



Token Crossplay Considerations

Its Time Re-evaluate Crossplay Law In Light Of Today's Token And Acceptor Technology
08/2003

Introduction & Summary

Federal law mandates that only the US Government shall have the right to produce money and that tokens must thereby be restricted to use within the issuing establishment. Until recently, the only practical way the government had to manage the mushrooming number of casinos using basically the same tokens was to require that they; a) refuse play of other tokens at table games, b) sell only their own tokens to customers, resulting in c) sorting tokens in the backroom that were taken in by slot machines, and d) hiring a fleet of armored trucks to return/exchange tokens back to the issuing casino. With the advent of X-Mark and SmartMark optically encoded token technology and coin acceptors such as IDX Xeptors to validate them, it is now possible to prevent crossplay between casinos altogether such that numerous nearby casinos can abide by the full intent of the no-crossplay law without the overhead costs of sorting and exchange. Regulators need no longer excuse "inadvertent acceptance of other tokens" when the technology to prevent it is commonly available. Casinos that have made the change have indeed found that operating costs are lower because of both slug and crossplay elimination. Additionally, the direction of gaming regulators is toward requiring no crossplay. Ontario was the first jurisdiction to require no crossplay in all of its casinos and racetracks. Indiana and Illinois have draft or published regulations also to require no crossplay of tokens, while others are expecting to follow. IDX is prepared to provide as many distinctive codes, and Xeptors that reliably read them, as the market requires.

Crossplay History

The history of token crossplay has been primarily directed by the technological evolution of the coin acceptor. The first coin operated machines had little more than a micro-switch to detect and credit a coin deposited through a slot. It was quickly discovered that any old piece of wood, linoleum, or metal that could be pushed through the slot would crossplay with the desired coin. Coin acceptors then evolved through the 1960's with ever improving mechanical and magnetic testing methods to validate the deposited coin. Methods included diameter and thickness separators, rocker cradles for weight, and magnets to divert magnetic materials. In the late 1970's and on into the 1990's, electronic "coin comparators" became available and basically checked for an electromagnetic signature match between a sample coin held by the acceptor and the coin deposited. In the later 1990's coin acceptors that could read codes minted into the surface of tokens were developed to finally eliminate counterfeits and provide a means to uniquely identify a casino's token to eliminate crossplay.

Meanwhile the US Mint had early on enacted bans for various token diameter ranges and alloys to help keep government minted currency coins sufficiently distinct from privately minted tokens. In the developing Las Vegas gaming industry, regulators also enacted diameter and thickness categories for high denomination tokens to help prevent the possible crossplay of a token of one denomination in a machine of a higher denomination at the casino across the street. Of course this increased the likelihood that the same denomination would crossplay at the casino across the street. The 18% nickel silver alloy became popular for casino tokens because it was not readily available to the public like steel, copper, aluminum, and brass alloys, and because it had a nice silvery appearance. Reliance on this single alloy also supported the likelihood of crossplay in the slot machines across the street. For a time, crossplay between Las Vegas casino tokens was rampant. Many local businesses also regularly took casino tokens as payment for goods.

The US Mint had major heartburn with the rampant crossplay of tokens between casinos, and even more so with their use as money in local shops because; a.) the constitution authorizes only the US Mint to produce money, b) by definition, a token is for use and only has value within a particular establishment, while money is for use and has value between individuals and establishments, and c) casino tokens were being used between establishments and as money. Because the technology did not exist to prevent crossplay, casinos were required to refuse play of other tokens at the table games and sell only their own tokens to their customers. This had a side effect of requiring backroom activity to

visually sort out other tokens taken inadvertently in slot machines, and then hire armored trucks to return the tokens to their sponsors for face value.

Today casinos that have installed X-Mark encoded tokens and Xeptors have discovered the cost savings of rejecting both slugs and crossplay tokens. As regulators understand more about the available technology, it appears a trend is starting toward writing into the regulations the requirement for no crossplay tokens as ideally required by federal law. Ontario was the first jurisdiction to require no crossplay in all of its casinos and racetracks. Indiana and Illinois have draft or published regulations also to require no crossplay of tokens

Crossplay Costs

Some have claimed that it is a benefit to take tokens from across the street because customers get on average 92% of face value when played in slot machines whereas the casino gets full face value when returning it to the sponsor of the token. However, this neglects the fact that the same thing is going on across the street with your tokens, making the benefit a net wash, but still leaving the real cost of accepting crossplay tokens, which includes:

1. When there is no token-exchange relationship with the establishment sponsoring the crossplay tokens being accepted, then it is pretty much a dollar-for-dollar loss on the face value of the crossplay tokens accepted. Such crossplay tokens are little better than counterfeits or slugs.
2. When there is a token-exchange relationship with the establishment sponsoring the crossplay tokens being accepted, then the costs still include:
 - a. Building space and equipment for visually sorting crossplay tokens from emptied slot drop vaults.
 - b. Opportunity cost for not having this space and equipment serving paying customers in a productive way.
 - c. Wages and benefits paid to employees who do the visual sorting.
 - d. Expense paid for armored trucks to pickup and deliver the sorted tokens.

Crossplay Federal Laws

A short summary of the below attached Federal Laws includes:

- The US Constitution in Article 1, Section 8 gives congress the authority to coin and regulate money, to provide punishment for counterfeiting and specifically excludes such power from the states. This exclusive authority has been vested in the Department of the Treasury, US Mint.
- The US Mint has defined the physical and usage limits for tokens, clearly prohibiting crossplay of tokens between establishments, using tokens for other than limited purposes within your own establishment, and requiring posted signage to help remind the public.
- United States federal laws 18 USC Sections 336 and 491 provides for punishment of anyone producing tokens intending that they can be used in other establishments for goods or services provided there.
- Blacks Law Dictionary supports the implied definitions of "money", "coin", "currency", and "token" used herein.

U.S. Constitution: Article 1, Section 8 Clause

The Congress shall have Power... To coin Money, regulate the Value thereof...

U.S. Constitution: Article 1, Section 8 Clause 6

The Congress shall have Power ... To provide for the Punishment of counterfeiting the Securities and current Coin of the United States;

U.S. Constitution: Article 1, Section 10 Clause 3

No State shall ... coin Money;

Use of Metal Tokens: Final Statement of Policy

Volume 50 Federal Register 28679-81 (July, 15, 1985)

Agency: United States Mint, Treasury

Action: Final Statement of Treasury Policy Regarding the Use of Metal Tokens

SUMMARY: The United States Mint, Department of Treasury announces its final statement of policy regarding the use of metal tokens. The Mint has historically been opposed to the production and use of metal tokens because of its concern that widespread use of tokens would lead to their circulation in the community as coinage in violation of the criminal code. Exceptions to this opposition have been granted by the Mint for the use of tokens by gambling casinos on a case-by-case basis. The Department does not oppose the production or use of tokens which meet the following conditions:

1. Tokens should be clearly identified with the name and location of the establishment from they originate on at least one side. Alternatively, tokens should contain an identifying mark or logo which clearly indicates the identity of the manufacturer.
2. Tokens should not be within the following diameter ranges (inches):
 - 0.680- 0.775
 - 0.810- 0.860
 - 0.910- 0.980
 - 1.018- 1.068
 - 1.180- 1.230
 - 1.475- 1.525
3. Tokens shall not be manufactured from a three layered material consisting of a copper nickel alloy clad on both sides of a pure core, nor from a copper based material except if the total of zinc, nickel, aluminum, magnesium, and other alloying materials is at least 20 percent of the token's weight. In addition, tokens shall not be manufactured from material which possesses sufficient magnetic properties so as to be accepted by a coin mechanism.
4. **Establishments using these tokens shall prominently and conspicuously post signs on their premises notifying patrons that federal law prohibits the use of such tokens outside the premises for any monetary purpose whatever.**
5. **The issuing establishments shall not accept tokens as payment for any goods or services offered by such establishment with the exception of the specific use for which the tokens were designed.**
6. The design on the token shall not resemble any current or past foreign or U.S. coinage.

18 USC Sec. 336

TITLE 18 - CRIMES AND CRIMINAL PROCEDURE PART I - CRIMES CHAPTER 17 - COINS AND CURRENCY

-HEAD-

Sec. 336. Issuance of circulating obligations of less than \$1

-STATUTE-

Whoever makes, issues, circulates, or pays out any note, check, memorandum, *token*, or other obligation for a less sum than \$1, intended to circulate as *money* or to be received or used in lieu of lawful money of the United States, shall be fined under this title or imprisoned not more than six months, or both.

18 USC Sec. 491

TITLE 18 - CRIMES AND CRIMINAL PROCEDURE PART I - CRIMES CHAPTER 25 - COUNTERFEITING AND FORGERY

-HEAD-

Sec. 491. *Tokens* or paper used as *money*

-STATUTE-

(a) **Whoever, being 18 years of age or over, not lawfully authorized, makes, issues, or passes any coin, card, token, or device in metal, or its compounds, intended to be used as money**, or whoever, being 18 years of age or over, with intent to defraud, makes, utters, inserts, or uses any card, *token*, slug, disk, device, paper, or other thing similar in size and shape to any of the lawful coins or other currency of the United States or any coin or other currency not legal tender in the United States, to procure anything of value, or the use or enjoyment of any property or service from any automatic merchandise vending machine, postage-stamp machine, turnstile, fare box, coinbox telephone, parking meter or other lawful receptacle, depository, or contrivance designed to receive or to be operated by lawful coins or other currency of the United States, **shall be fined under this title, or imprisoned not more than one year, or both.** (b) Whoever manufactures, sells, offers, or advertises for sale, or exposes or keeps with intent to furnish or sell any *token*, slug, disk, device, paper, or other thing similar in size and shape to any of the lawful coins or other currency of the United States, or any *token*, disk, paper, or other device issued or authorized in connection with rationing or food and fiber distribution by any agency of the United States, with knowledge or reason to believe that such *tokens*, slugs, disks, devices, papers, or other things are intended to be used unlawfully or fraudulently to procure anything of value, or the use or enjoyment of any property or service from any automatic merchandise vending machine, postage-stamp machine, turnstile, fare box, coinbox telephone, parking meter, or other lawful receptacle, depository, or contrivance designed to receive or to be operated by lawful coins or other currency of the United States shall be fined under this title or imprisoned not more than one year, or both. Nothing contained in this section shall create immunity from criminal prosecution under the laws of any State, Commonwealth of Puerto Rico, territory, possession, or the District of Columbia. (c) "Knowledge or reason to believe", within the meaning of paragraph (b) of this section, may be shown by proof that any law-enforcement officer has, prior to the commission of the offense with which the defendant is charged, informed the defendant that *tokens*, slugs, disks, or other devices of the kind manufactured, sold, offered, or advertised for sale by him or exposed or kept with intent to furnish or sell, are being used unlawfully or fraudulently to operate certain specified automatic merchandise vending machines, postage-stamp machines, turnstiles, fare boxes, coin-box telephones, parking meters, or other receptacles, depositories, or contrivances, designed to receive or to be operated by lawful coins of the United States.

Legal Definitions From Black's Law Dictionary, 6th Edition

Money: In usual and ordinary acceptance it means coins and paper currency used as circulating medium of exchange, and does not embrace notes, bonds, evidences of debt, or other personal or real estate. Page 1005.

Currency: Coined money and such bank notes or other paper money as are authorized by law and do in fact circulate from hand to hand as the medium of exchange. Page 382.

Coin: Pieces of gold, silver, or other metal, fashioned into a prescribed shape, weight, and degree of fineness, and stamped, by authority of the government, with certain marks and devices, and put into circulation as money at a fixed value. Page 260.

Token-money: A conventional medium of exchange consisting of pieces of metal, fashioned in the shape and size of coins, and circulating among private persons, by consent, at a certain value. No longer permitted or recognized as money. Page 1487.

Crossplay Gaming Regulation

Pertinent portions of the gaming regulations from a variety of jurisdictions have been cut and pasted into the document below along with their relevant URL Web addresses. While most of them have a lot in common, the primary difference between them relates to the level of detail included by the particular jurisdiction. That said, general observations of the various regulations include:

- Most jurisdictions have incorporated the restrictions outlined by US Mint fairly directly and state that tokens shall be designed, manufactured, and constructed in compliance with all applicable statutes, regulations, and policies of the United States
- However, to get around strict compliance with federal law most recite a set of rules for what to do when tokens of another casino show up through "inadvertent acceptance" in slot machines... because in the past it really was not possible to "accept designated coins and reject others" from the casino next door or down the street.
- If market proven and affordable products are known to be available to meet the requirement of the law, but casinos buying new equipment chose otherwise, then it is no longer "inadvertent acceptance", but rather deliberate crossplay allowance . Knowingly choosing not to meet the requirement of the law must then become an enforcement issue for gaming regulators.
- Jurisdictions such as Nevada and New Jersey have recognized the importance for utilizing the new high security token and acceptor technology by requiring it for the new \$1,000 token denomination. Ontario now requires high security tokens for \$2 and higher.

California Penal Code <http://caselaw.lp.findlaw.com/cacodes/pen/639-653.1.html> **Section 648a**

(a) Every person who has in his or her possession for any illegal purpose or who makes, sells, issues, or puts in circulation any slug or token that does not conform to the limitations on size, shape, weight, construction, and use specified in subdivision (b) is guilty of a misdemeanor. The term "slug" and the term "token," as used in this section, mean any piece of metal or other material not a coin of the United States or a foreign country. However, tokens sold by and accepted as fares by electric railways and lettered checks having a returnable trade value shall not be subject to the provisions of this section.

(b) (1) The slug or token shall either be clearly identified with the name and location of the establishment from which it originates on at least one side or shall contain an identifying mark or logo that clearly indicates the identity of the manufacturer.

(2) The slug or token shall not be within any of the following diameter ranges in inches: (A) 0.680-0.775. (B) 0.810-0.860. (C) 0.910-0.980. (D) 1.018-1.068. (E) 1.180-1.230. (F) 1.475-1.525.

(3) The slug or token shall not be manufactured from a three-layered material consisting of a copper-nickel alloy clad on

both sides of a pure core, nor from a copper-based material except if the total of zinc, nickel, aluminum, magnesium, and other alloying materials is at least 20 percent of the token's weight.

(4) The slug or token shall not possess sufficient magnetic properties so as to be accepted by a coin mechanism.

(5) The design on the slug or token shall not resemble any current or past foreign or United States coinage.

(6) Establishments using these slugs or tokens shall prominently and conspicuously post signs on their premises notifying patrons that federal law prohibits the use of the slugs or tokens outside the premises for any monetary purpose.

(7) The issuing establishment shall not accept slugs or tokens as payment for any goods or services offered by the establishment with the exception of the specific use for which the slugs or tokens were designed.

Colorado Gaming Regulations <http://www.gaming.state.co.us/documents/rule12.pdf> **RULE 12 GAMING DEVICES AND EQUIPMENT**

47.1-1213 Specifications for chips and tokens.

(1) Chips and tokens must be designed, manufactured, and constructed in compliance with all applicable statutes, rules, and policies of the United States, the State of Colorado, and other states to prevent counterfeiting of the chips or tokens.

Chips and tokens must not resemble any current or past coinage of the United States or any other nations.

47.1-1216 Specifications for tokens.

(1) One-dollar metal tokens must be disk-shaped and must measure from 1.459 through 1.474 inches in diameter, from .095 through .115 inch thick. (2) Two dollar metal tokens must be disk-shaped and must measure from 1.292 inches through 1.392 inches in diameter, from .092 inches through .104 inches thick. (3) Five dollar metal tokens must be disk-shaped and must measure from 1.740 inches through 1.760 inches in diameter, from .115 inches through .135 inches thick. (4) Metal tokens must not be manufactured from material possessing sufficient magnetic properties to allow it to be accepted by a coin mechanism other than that of a slot machine. Metal tokens may not be manufactured from a three-layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core nor from a copper-based material unless the total of zinc, nickel, aluminum, magnesium, and other alloying materials is at least 20 percent of the tokens weight.

47.1-1229 Coin and bill acceptors.

At least one electronic coin or token acceptor must be installed in a slot machine. In addition, bill acceptors may be installed. Coin and bill acceptors must be approved to indicate that they meet the requirement of this section. Coin and bill acceptors must be designed to accept designated coin, tokens or bills and reject others on the basis of metal composition, size, composite makeup, or equivalent security. Coins or tokens which are accepted but are inappropriate "coins-in" must be returned to the player or credited toward the next play of the slot machine. The slot machine hardware must be capable of handling rapidly fed coins or piggy backed coins so that occurrences of cheating are eliminated.

Illinois Gaming Board Regulations <http://www.igb.state.il.us/regs/3000.pdf>

Title 86 Part 3000

Section 3000.100 Definitions

For purposes of this Part the following terms shall have the following meanings:

"Token": A metal representative of value, redeemable for cash only at the issuing Riverboat Gaming Operation, and issued and sold by a holder of an Owner's license for use in Gaming.

Section 3000.635 Issuance and Use of Tokens for Gaming

b) A holder of an Owner's License may, with the approval of the Administrator, issue metal

Tokens designed for Gaming. Such Tokens shall: 1) Clearly identify the name and location of the Riverboat Gaming Operation issuing them; 2) Clearly state the face value of the Token; 3) Contain the statement "Not Legal Tender"; 4) Not be deceptively similar to any current or past coin of the United States or a foreign country; 5) Be of a size or shape or have other characteristics which will physically prevent their use to activate lawful vending machines or other machines designed to be operated by coins of the United States; and 6) Not be manufactured from a ferromagnetic material or from a three-layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core or from a copper based alloy except if the total zinc, nickel, aluminum, magnesium and other alloying metal exceeds 25 percent of the Token's weight.

Section 3000.640 Exchange of Chips and Tokens

f) Each Riverboat shall cause to be posted and remain posted in a prominent place:

1) On the front of a cashier's cage a sign that reads as follows: "Gaming Chips issued by another Riverboat may not be used, exchanged or redeemed in this Riverboat"; and 2) On Electronic Gaming Device Token redemption booths a sign that reads as follows: "Tokens issued by another Riverboat may not be used, exchanged or redeemed in this Riverboat."

Section 3000.665 Integrity of Electronic Gaming Devices

Electronic Gaming Devices shall:

g) Have at least one electronic Token acceptor. Token acceptors must be designed to accept designated Tokens and reject others. The Token receiver on an Electronic Gaming Device must be designed to prevent the use of cheating methods such as slugging, stringing, or spooning. All Token acceptors are subject to approval by the Administrator. Tokens accepted but which are inappropriate "token-ins" must be returned to the player by activation of the hopper or credited toward the next play of the Electronic Gaming Device. The Electronic Gaming Device control program must be capable of handling rapidly fed Tokens so that occurrences of inappropriate "token-ins" are prevented;

Indiana Gaming Commission <http://www.in.gov/legislative/iac/t00680/a00140.pdf>

ARTICLE 14. GAMING EQUIPMENT

Rule 5. Token Specifications

68 IAC 14-5-3 Specifications for tokens

Sec. 3. All tokens utilized and issued by a riverboat licensee must meet the following specifications or requirements:

- (4) Must not be deceptively similar to any current or past coin issued by the United States or a foreign country.
- (5) Must contain the following statement: "Not Legal Tender".
- (6) Must not be of a size or shape or manufactured from material that possesses sufficient magnetic properties that allows it to be accepted by a coin accepting mechanism other than that of an electronic gaming device.
- (7) Must not be manufactured from a ferromagnetic material or from a three layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core or from a copper based alloy unless the total alloying metal of the following type exceeds twenty-five percent (25%) of the token's total weight: (A) Zinc. (B) Nickel. (C) Aluminum. (D) Magnesium. (E) Other alloying material.
- (8) Be designed, manufactured, and constructed in a manner not conducive to the counterfeiting of tokens.

Louisiana Gaming Control Board <http://www.state.la.us/osr/lac/42v01/42v01.pdf>

TITLE 42 Part XIII. Riverboat Gaming

Subpart 2. State Police Riverboat Gaming Division

§4329. Minimum Standards for Electronic Gaming Devices

15. shall have at least one electronic coin acceptor and may be equipped with an approved currency acceptor. Coin and currency acceptors shall be designed to accept designated coins and currency and reject others. The coin acceptor on a device shall be designed to prevent the use of cheating methods such as slugging, stringing, or spooning. All types of coin and currency acceptors are subject to the approval by the division. The control program shall be capable of handling rapidly fed coins so that occurrences of inappropriate "coin-ins" are prevented;

§4303. Specifications for Chips and Tokens

A. Chips and tokens must be designed, manufactured, and constructed in compliance with all applicable statutes, regulations, and policies of the United States, Louisiana, and other states, and so as to prevent counterfeiting of the chips and tokens to the extent reasonably possible. Chips and tokens must not resemble any current or past coinage of the United States or any other nation.

§4307. Specifications for Tokens

B. Tokens must not be manufactured from material possessing sufficient magnetic properties so as to be accepted by a coin mechanism, other than that of an Electronic Gaming Device;

C. Tokens must not be manufactured from a three layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core, nor from a copper-based material, unless the total of zinc, nickel, aluminum, magnesium, and other alloying materials is at least 20 percent of the Token's weight.

§4309. Use of Chips and Tokens

A. A licensee that uses chips or tokens at its gaming establishment shall:

1. comply with all applicable statutes, regulations, and policies of Louisiana and of the United States pertaining to chips or tokens;
4. post conspicuous signs at its establishment notifying patrons that federal law prohibits the use of the licensee's tokens, and that state law prohibits the use of the licensee's chips, outside the establishment for any monetary purpose whatever; and
5. take reasonable steps, including examining chips and tokens and segregating those issued by other licensees to prevent sales to its patrons of chips and tokens issued by another licensee.

B. A licensee shall not accept chips or tokens as payment for any goods or services offered at the licensee's gaming establishment with the exception of the specific use for which the chips or tokens were issued, and shall not give chips or tokens as change in any other nongaming transaction.

Michigan Gaming Control Board http://www.michigan.gov/documents/f-rules1_6145_7.pdf

§ 432.204 of the Michigan Compiled Laws

R 432.1107 Definitions; S to U.

(p) "Token" means a representation of value which is redeemable for cash only at the issuing casino gambling operation and which is issued and sold by a casino licensee for use in the electronic gaming devices at its gambling operation.

R 432.1824 Issuance and use of tokens for gaming in electronic gaming devices.

Rule 824. (1) A casino licensee shall not issue, or cause to be utilized, in a casino gaming operation, any tokens for gaming in electronic gaming devices unless the tokens are approved by the board...

(2) A casino licensee may, with the approval of the board, issue metal tokens designed for gaming in its electronic gaming devices. The tokens shall be in compliance with all of the following requirements:

(c) Contain the statement "Not Legal Tender."

(d) Contain, on at least 1 face, a statement approved by the board as to form and content that notifies a patron that the token will be accepted to activate play only in electronic gaming devices operated by the casino licensee that issued it.

(e) Not be deceptively similar to any current or past coin of the United States or a foreign country.

(f) Be of a size or shape or have other characteristics that will physically prevent their use to activate lawful vending machines or other machines designed to be operated by coins of the United States.

(g) Not be manufactured from a ferromagnetic material or from a 3-layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core or from a copper based alloy, except if the total zinc, nickel, aluminum, magnesium, and other alloying metal is more than 25% of the token's weight.

(h) Incorporate the anti-counterfeit features and other security measures the board requires.

R 432.1826 Exchange of chips and tokens.

Rule 826. (6) A casino licensee shall cause to be posted and keep posted, in a prominent place, both of the following signs: (a) On the front of a cashier's cage, a sign that reads as follows: "Gaming chips issued by another casino may not be wagered or redeemed in this casino." (b) On electronic gaming device token redemption booths, a sign that reads as follows: "Tokens issued by another casino may not be wagered or redeemed in this casino."

R 432.1839 Electronic gaming device specifications and requirements.

Rule 839 (13) All of the following provisions apply to token acceptors:

(a) At least 1 electronic token acceptor shall be installed in each electronic gaming device.

(c) A token acceptor shall be designed to accept designated tokens and to reject others.

(d) The token receiver on an electronic gaming device shall be designed to prevent the use of cheating methods, including, but not limited to, any of the following: (i) Slugging. (ii) Stringing. (iii) Spooning.

(f) An electronic gaming device shall use a token acceptor that accepts or rejects a token on the basis of any of the following: (i) Metal composition. (ii) Mass. (iii) Composite makeup. (iv) Equivalent security.

Mississippi Gaming Commission Regulations www.mgc.state.ms.us/reg/reg4.html

IV. Manufacturers and Distributors

Section 4. Minimum Standards For Gaming Devices

All gaming devices submitted for approval:

o.) Must have at least one electronic token acceptor. Token acceptors must be designed to accept designated tokens and reject others. The token receiver on a device must be designed to prevent the use of cheating methods such as slugging, stringing, or spooning. All token acceptors are subject to approval by the Executive Director. The control program must be capable of handling rapidly fed tokens so that occurrences of inappropriate "tokenins" are prevented.

Per [Watkins Ludlam Winter & Stennis, P.A.](#), a prestigious Mississippi law firm, the MGC Regulations are interpreted to mean the following according to this excerpt from their Web page:

Gaming Equipment Chips and Tokens

A casino must receive approval in writing by the Executive Director of the Commission before issuing chips or tokens. Chips and tokens must meet shape, composition, thickness and diameter specifications. They must bear the name and location of the casino, the name of the manufacturer, and, except for roulette chips, their value. Tokens must not have metallic properties that allow them to be accepted by coin-operated machines other than slot machines. Chips and tokens cannot be used for any purpose other than gaming. **A casino cannot use the chips or tokens of another casino.** There are specified procedures for the discontinuation and redemption of chips and tokens. If a casino discontinues the use of chips or tokens, it must honor them for at least one hundred twenty (120) days thereafter, during which time notice of the discontinuance must be given to the public.

Missouri Department of Public Safety <http://www.sos.mo.gov/adrules/csr/current/11csr/11c45-5.pdf>

Division 45—Missouri Gaming Commission

Chapter 5—Conduct of Gaming

11 CSR 45-5.210 Integrity of Electronic Gaming Devices

(H) Have at least one (1) electronic token acceptor. Token acceptors must be designed to accept designated tokens and reject others. The token receiver on an electronic gaming device must be designed to prevent the use of cheating methods such as slugging, stringing or spooning. All token acceptors are subject to approval by the commission. Tokens accepted but which are inappropriate token-ins must be returned to the player by activation of the hopper or credited toward the next play of the electronic gaming device. The electronic gaming device control program must be capable of handling rapidly fed tokens so that occurrences of inappropriate token-ins are prevented;

11 CSR 45-5.120 Issuance and Use of Tokens for Gaming in Electronic Gaming

Devices(2) A holder of a Class A license with the approval of the commission, shall issue metal tokens designed for gaming in its electronic gaming devices. These tokens shall;

(A) Be round in shape, have clearly and permanently impressed, engraved or imprinted on them the name of the casino and the specific value of the token, and at least on one (1) side of the token, the city or other locality and the state where the establishment is located and the manufacturer's name or a distinctive logo or other mark identifying the manufacturer;

(B) Contain the statement "Not Legal Tender";

(C) Not be deceptively similar to any current or past coin of the United States or a foreign country;

(D) Not be of a size or shape or have other characteristics which will physically present their use to activate lawful vending machines or other machines designed to be operated by coins of the United States; and

(E) Not be manufactured from a ferromagnetic material or from a three (3)-layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core or from a copper-based alloy, except if the total zinc, nickel, aluminum, magnesium and other alloying metal exceeds twenty-five percent (25%) of the token's weight.

11 CSR 45-5.130 Exchange of Chips and Tokens

(6) No riverboat shall knowingly accept, exchange, use or redeem gaming chips or tokens issued by another riverboat.

(7) Each riverboat shall cause to be posted and remain posted in a prominent place; (A) On the front of a cashier's cage, a sign that reads as follows: "Gaming chips issued by another riverboat may not be used, exchanged or redeemed on this riverboat"; and (B) On electronic gaming device token redemption booths, a sign that reads: "Tokens issued by another riverboat may not be used, exchanged or redeemed on this riverboat."

New Jersey Casino Control Commission <http://www.state.nj.us/casinos/may19-1.htm>

Proposed Amendment: N.J.A.C. 19:46-1.33

Slot Tokens; Issuance and Specifications; Denominations Greater Than \$500; High Security Coin Acceptors

19:46-1.33 Issuance and use of slot tokens for gaming and simulcast wagering; prize tokens; slot token and prize token specifications; promotional non-gaming tokens

(a) Each casino licensee may, with Commission approval, issue the following types of metal disks having two faces and an edge: 1. A "slot token" that is: ii. Capable, upon insertion into and recognition by the coin acceptor of a designated slot machine operated by the casino licensee that issued the slot token, of activating the play of that slot machine; vi. Incapable of activating play at any slot machine other than a slot machine operated by the casino licensee that issued the slot token; and

(b) Each slot token and each prize token shall be designed so that it: 1. Incorporates such anti-counterfeiting features and other security measures as the Commission may require including, without limitation, for slot tokens in a denomination greater than \$500.00, high security coin acceptor technology for casino licensee and denomination recognition; and

(c) [In addition to the above requirements,] i. A casino licensee may issue a slot token in a denomination greater than \$500.00 provided that each such slot token: 1. Has a diameter and manufacturing tolerance approved by the Commission; and 2. Incorporates approved high security coin acceptor technology, which technology shall also be incorporated in the coin acceptor that the casino licensee uses in conjunction with the slot token.

New Mexico Gaming Control Board

<http://www.nmcpr.state.nm.us/nmac/parts/title15/15.001.0007.htm>

TITLE 15 GAMBLING AND LIQUOR CONTROL

CHAPTER 1 GAMES AND GAMING GENERAL PROVISIONS

PART 7 GAMING MACHINES, NEW GAMES AND ASSOCIATED EQUIPMENT

15.1.7.14 COIN AND TOKEN ACCEPTOR SPECIFICATIONS:

- A.** At least one electronic coin or token acceptor must be installed in each gaming device unless the gaming device accepts bills only.
- B.** A coin or token acceptor must be evaluated by the independent testing laboratory designated by the board and approved by the board to indicate that it meets the requirements of this rule.
- C.** The coin or token acceptor must be designed to accept designated coins or tokens and to reject others.
- D.** The coin or token acceptor on a gaming device must be designed to prevent the use of cheating methods, including, but not limited to, slugging, stringing, or spooning.
- E.** A coin or token that is accepted but not credited to the current game must be returned to the player by activating the hopper or crediting toward the next play of the gaming device. The gaming device control program must be capable of handling rapidly fed tokens so that instances where a token is accepted but not credited to the current game are minimized.
- F.** A gaming device must use a coin or token acceptor that accepts or rejects a token on the basis of metal composition, mass, composite makeup, or equivalent security.

15.1.12.8 USE OF TOKENS:

- C.** A gaming operator licensee that operates gaming machines that use tokens must:
 - (1) issue tokens only to patrons of the gaming operator licensee's gaming establishment;
 - (2) take reasonable steps to prevent the issuance to its patrons of tokens of other gaming operator licensees;
 - (3) post in conspicuous places on the licensed premises signs notifying patrons that federal law prohibits the use of the gaming operator licensee's tokens outside of the gaming establishment for any monetary purpose and that the tokens are the property of the licensee;
 - (4) post in conspicuous places on the licensed premises signs that read, "Tokens issued by another gaming operator may not be wagered or redeemed at this gaming establishment"; and
- D.** A gaming operator licensee must not:
 - (1) accept tokens as payment for any other goods or services offered by the gaming operator licensee's gaming establishment;
 - (2) give tokens in exchange for any transaction other than for use in the play of licensed gaming machines;
 - (3) redeem its tokens if presented by any person the gaming operator licensee has reason to believe is not a patron of its gaming establishment, except an employee of another gaming operator licensee who represents that the tokens were unknowingly, inadvertently or unavoidably received by that operator, or an employee of the gaming operator licensee who presents the tokens in the normal course of employment; or

15.1.12.10 SPECIFICATIONS FOR TOKENS:

- A.** Tokens must be designed, manufactured, and constructed in compliance with all applicable statutes, rules, and policies of the United States, the State, and other states to prevent counterfeiting of the tokens. Tokens must not resemble any current or past coinage of the United States or any other country.
- B.** Only one-dollar and five-dollar tokens will be approved. Tokens must meet the following size and content specifications: (1) one-dollar tokens must be disk-shaped and must measure from 1.460 through 1.470 inches in diameter and from .098 through .104 inch thick; (2) five-dollar tokens must be disk-shaped and must measure from 1.750 inches through 1.760 inches in diameter and from .119 through .125 inch thick; (3) tokens must not be manufactured from material possessing sufficient magnetic properties to allow them to be accepted by any coin mechanism other than that of a gaming machine; and (4) tokens must not be manufactured from a three-layered material consisting of copper-nickel alloy clad on both sides of a pure copper core nor from a copper-based material unless the total of alloying materials is at least 20 percent of the token's weight.
- C.** Tokens must meet the following inscription specifications: (1) the name of the issuing establishment must be inscribed on each side of the token; (2) the city in which the gaming establishment is located must be inscribed on one side of the token; (3) the value of the token must be inscribed on each side of the token; (4) the words "Not Legal Tender" must be inscribed on one side of the token; and (5) a statement, approved by the board, notifying a patron that the token will be accepted to activate play only in gaming machines operated by the gaming operator licensee that issued the token, must be inscribed on one side.

NEVADA GAMING COMMISSION

http://gaming.state.nv.us/stats_regs/reg12.pdf

REGULATION 12

CHIPS AND TOKENS

12.030 Specifications for chips and tokens.

1. Chips and tokens must be designed, manufactured, and constructed in compliance with all applicable statutes, regulations, and policies of the United States, Nevada, and other states, and so as to prevent counterfeiting of the chips and tokens to the extent reasonably possible. Chips and tokens must not deceptively resemble any current or past coinage of the United States or any other nation.

12.060 Use of chips and tokens.

1. Chips and tokens are solely representatives of value which evidence a debt owed to their custodian by the licensee that issued them and are not the property of anyone other than that licensee.

2. A licensee that uses chips or tokens at its gaming establishment shall:

(a) Comply with all applicable statutes, regulations, and policies of Nevada and of the United States pertaining to chips or tokens;

(b) Issue chips and tokens only to patrons of its gaming establishment and only at their request;

(c) Promptly redeem its own chips and tokens from its patrons by cash or check drawn on an account of the licensee;

(d) Post conspicuous signs at its establishment notifying patrons that federal law prohibits the use of the licensee's tokens, that state law prohibits the use of the licensee's chips, outside the establishment for any monetary purpose whatever, and that the chips and tokens issued by the licensee are the property of the licensee, only; and

(e) Take reasonable steps, including examining chips and tokens and segregating those issued by other licensees to prevent the issuance to its patrons of chips and tokens issued by another licensee.

3. A licensee shall not accept chips or tokens as payment for any goods or services offered at the licensee's gaming establishment with the exception of the specific use for which the chips or tokens were issued, and shall not give chips or tokens as change in any other transaction.

4. A licensee shall not redeem its chips or tokens if presented by a person who the licensee knows or reasonably should know is not a patron of its gaming establishment, except that a licensee shall promptly redeem its chips and tokens if presented by:

(a) Another licensee who represents that it redeemed the chips and tokens from its patrons or received them unknowingly, inadvertently, or unavoidably;

(b) An employee of the licensee who presents the chips and tokens in the normal course of employment; or

(c) A person engaged in the business of collecting from licensees chips and tokens issued by other licensees and presenting them to the issuing licensees for redemption.

5. A licensee shall not knowingly issue, use, permit the use of, or redeem chips or tokens issued by another licensee, except as follows:

(a) A licensee may redeem tokens issued by another licensee if: (1) The tokens are presented by a patron for redemption to a cashier of the licensee's gaming establishment or, in the case of a location having slot machines operated by a licensed operator of a slot machine route, if a patron presents them to the operator's employee at the location; or (2) The tokens are presented by a patron at a table game; and (3) The licensee redeems the tokens with tokens of its own, separates and properly accounts for the redeemed tokens during the count performed pursuant to the licensee's system of internal control required by Regulation 6, and places the redeemed tokens in the table's drop box, if redeemed at a table game; and

(b) A licensee may redeem chips issued by another licensee if: (1) The chips are presented by a patron for redemption at the cashier's cage of the licensee's gaming establishment; or (2) The chips are presented by a patron at a table game, and the licensee redeems the chips with chips of its own, places the redeemed chips in the table's drop box, and separates and properly accounts for the redeemed chips during the count performed pursuant to the licensee's system of internal control submitted pursuant to Regulation 6.050 or 6.060; and

(c) An operator of a slot machine route or its employee may redeem tokens that are issued by the operator for use at another location.

Nova Scotia Regulations <http://www.gov.ns.ca/just/regulations/regs/gccasino.htm>

**Casino Regulations made under Section 127 of the Gaming Control Act
S.N.S. 1994-95, c. 4 O.I.C. 95-259 (April 4, 1995), N.S. Reg. 40/95**

[Definitions]

2 In these regulations

(a) "token" means a metal representative of value, redeemable for cash only at the casino that issued the token and that is issued and sold by a casino operator for use in a slot machine in that casino;

Gaming chips

42 All gaming chips and tokens used by a gaming school shall be distinctly dissimilar to any gaming chips and tokens used by a casino.

Coin, token and bill validators

66 (1) A minimum of 1 electronic coin or token acceptor or bill validator must be installed in a slot machine.

(2) Coin or token acceptors or bill validators must be designed to

- (a) accept designated coins or tokens or bills, as the case may be, and reject others; and
- (b) prevent the use of cheating methods such as slugging, stringing or spooning.

Ontario Gaming Control Act, 1992 http://www.e-laws.gov.on.ca/DBLaws/Regs/English/990385_e.htm

REGULATION 385/99 Amended to O. Reg. 478/01

GAMES OF CHANCE CONDUCTED AND MANAGED BY THE ONTARIO LOTTERY AND GAMING CORPORATION

Chips and Tokens

25.(5) The Registrar may approve a chip or token that,

- (a) does not resemble the coinage of Canada;
- (b) is designed and manufactured to minimize the possibility of counterfeiting;
- (d) bears the manufacturer's name or a distinctive logo or other mark identifying the manufacturer;

AGCO PROCEDURES FOR APPROVAL OF GAMING CHIPS AND TOKENS

The Alcohol and Gaming Commission of Ontario requires that all tokens of \$2 and higher denomination be manufactured with additional security features that can be validated by the coin acceptor/comparator. Examples of these special security features include special marks, holograms, etc. embedded in the tokens.

South Africa

<http://www.finance.gpg.gov.za/2002/draftgambling1/DRAFTGAMBLINGREGULATIONS.htm>

Draft Gambling Regulations

PART 2 - CASINOS

CHAPTER 18 CHIPS AND TOKENS

18.020 Specifications for Chips and Tokens

(1) Chips and tokens must be designed, manufactured, and constructed in compliance with all applicable laws of the Republic and these regulations and so as to prevent counterfeiting of the chips and tokens to the extent reasonably possible.

(2) Chips and tokens must not deceptively resemble any current or past coinage of the Republic or any other nation.

(3) In addition to such other specifications as the board may approve:

(a) The name of the issuing gaming establishment must be inscribed on each side of each chip and token, and the city or other locality where the establishment is located must be inscribed on at least one side of each chip and token, other than chips used exclusively at roulette;

18.030 Additional Specifications for Tokens

Tokens must not be manufactured from material possessing sufficient magnetic properties so as to be accepted by a coin mechanism, other than that of a gaming machine.

18.040 Use of Chips and Tokens

(1) A licensee that uses chips or tokens at its gaming establishment shall:

(a) Comply with all applicable laws of the Republic pertaining to chips or tokens;

(d) Post conspicuous signs at its establishment notifying patrons that the law prohibits the use of the licensee's tokens, and that these regulations prohibit the use of the licensee's chips, outside the establishment for any monetary purpose whatever; and

(e) Take reasonable steps, including examining chips and tokens and segregating those issued by other licensees to prevent sales to its patrons of chips and tokens issued by another licensee.

(2) A licensee shall not accept chips or tokens as payment for any goods or services offered at the licensee's gaming establishment with the exception of the specific use for which the chips or tokens were issued, and shall not give chips or tokens as change in any other transaction.

(3) A licensee shall not redeem its chips or tokens if presented by a person who the licensee knows or reasonably should know is not a patron of its gaming establishment, except that a licensee shall promptly redeem its chips and tokens if presented by:

(a) Another licensee who represents that it redeemed the chips and tokens from its patrons and received them unknowingly, inadvertently, or unavoidably; or

(b) An employee of the licensee who presents the chips and tokens in the normal course of employment.

(4) A licensee shall not knowingly sell, use, permit the use of, accept, or redeem chips or tokens issued by another licensee, except as follows:

(a) A licensee may redeem tokens issued by another licensee if:

(i) The tokens are presented by a patron for redemption to a cashier of the licensee's gaming establishment and the patron states that he or she received the tokens at the licensee's establishment from the payout chutes of gaming machines or from an employee of the licensee; or

(ii) The tokens are presented by a patron at a table game, and the licensee redeems the tokens with tokens of its own, places the redeemed tokens in the table's drop box, and separates and properly accounts for the redeemed tokens during the count performed in terms of the licensee's system of internal control;

South Dakota Revenue And Regulation <http://legis.state.sd.us/rules/rules/2018B.doc>

ARTICLE 20:18 GAMING COMMISSION -- DEADWOOD GAMBLING

CHAPTER 20:18:20 CHIPS AND TOKENS

20:18:20:03. Specifications for chips and tokens. Chips and tokens must be designed, manufactured, and constructed in compliance with all applicable statutes, rules, and policies of the United States, South Dakota, and other states to prevent counterfeiting of the chips or tokens. Chips and tokens must not resemble any current or past coinage of the United States or any other nation.

In addition to other specifications that the executive secretary may approve, the following must appear on the chip or token: (1) The name of the issuing establishment must be inscribed on each side of a chip or token; (2) The city in which the establishment is located must be inscribed on one side of the chip or token; (3) The value of the chip or token must be inscribed on each side of a chip or token; and

20:18:20:06. Specifications for tokens.

Tokens must not be manufactured from material possessing sufficient magnetic properties to allow it to be accepted by a coin mechanism other than that of a slot machine. Tokens may not be manufactured from a three-layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core nor from a copper-based material unless the total of zinc, nickel, aluminum, magnesium, and other alloying materials is at least 20 percent of the token's weight.

20:18:20:07. Use of chips and tokens. A licensee using chips or tokens must do the following:

- (1) Comply with all applicable statutes and rules of the State of South Dakota and of the United States relating to chips or tokens;
- (2) Sell chips and tokens only to patrons of its establishment and only at their request;
- (3) Promptly redeem its own chips and tokens from its patrons;
- (4) Post conspicuous signs notifying patrons that federal law prohibits the use of the licensee's tokens and chips outside the establishment for any monetary purpose; and
- (5) Take reasonable steps, including examining chips and tokens and segregating those issued by other licensees, to prevent sales to its patrons of chips and tokens issued by another licensee.

A licensee may not accept chips or tokens as payment for goods or services other than gaming and may not get chips or tokens as change in any other transaction.

20:18:20:08. Redemption. A licensee may not redeem its chips or tokens if presented by a person who the licensee knows or reasonably should know is not a patron of its establishment unless they are presented as follows:

- (1) By another licensee who represents that it redeemed the chips and tokens from its patrons or received them unknowingly, inadvertently, or unavoidably;
- (2) By an employee of the licensee who presents the chips and tokens in the normal course of employment; or
- (3) By a person engaged in the business of collecting from licensees chips and tokens issued by other licensees and presenting them to the issuing licensees for redemption.

20:18:20:09. Use of other licensee's chips and tokens. A licensee may not knowingly sell, use, permit the use of, accept, or redeem chips or tokens issued by another licensee except as follows:

- (1) The chips or tokens are presented by a patron for redemption to a cashier of the licensee's establishment and the patron states that the patron received the tokens at the licensee's establishment from the payout chutes of slot machines or from an employee of the licensee;
- (2) The chips or tokens are presented by a patron at a game, and the licensee redeems the chips or tokens with chips of its own, places the redeemed chips in the imprest bank or the table's drop box, and separates and accounts for the redeemed chips during the count performed pursuant to the licensee's system of internal control.

Crossplay Articles

The below articles were found freely available on the Web

Windsor tokens in MGM machines

Foreign gaming pieces accepted by some slots September 21, 1999

BY TINA LAM FREE PRESS STAFF WRITER

When is a buck not a buck?

When you're a casino customer living near an international border and you just happen to play a token from Casino Windsor in a slot machine at MGM Grand Detroit Casino. The tokens are not supposed to fit. But some MGM slot machines do accept them. That means a windfall of about 50 percent, because of the exchange rate between the U.S. and Canadian dollars, for someone who uses a token purchased in Windsor in an MGM Grand machine.

On Sunday, the Free Press found a few MGM Grand slot machines that accepted Windsor quarter and dollar tokens. Some customers say they have received Windsor tokens in rolls or in payouts from slot machines. The problem doesn't occur with chips in table games because dealers can easily spot foreign chips. But in slot machines, it's up to electronics inside to reject foreign tokens.

Not so, Michigan's top gaming official said. Machines are required to be marked with clear warnings that slot machines are only to be played with the coins appropriate to the casino. And if a player intentionally drops Windsor coins into MGM Detroit slots, it violates state law. "If you're intentionally using coins that are not made for that casino, you're committing a fraud on that casino," said Nelson Westrin, executive director of the Michigan Gaming Control Board.

Token mixing happens at other casinos, including some American Indian casinos in northern Michigan. "It happens sometimes with our dollar tokens," said John Hatch, spokesman for Kewadin Casinos in the Upper Peninsula. Similar-sized tokens from nearby Indian casinos end up in Kewadin's machines. The casino pays the customer what the token is worth. "We trade the ones we get from other Indian casinos back to them," he said. "But in those cases, we're trading equal value for equal value."

In Detroit, with only a bridge or tunnel ride between the two casinos and a big difference in the value of the dollar, "it's a more sensitive problem than it is elsewhere," said Richard Currie, vice president of sales and marketing for Coin Mechanisms, Inc. in Chicago. Currie's firm makes the electronic mechanisms inside slot machines that accept or reject tokens, and supplied them to both the MGM Grand Detroit and Windsor casinos. Each casino adopts a unique design and metal alloy for its tokens that is different from other casinos to try to avoid the problem, Currie said. "But it's getting more and more difficult as casinos proliferate" to make them different, he said. "It's a tricky thing."

MGM Grand doesn't take the Windsor token issue lightly. "We want to reinforce with casino patrons that using Windsor's tokens is criminal activity, and if they're caught, they'll be arrested," said spokeswoman Lisa Vallee-Smith. Tom Nelson, a deputy director for the Michigan Gaming Control Board, said the MGM Grand Detroit Casino is not allowed under state rules to pay customers for the value of a foreign token. Customers who get such tokens at the cashier window or in slot payouts are out of luck. "It's not possible for us to require that tokens from elsewhere won't work in Detroit casino machines," he said. "It's up to the casinos to make sure that doesn't happen. The machines should kick them out."

The face and color of the Windsor and MGM Grand quarter tokens are different, but they are the same size. The alloys they are made of are slightly different; the MGM tokens were made of alloys specified by the gaming board. But there is some overlap, Currie said. Even sophisticated electronic systems that test the coin dropped into the machine against a sample coin don't work perfectly. They are designed to be within a window that will accept the correct coins and reject the wrong ones, but that can be adjusted by the casino. Sometimes, casinos make changes because the balance in the coin mechanism is so precise the machine won't accept valid tokens.

Mississippi Casinos Turning To High-Tech Tokens To Ward Off Slot Cheaters

June 25, 2000

GULFPORT, Miss. (AP) - Some casinos in Mississippi are taking their fight against fraud to another level.

Slot players who try to beat the one-armed bandits with phony tokens may find themselves in a bind at Grand Casino's properties in Mississippi.

The company is rolling out new tokens and the technology to make sure they're legitimate. The new tokens have codes in them, and the coin mechanism will read the code along with measuring metal content, thickness and diameter. They already have been introduced at Grand's Gulfport and Tunica casinos, and will be introduced next week at Grand Biloxi.

"This is mainly to protect the company against slugs," said Jerry Artigliere, vice president of slot operations at Grand. Most attempts to fool the machines are done with blank metal discs - slugs - with the same composition and size as real tokens, casino operators said.

The new tokens should prevent cheaters from successfully using slugs, said Hank Thomas, vice president of security at Grand Tunica.

The new \$1 tokens have a different metallic makeup than the old ones and the tokens used at other casinos, Thomas said. That has an additional benefit: Grand (and other casinos) will save time and money exchanging tokens from other casinos dropped into their slots, he said.