and all reports maintained or available for generation by the shutter card bingo system shall be capable of being downloaded or otherwise accessed via the remote connection.
- (b) The site system's internal accounting system must be capable of recording the licensed authorized organization's sale of shutter cards, returns of shutter cards, shutter card bingo prizes awarded and prize fee collected in conjunction with shutter card bingo prizes awarded.
- (c) The site system must be able to verify winning shutter cards and print the shutter cards for posting. For verification purposes, the site system must be capable of storing and printing an ordered list of all balls called for each bingo game using shutter cards.
- (d) The site system must be capable of storing:
 - (1) all transactions affecting a shutter card station;
 - (2) the shutter card station ID number for each transaction affecting the shutter card station; and
 - (3) the date, time, quantity of shutter cards affected, price per card, and returning of cards.
- (e) The site system shall not allow the exact duplication of cards on two different player seats.
- (f) Upon completion of each transaction, the site system must not allow any transactional information including date, time, quantity of shutter cards, price per card or package, package number, or other source information to be changed within the accounting system or database.
- (g) The site system must recognize the shutter card station ID number and store that number on the transaction log for each and every transaction that directly affects that shutter card station.
- (h) The site system must have a database backup and recovery system to prevent loss of transactional information in the event of power failures or any disruptive event.
- (i) The site system must be capable of printing a report that details each transaction of a shutter card sale or return that includes, at a minimum, the following information:
 - (1) licensed authorized organization's name;
 - (2) licensed authorized organization's taxpayer number;
 - (3) bingo occasion location name;
 - (4) date and time of the transaction, in DD/MM/YYYY HH:MM:SS; format;
 - (5) the dollar value of the transaction and quantity of shutter cards;
 - (6) the shutter card station where the sales and returns were done; and
 - (7) the total dollar value of the transaction.

- (j) The site system must be capable of storing and printing:
 - (1) a transaction log; and
 - (2) end of occasion log for each bingo occasion.
- (k) The site system must be capable of storing and printing an Occasion Report and Occasion Summary Report on demand.
- (l) The site system must be capable of maintaining all required information for the end of occasion log and the occasion summary report for a period of 48 months.
- (m) The site system must not erase or overwrite any of the required bingo occasion information until both detail and summary information is transferred to a secondary storage medium.
- (n) All shutter card bingo system approvals issued by the Commission prior to the effective date of this section remain valid. Any subsequent changes or modifications to an approved system require compliance with this section.
- (o) The site system may, but is not required to, be designed to incorporate the use of a customer account. However, if the system incorporates the use of a customer account, the site system must include the following requirements:
 - (1) Be capable of recording each transaction made by a player from their customer account and include the transaction dollar amount, time and date, quantity and price of the shutter cards purchased or returned;
 - (2) Not be used to track and credit a customer's account with bingo prizes won;
 - (3) Additional funds may be added to the customer's account only using a site system Point-of-Sale;
 - (4) Capable to generate financial reports for customer account activity to include:
 - (A) customer account number;
 - (B) initial amount of funds placed in the account;
 - (C) each transaction including quantity of shutter cards purchased, dollar amount, time and date, any ending balance, bingo worker login information; and
 - (D) if balance was refunded at end of occasion, or retained by the organization as other income.

Shutter Card Bingo Systems—Shutter Card Station and Customer Account Standards

- (a) The shutter card bingo system must have a unique and permanent identification number for each shutter card station.
- (b) The shutter card station must automatically transmit its identification number to the site system or be known by the site system, to be recorded on the transaction log, each time the shutter card station is involved in a transaction with the site system.
- (c) The shutter card station must not track bingo numbers called or assist the customer in any way to mark their shutter cards.
- (d) The shutter card station must not allow a player to participate or change cards after a game has started.
- (e) The shutter card station must clear the shutter cards in play after each game.
- (f) All shutter card bingo system approvals issued by the Commission prior to the effective date of this section remain valid. Any subsequent changes or modifications to an approved system require compliance with this section.
- (g) A shutter card station utilizing a customer account may not permit customers to purchase any bingo equipment other than shutter cards.
- (h) A customer account must display the account balance at all times.
- (i) A customer account and a shutter card station shall not:
 - (1) track and store any winnings from authorized bingo games;
 - (2) replay any winnings;
 - (3) be used to credit the player's winnings;
 - (4) be used to purchase or play pull-tab bingo tickets; and
 - (5) be used for video confirmation of pull-tab bingo tickets.
- (j) The customer account and shutter card station may not be used:
 - (1) to generate or determine the random letters, numbers, or other symbols used in playing the shutter card;
 - (2) as a receptacle for the deposit of tokens or money in payment for playing the shutter card; or
 - (3) as a dispenser for the payment of a bingo prize, including coins, paper currency, or a thing of value for playing the shutter card.

Shutter Card Bingo Systems—Approval of Shutter Card Bingo Systems

(a) A shutter card bingo system must not be sold, leased, or otherwise furnished to any person for use in the conduct of bingo until it has first been tested and certified as compliant with the standards in this subchapter by an independent testing facility or the Commission's own testing lab. The shutter card bingo system shall be submitted for testing at the manufacturer's expense. The testing facility should be required to ensure that the shutter card bingo system conforms to the restrictions and conditions set forth in these standards. The approval process is set forth in subsections (b) - (f) of this section.

(b) Utilizing an Independent Testing Facility:

(1) Manufacturer submits system to lab with letter outlining the shutter card bingo system to be tested for approval in Texas;

(2) Lab performs validation testing to ensure compliance with the Commission's requirements. Testing may include functional testing and/or modification testing, if applicable;

(3) Lab creates certification report which includes file verification methodology, software/firmware signatures (checksum) and testing results;

(4) Manufacturer submits approval request with certification report to the Commission;

(5) Once the Commission has received the certification report from the independent testing facility, the Commission may request a demonstration of the product; and

(6) The Commission shall either approve or disapprove the submission based on the test results and inform the manufacturer and lab of the results within thirty (30) calendar days of receipt of the test results.

(c) Utilizing the Commission's testing lab:

(1) Manufacturer has shutter card bingo system ready for submission;

(2) Manufacturer submits system to Commission with letter outlining system specifics;

(3) Testing lab may request a demonstration of the system prior to testing;

(4) Lab performs validation testing to ensure compliance with Commission's requirements. This testing may include functional testing and/or modification testing, if applicable;

(5) Lab communicates with manufacturer on any questions arising from testing;

(6) Lab recommends approval or denial of the system within forty-five (45) calendar days from submission date; and

(7) The Commission issues an approval or denial letter to the manufacturer which includes software/firmware signatures (checksum).

(d) After the Commission approves a shutter card bingo system, the manufacturer shall notify the Commission of the date, time and place of the first installation of the system so that a Commission representative may observe and review the shutter card bingo system.

(e) Checksum or digital signatures will be obtained from the proprietary software submitted for testing to be used to verify that proprietary software at playing locations is the same as the software that was approved.

- (f) The decision by the director to approve or disapprove any component of a shutter card bingo is administratively final.
- (g) The manufacturer shall be responsible for the costs related to the testing of shutter card bingo system to include the fees charged by independent testing facilities or the Commission testing lab.
- (h) The manufacturer shall be responsible for the travel costs incurred by the Commission to audit the initial installation of a shutter card bingo system in the state of Texas.
- (i) All shutter card bingo system approvals issued by the Commission prior to the effective date of this section remain valid. Any subsequent changes or modifications to an approved system require compliance with this section.

Shutter Card Bingo Systems—Licensed Authorized Organization Requirements

- (a) The licensed authorized organization must ensure the site system is accessible to the Commission via remote connection at all times.
- (b) The licensed authorized organization must ensure that the reports for its bingo occasion display the correct licensed authorized organization name, location name, time, and date.
- (c) The licensed authorized organization must ensure that the occasion report displays the correct licensed authorized organization name, location name, date of the bingo occasion, and all other required information contained in Section (12) of Shutter Card Bingo Systems--Definitions of this chapter.
- (d) Each licensed authorized organization must record all sales of shutter cards and all prizes awarded.
- (e) Each licensed authorized organization purchasing, leasing, or otherwise utilizing a shutter card bingo system must maintain a log or other records showing the following:
 - (1) the date the shutter card bingo system was installed or removed; and
 - (2) the name and license number of the distributor from which the shutter card bingo system was purchased, leased or otherwise obtained.
- (f) If multiple licensed authorized organizations hold an interest in a shutter card bingo system, a single record identifying each licensed authorized organization should be retained on the premises where the shutter card bingo system is utilized.
- (g) The licensed authorized organization must retain all records and reports relating to the shutter card bingo system's transactions, maintenance, and repairs for a period of 48 months for examination by the Commission. Such records shall be kept on the premises where the licensed authorized organization is licensed to conduct bingo, or at a location designated in writing to the Commission by the licensed authorized organization.
- (h) All shutter cards must be enabled for play on the premises where the game will be played.
- (i) After the last game of the bingo occasion has been completed, the licensed authorized organization shall print an occasion report from the site system.
- (j) The bingo player must be physically present during the game on the premises where the game is actually conducted.
- (k) A licensed authorized organization may not add to or remove any software program related to the conduct of bingo to an approved shutter card bingo system. If the Commission detects or discovers a shutter card bingo system at a bingo premises that is using components or software that were not approved by the Commission as required, the shutter card bingo system is deemed to have an unauthorized modification.

(l) No licensed authorized organization may display, use, or otherwise furnish a shutter card station which has in any manner been tampered with, or which otherwise may deceive the player or affect a player's chances of winning.

(m) At the time a player establishes a customer account, the licensed authorized organization must notify the player that any unclaimed balances in the customer account at the end of the occasion will be retained by the organization. Information regarding the retention by the licensed authorized organization of the unclaimed balances in a customer account at the end of an occasion must be included in the information the organization must provide to its players pursuant to §402.200 of this chapter. Any unclaimed balances retained by the organization under this subsection shall be considered to be funds derived from the conduct of bingo, deposited into the organization's bingo account, and reported as other income. However, any unclaimed balances deposited into the organization's bingo account are restricted to the organization's charitable purposes, as provided by Texas Occupations Code §2001.453(2) and §2001.454.

(1) For a licensed authorized organization that conducts bingo through a unit created and operated under Texas Occupations Code Chapter 2001, Subchapter I-1, any balances on a customer account may be used by the customer for any bingo occasion conducted on the same day of any of the organizations in the unit on the premises specified in their bingo licenses.

(2) For a licensed authorized organization that conducts bingo on consecutive occasions within one 24-hour period, any balances on a customer account may be used by the customer during either occasion.

(n) A licensed authorized organization must comply with the requirements in §402.200(b)(6) of this chapter regarding all bingo equipment malfunctions, including customer accounts on a shutter card bingo system.

(o) Each licensed authorized organization must ensure that the shutter card bingo system records the actual selling price of each shutter card sold.

Shutter Card Bingo Systems—Distributor Requirements

(a) Installation. Each distributor that leases, sells, or otherwise furnishes a shutter card bingo system shall install the system based on the manufacturer's approval letter for use in Texas. Each system shall be installed with:

- (1) a point of sale, caller station, verifier, and all other software components of the site system as listed in the approval letter;
- (2) the software settings as established in the approval letter;
- (3) all of the manufacturer requirements and restrictions in place; and
- (4) a dedicated modem phone line or internet connectivity.

(b) Before initial use by a licensed authorized organization, each distributor that leases, sells, or otherwise furnishes a shutter card bingo system must provide notice to the Commission in writing on a form prescribed by the Commission, or electronically in a format prescribed by the Commission, that includes the following information:

- (1) the modem number or IP address and protocol for remote access;
- (2) total number of shutter card stations installed at the bingo premises;
- (3) the name of the bingo premises, physical address, telephone number, and licensed commercial lessor's taxpayer identification number, if applicable, where the shutter card bingo system is located;
- (4) the expected start up date for use of the shutter card bingo system by the licensed authorized organization;
- (5) the name and taxpayer identification number of the licensed authorized organization to whom the shutter card bingo system was sold, leased, or otherwise furnished;
- (6) the name and taxpayer identification number of the distributor from whom the shutter card bingo system was leased, purchased, or otherwise obtained;
- (7) the name and taxpayer identification number of the manufacturer, model and version number of the shutter card bingo system; and
- (8) a certification statement from the manufacturer that the remote connectivity is operating properly.

(c) If a shutter card or shutter card station is to be used at more than one bingo premises, each bingo premises must have its own shutter card bingo site system.

(d) Before the complete removal or hardware up-grade of any shutter card bingo system, each distributor must supply one copy of the data files to each licensed authorized organization that utilized the shutter card bingo system and maintain one additional copy for a period of 48 months.

(e) A distributor selling, leasing, or otherwise providing shutter card bingo systems to a licensed authorized organization or another licensed distributor must provide the licensed authorized organization or licensed distributor with an invoice that contains, at a minimum, the following information and must maintain copies of the invoice or documentation for a period of 48 months:

- (1) the invoice number;
- (2) the date of sale or lease period covered by the invoice;
- (3) the manufacturer's name;

- (4) the name and version number of the shutter card bingo system;
- (5) the quantity of shutter cards sold or leased; and
- (6) the total invoice amount.

(f) The distributor shall serve as the initial contact for the licensed authorized organization with respect to requests for installation, service, maintenance, or repair of shutter cards, shutter card stations, and site systems.

(g) A distributor may not add to nor remove any software programs related to the conduct of bingo to an approved shutter card bingo system. If the Commission detects or discovers a shutter card bingo system at a bingo premises that is using components or software that were required to have been approved by the Commission but have not been approved, the shutter card bingo system is deemed to have an unauthorized modification.

(h) Upon the Commission's notification to the manufacturer, the manufacturer must immediately disable the system. A distributor may not display, use, or otherwise furnish a shutter card or shutter card station which has in any manner been tampered with, or which otherwise may deceive the player or affect a player's chances of winning.

Shutter Card Bingo Systems—Security Standards

- (a) A customer account, shutter card station, or site system shall not be a video lottery machine or machine that, upon insertion of cash, is available to play or simulate the play of a video game, including but not limited to video poker, keno, and blackjack, utilizing a video display and microprocessor in which the player may receive free games or credits that can be redeemed for cash, coins, or tokens or that directly dispenses cash, coins, or tokens.
- (b) The shutter card station or site system shall provide password protection for each organization at a location using the shutter card station or site system.
- (c) The site system shall be able to provide the winning game patterns required for the entire bingo occasion. A printout or electronic display of the winning patterns must be available at the bingo occasion upon request by patrons or Commission personnel.
- (d) The manufacturer shall provide to the Commission all current protocols, usernames, passwords, and any other required information needed to access the system prior to the operation of the system within Texas.
- (e) The manufacturer and distributor shall notify the Commission of any changes they have made in the protocols, usernames, passwords, and any other required information needed to access the system within ten (10) calendar days of the change.
- (f) The system shall have sufficient security safeguards to ensure that any restrictions or requirements authorized by the Commission or any approved proprietary software are protected from alteration.
- (g) A manufacturer of a shutter card bingo system shall employ sufficient security safeguards in designing and manufacturing the shutter card bingo system such that only approved proprietary software used directly in the operation of bingo are accessible by the licensed authorized organization.
- (h) All shutter card bingo system approvals issued by the Commission prior to the effective date of this section remain valid. Any subsequent changes or modifications to an approved system require compliance with this section.

Shutter Card Bingo Systems—Inspections and Restrictions

- (a) The Commission may examine and inspect any shutter card bingo system that was used, is being used, or is intended for subsequent use, in the conduct of bingo, including any individual shutter card, shutter card station, and related site system. Such examination and inspection includes immediate access to the shutter card, shutter card station, and unlimited inspection of all parts of the shutter card bingo system.
- (b) Distributors and manufacturers shall provide records related to approved shutter card bingo systems requested by the Commission, or any of its employees, within fourteen (14) calendar days of the request unless a longer response time is allowed by the request.
- (c) If the Commission detects or discovers any problem with the shutter card bingo system that affects the security and/or integrity of the bingo game or shutter card bingo system, the Commission:
 - (1) may direct the manufacturer, distributor, or licensed authorized organization to cease the sale, lease, or use of the shutter card bingo system, as applicable and/or to remove the shutter card bingo system from use or play until further notice by the Commission; and
 - (2) may require the manufacturer to correct the problem or recall the shutter card bingo system immediately upon notification by the Commission to the manufacturer.
- (d) If the manufacturer, distributor, or licensed authorized organization detects or discovers any defect, malfunction, or problem with the shutter card bingo system that affects the security and/or integrity of the bingo game or shutter card bingo system, the manufacturer, distributor, or licensed authorized organization, as applicable, shall immediately:
 - (1) remove the shutter card bingo system from use or play; and
 - (2) notify the Commission of such action.
- (e) The Commission, at its discretion, may require additional examination or inspection of shutter card bingo systems at any time. Such additional examinations or inspections may be at the manufacturer's expense and may be a condition of the continued use of such system.
- (f) A manufacturer's demonstration of a non-approved shutter card bingo system or any secondary component may take place only after permission is granted by the Commission. The request to demonstrate must be provided to the Commission at least seven (7) calendar days prior to the date of demonstration. The Commission may request a manufacturer to voluntarily demonstrate to the Commission staff a shutter card bingo system that the manufacturer markets in another jurisdiction.