Chapter 11. Minimum Internal Control Standards For Gaming Enterprises of the Little River Band of Ottawa Indians

Section 1. Purpose; Authority

1-1. *Purpose.* It is the purpose of this regulation to provide minimum internal control standards to effect proper regulation of the gaming enterprise(s) of the Little River Band of Ottawa Indians.
1-2. *Authority.* These minimum internal control standards are issued under and pursuant to the authority of the LRBOI Gaming Ordinance, Commission's Ordinance, Gaming Commission Ordinance, IGRA, Compact with the State of Michigan, Constitution of the Little River Band of Ottawa, and 25 CFR Part 542, the National Indian Gaming Commission Minimum Internal Control Standards.

Section 2. Definitions

2-1. *General.* For purposes of this Regulation, certain terms are defined in this section. The word shall is always mandatory and not merely advisory. Unless defined elsewhere, terms defined in these minimum internal control standards, the Gaming Ordinance and the Gaming Commission Ordinance are defined for the purpose of all Gaming Commission Regulations. The definitions in this Regulation shall apply to all sections of this part unless otherwise noted.
2-2. *Account access card* means an instrument used to access customer accounts for wagering at a gaming machine. Account access cards are used in connection with a computerized account database.
2-3. *Accountability* means all items of cash, chips, coins, tokens, and receivables constituting the total amount for which the Accounting department is responsible at any given time.
2-4. *Accumulated credit payout* means credit earned in a gaming machine that is paid to a customer manually in lieu of a machine payout.
2-5. *Actual hold percentage* means the percentage calculated by dividing the win by the drop or coin-in (number of credits wagered). Can be calculated for individual tables or gaming machines, type of table games, or gaming machines on a per day or cumulative basis.
2-6. *Agent* means any individual who conducts a currency transaction on behalf of another individual or organization.
2-7. *Ante* means a player's initial wager or predetermined contribution to the pot before the dealing of the first hand.
2-8. *Bill/Ticket acceptor canister storage rack key* means the key used to access the storage rack where bill/ticket acceptor canisters are secured.
2-9. *Bill/Ticket acceptor drop* means cash contained in bill/ticket acceptor canisters.
2-10. *Bill/Ticket acceptor canister release key* means the key used to release the bill/ticket acceptor canister from the bill acceptor device.
2-11. *Bill/Ticket acceptor canister* means the box attached to the bill/ticket acceptor used to contain cash or cash-out tickets received by bill/ticket acceptors.
2-12. *Bill/Ticket acceptor* means the device that accepts and reads cash and cash-out tickets by denomination in order to accurately register customer credits.
2-13. *Bill-in meter* means a meter included on a gaming machine accepting cash that tracks the number of bills put in the machine.
2-14. *Boxperson* means the first-level supervisor who is responsible for directly participating in and supervising the operation and conduct of a craps game.
2-15. *Business Year* means the annual accounting period by which a *gaming enterprise* maintains its books and records.
2-16. *Cage* means a secure work area within the gaming operation for cashiers and a storage area for the gaming operation bankroll.

2-17. *Cage accountability form* means an itemized list of the components that make up the cage accountability.
2-18. *Call bets* means a wager made without cash or chips, reserved for a known customer and includes marked bets (which are supplemental bets made during a hand of play). For the purpose of settling a call bet, a hand of play in craps is defined as a natural winner (e.g., seven or eleven on the come-out roll), a natural loser (e.g., a two, three or twelve on the come-out roll), a seven-out, or the player making his point, whichever comes first.
2-19. *Card game* means a game in which the gaming operation is not party to wagers and from which the gaming enterprise receives compensation in the form of a rake, a time buy-in, or other fee or payment from a player for the privilege of playing.
2-20. *Card room bank* means the operating fund assigned to the card room or main card room bank.
2-21. *Cash Equivalent* means the monetary value that a gaming operation may assign to a document or anything else of representative value other than cash, tokens, or chips. A cash equivalent includes, but is not limited to, coupons, vouchers, wagering or payout slips and tickets, debit and credit card receipts, and other items to which a gaming operation has assigned an exchange value.
2-22. *Cash-out ticket* means an instrument of value generated by a gaming machine representing a cash amount owed to a customer at a specific gaming machine. This instrument may be wagered at other machines by depositing the cash-out ticket in the machine bill acceptor.
2-23. *Gaming Enterprise Account Number* means any and all numbers by which a *gaming enterprise* identifies a guest. (i.e. Player's Club ID number)
2-24. *Chips* means cash substitutes, in various denominations, issued by a gaming operation and used for wagering.
2-25. *Common Intermediate Format (CIF) or Full Common Intermediate Format (FCIF)* means a set of standard video formats used in Digital Video Recording systems, defined by their resolution. The original CIF is also known as Full CIF (FCIF).
2-26. *Complimentary* means a service or item provided at no cost, or at a reduced cost, to a customer.
2-27. *Consideration* means, but is not limited to, cash or cash equivalents and gaming machine play initiated by cash or cash equivalents.
2-28. *Count* means the total funds counted for a particular game, gaming machine, shift, or other period.
2-29. *Count room* means a room where the coin and cash drop from gaming machines, table games, or other games are transported to and counted.
2-30. *Count team* means personnel that perform either the count of the gaming machine drop and/or the table game drop.
2-31. *Coupon* means a certificate that can be redeemed for: cash, tokens, prizes, promotional points and promotional items.
2-32. *Counter check* means a form provided by the gaming operation for the customer to use in lieu of a personal check.
2-33. *CPA means a certified public accountant.*
2-34. *Credit slip* means a form used to record the return of chips from a gaming table to the cage.
2-35. *Currency* means the coin and currency of the United States or any other country that circulates and is customarily used and accepted as money in the country it is issued. It includes United States silver certificates, United States notes, Federal Reserve notes and official foreign bank notes, but does not include bank checks and notes or other negotiable instruments not customarily accepted as money.
2-36. *Currency Transaction Report Casino (CTRC)* means Currency Transaction Report Casino (*IRS* Form 8362) for each transaction in currency, involving either cash in or cash out, of more

than $10,000.00 which must be filed with the IRS.
2-37. *Customer* means any person who participates in gaming activities offered by the gaming operation; any person who purchases goods or services at the resort; every person who is involved in a transaction to which 31CFR Volume I Part 103 (Title 31) applies. Whether or not that person participates, or intends to participate, in the gaming activities offered by the *gaming enterprise.*
2-38. *Dealer* means an employee who operates a game, individually or as a part of a crew, administering house rules and making payoffs.
2-39. *Dedicated camera* means a video camera required to continuously record a specific activity.
2-40. *Deskperson* means an employee who authorizes payment of winning tickets and verifies keno payouts.
2-41. *Digital Video Recording (DVR) system* means a digital video surveillance system consisting of video cameras, monitors, recorders, video printers, computer hardware and software, switches, selectors, and other ancillary equipment used for casino surveillance. Size of gaming enterprise will dictate quantities of cameras, etc.
2-42. *Drawing or Promotional Drawing* means an event requiring some form of consideration to participate that awards item(s) of value to a player, the award of which is based on chance, even if accompanied by some skill.
2-43. *Draw ticket* means a blank keno ticket whose numbers are punched out when the balls are drawn for the game. Used to verify winning tickets.
2-44. *Drop box storage rack keys* means the key used to access the storage rack where drop boxes are secured.
2-45. *Drop (for gaming machines)* means the total amount of cash, cash-out tickets, coupons, coins, and tokens removed from drop buckets and/or bill acceptor canisters.
2-46. *Drop cabinet* means the wooden or metal base of the gaming machine that contains the gaming machine drop bucket.
2-47. *Drop (for table games)* means the total amount of cash, chips, and tokens removed from drop boxes, plus the amount of credit issued at the tables.
2-48. *Drop box release keys* means the key used to release drop boxes from tables.
2-49. *Drop box contents keys* means the key used to open drop boxes.
2-50. *Drop period* means the period of time that occurs between sequential drops.
2-51. *Drop box* means a locked container affixed to the gaming table into which the drop is placed. The game type, table number, and shift are indicated on the box.
2-52. *EPROM* means Erasable Programmable Read-Only Memory or other equivalent game software media.
2-53. *Established Customer* means a person with an account with a financial institution, including a loan account or deposit or other asset account, or a person with respect to which a financial institution has obtained and maintained on file the person's name and address, as well as taxpayer ID (i.e. Social Security number or employee I.D.) or, if none, alien identification number or passport number and country of issuance and to which the financial institution provides financial services relying on that information.
2-54. *Filing Deadline/Requirements* means a currency transaction report (*IRS* Form 8362) for each transaction in currency, involving either cash in or cash out, of more than $10,000.00 which must be filed with the IRS by the 15th day after the date of the transaction. The *Gaming enterprise* may report both cash in and cash out transactions by or on behalf of the same customer on a single CTR form.
2-55. *Fill slip* means a document evidencing a fill.
2-56. *Fill* means a transaction whereby a supply of chips is transferred from a bankroll to a table game.

2-57. *Flare* means the information sheet provided by the manufacturer that sets forth the rules of a particular pull tab game and that is associated with a specific deal of pull tabs. The flare shall contain the following information:

a. Name of the game;
b. Manufacturer name or manufacturer's logo;
c. Ticket count; and
d. Prize structure, which shall include the number of winning pull tabs by denomination, with their respective winning symbols, numbers or both.

2-58. *Game server* means an electronic selection device, utilizing a random number generator.

2-59. *Gaming machine pay table* means the reel strip combinations illustrated on the face of the gaming machine that can identify payouts of designated coin amounts.

2-60. *Gaming Commission* shall mean the Little River Band of Ottawa Indians Gaming Commission.

2-61. *Gaming machine count* means the total amount of coins, tokens, and cash removed from a gaming machine. The amount counted is entered on the Gaming Machine Count Sheet and is considered the drop. Also, the procedure of counting the coins, tokens, and cash or the process of verifying gaming machine coin and token inventory.

2-62. *Gaming enterprise* means an enterprise authorized by the Tribal Council to conduct gaming related activity under the jurisdiction of the Tribe, whether or not as part of a Tribe-State Gaming Compact required under the Indian Gaming Regulatory Act U.S. Code Title 25 Chapter 29, IGRA. For Bank Secrecy Act, Title 31, purposes, a gaming enterprise means an enterprise having gross annual gaming revenues in excess of $1 million.

2-63. *Gaming Day* means the normal business day of the *gaming enterprise.* For a *gaming enterprise* that offers 24 hour gaming, the term means that 24-hour period by which the *gaming enterprise* keeps its books and records for business, accounting and tax purposes.

2-64. *Gaming machine* means an electronic or electromechanical machine that allows a player to play games of chance, some of which may be affected by skill, which contains a microprocessor with random number generator capability for outcome selection or computer terminal that accesses an outcome that is subsequently and randomly selected in drawings that are electronically conducted by central computer or other such methods of chance selection, whether mechanical or electronic. The machine is activated by the insertion of cash or cash equivalents and which awards cash, cash equivalents, merchandise, or a written statement of the player's accumulated credits, which written statements may be redeemable for cash.

2-65. *Gaming machine analysis report* means a report prepared that compares theoretical to actual hold by a gaming machine on a monthly or other periodic basis.

2-66. *Gaming machine booths and change banks* means a booth or small cage in the gaming machine area used to provide change to players, store change aprons and extra coin, and account for jackpot and other payouts.

2-67. *Gross gaming revenue* means annual total amount of cash wagered on class II and class III games and admission fees (including table or card fees), less any amounts paid out as prizes or paid for prizes awarded.

2-68. *Hold* means the relationship of win to coin-in for gaming machines and win to drop for table games.

2-69. *Internal audit* means persons who perform an audit function of a gaming enterprise that are independent of the department subject to audit. Independence is obtained through the organizational reporting relationship, as the internal audit department shall not report to management of the gaming enterprise. Internal audit activities shall be conducted in a manner that permits objective evaluation of areas examined. Internal audit personnel may provide audit coverage to more than one enterprise within a Tribe's gaming enterprise holdings.

2-70. *Issue slip* means a copy of a credit instrument that is retained for numerical sequence

control purposes.
2-71. *Jackpot payout* means the portion of a jackpot paid by gaming machine personnel. The amount is usually determined as the difference between the total posted jackpot amount and the coins paid out by the machine. May also be the total amount of the jackpot.
2-72. *Knowledge of Cash Transactions* means that a *gaming enterprise* shall be deemed to have the knowledge if any sole proprietor, partner, officer, director or employee of the *gaming enterprise*, acting within the scope of his or her employment, has knowledge that such multiple currency transactions have occurred, information retained on magnetic disk, tape or other machine-readable media, or in any manual system, and similar documents and information, which the *gaming enterprise* maintains pursuant to business and which contains information that such multiple currency transactions have occurred.
2-73. *Lammer button* means a type of chip that is placed on a gaming table to indicate that the amount of chips designated thereon has been given to the customer for wagering on credit before completion of the credit instrument. Lammer button may also mean a type of chip used to evidence transfers between table banks and card room banks.
2-74. *Linked electronic game* means any game linked to two (2) or more gaming operations that are physically separate and not regulated by the same Tribal gaming regulatory authority.
2-75. *Machine-readable* means capable of being read by an automated data processing system.
2-76. *Main card room bank* means a fund of cash, coin, and chips used for poker areas. Used to make even cash transfers between various games as needed. May be used similarly in other areas of the gaming enterprise.
2-77. *Master game sheet* means a form used to record, by shift and day, each table game's winnings and losses. This form reflects the opening and closing table inventories, the fills and credits, and the drop and win.
2-78. *Master game program number* means the game program number listed on a gaming machine EPROM.
2-79. *Meter* means an electronic (soft) or mechanical (hard) apparatus in a gaming machine. May record the number of coins wagered, the number of coins dropped, the number of times the handle was pulled, or the number of coins paid out to winning players.
2-80. *MICS* means Minimum Internal Control Standards *as adopted by the Gaming Commission unless otherwise identified.*
2-81. *Money laundering* means the disguising or concealing of illicit income in order to make it appear legitimate.
2-82. *Motion activated dedicated camera* means a video camera that, upon its detection of activity or motion in a specific area, begins to record the activity or area.
2-83. *Multi-denomination machine* means a gaming machine that allows a patron to wager various denominations on the same game. These games are tokenized, in that they accept one denomination in the coin acceptor, but utilize various denominations from one cent to $5 to wager on a single game.
2-84. *Multi-game machine* means a gaming machine that includes more than one type of game option.
2-85. *Multi-race ticket* means a keno ticket that is played in multiple games.
2-86. *Multiple Transaction Logs* means single and/or multiple transactions totaling more than $10,000.00 during a gaming day. All Cash-in or all Cash-out transactions must be aggregated on a multiple transaction log in order to determine if the $10,000.00 threshold has been attained. Cash-in transactions are to be aggregated only with other Cash-in transactions unless it is a cash exchange transaction. To achieve this, all Cash-in and Cash-out transactions greater than $2500.00 must be logged and tracked on a Multiple Transaction Log (MTL).
2-87. *Negotiable Instruments* means, for purposes of the Currency Transaction Report, all checks (including personal, business, bank, cashier's and third party checks), money orders

and traveler's checks.
2-88. *Net Revenues* means gross revenues less amounts paid out as, or paid for, prizes and total operating expenses, excluding management fees.
2-89. *Network Video Recording (NVR)* means a digital video surveillance system utilizing individual IP addresses for each camera on a closed network system.
2-90. *NIGC* means the National Indian Gaming Commission.
2-91. *On-line gaming machine monitoring system* means a system used by a gaming operation to monitor gaming machine meter readings and/or other activities on an on-line basis.
2-92. *Order for credit* means a form that is used to request the transfer of chips from a table to the cage. The order precedes the actual transfer transaction that is documented on a credit slip.
2-93. *Outstation* means areas other than the main keno area where bets may be placed and tickets played.
2-94. *Par percentage* means the percentage of each dollar wagered that the house wins (i.e., gaming operation advantage).
2-95. *Par sheet* means a specification sheet for a gaming machine that provides machine hold percentage, model number, hit frequency, reel combination, number of reels, number of coins that can be accepted, and reel strip listing.
2-96. *Payment slip* means that part of a marker form on which customer payments are recorded.
2-97. *Payout* means a transaction associated with a winning event.
2-98. *Person* means an individual, corporation, partnership, trust or estate, joint stock company, association, syndicate, joint venture, or other unincorporated organization or group, and all entities treated as legal personalities.
2-99. *PIN* means the personal identification number used to access a player's account.
2-100. *Pit* means the area in the middle of the table games used by gaming operations employees to deal games and supervise game play.
2-101. *Pit supervisor* means the employee who supervises all games in a pit.
2-102. *Pit podium* means a stand located in the middle of the tables used by gaming operation supervisory personnel as a workspace and a record storage area.
2-103. *Player tracking system* means a system typically used in gaming machine departments that can record the gaming machine play of individual customers.
2-104. *Primary and secondary jackpots* means promotional pools offered at certain card games that can be won in addition to the primary pot.
2-105. *Progressive jackpot* means deferred payout from a progressive gaming machine.
2-106. *Progressive table game* means table games that offer progressive jackpots.
2-107. *Progressive gaming machine* means a gaming machine, with a payoff indicator, in which the payoff increases as it is played (i.e., deferred payout). The payoff amount is accumulated, displayed on a machine, and will remain until a player lines up the jackpot symbols that result in the progressive amount being paid.
2-108. *Promotion* means an event that rewards or induces patrons to play.
2-109. *Promotional progressive pots and/or pools* means funds contributed to a table game or card game by and for the benefit of players. Funds are distributed to players based on a predetermined event.
2-110. *Promotional payout* means merchandise or awards given to players by the gaming enterprise based on a wagering activity.
2-111. *Rabbit ears* means a device, generally "v" shaped, that holds the numbered balls selected during keno or bingo games so that the numbers are visible to players and employees.
2-112. *Rake* means a commission charged by the house for maintaining or dealing a game such as poker.
2-113. *Rake circle* means the area of a table where rake is placed.

2-114. *Random number generator* means a device that generates numbers in the absence of a pattern. Commonly used in gaming machines to generate game outcome.
2-115. *Reel symbols* means symbols listed on reel strips of gaming machines.
2-116. *Runner* means a gaming employee who transports chips/cash to or from a gaming table and a cashier.
2-117. *SARC.* means Suspicious Activity Report Casino a confidential form that contains information required by Title 31, and any other available information that is requested on the form for all suspicious transactions.
2-118. *Series numbers* means the unique identifying number printed on each sheet of bingo paper that identifies the bingo paper as a series or packet. The series number is not the free space or center space number located on the bingo paper.
2-119. *Shift* means an eight-hour period, unless otherwise approved by the Gaming Commission, not to exceed twenty-four (24) hours.
2-120. *Short pay* means a payoff from a gaming machine that is less than the listed amount.
2-121. *Soft count* means the count of the contents in a drop box or a bill acceptor canister.
2-122. *SSAE means Statements on Standards for Attestation Engagements as promulgated by the Auditing Standards Board.*
2-123. *Sufficient clarity* means use of monitoring and recording at a minimum of thirty (30) frames per second. Multiplexer tape recordings are insufficient to satisfy the requirement of sufficient clarity.
2-124. *Surveillance room* means a secure location(s) in a gaming enterprise used primarily for *gaming enterprise* surveillance.
2-125. *Surveillance system* means a system of video cameras, monitors, recorders, video printers, switches, selectors, and other ancillary equipment used for *gaming enterprise* surveillance.
2-126. *Suspicious Activity includes* most suspicious activities *which* will involve structuring, which is the breaking down of monetary transactions in amounts under the $10,000.00 amount to avoid reporting under Title 31, Bank Secrecy Act. Other suspicious activities that may require a Suspicious Activity Report *or* SARC include, but is not limited to:

a. Using more than one person, agents
b. A false drop (i.e. using large amounts of money with little or no activity, then cashing out)
c. Providing false documents or information
d. Layering money to disguise their source.

2-127. *Table games* means games that are banked by the house or a pool whereby the house or the pool pays all winning bets and collects from all losing bets.
2-128. *Table inventory* means the total coins, chips, and markers at a table.
2-129. *Table inventory form* means the form used by gaming enterprise supervisory personnel to document the inventory of chips, coins, and tokens on a table at the beginning and ending of a shift.
2-130. *Table tray* means the container located on gaming tables where chips, coins, or cash are stored that are used in the game.
2-131. *Theoretical hold worksheet* means a worksheet provided by the manufacturer for all gaming machines that indicate the theoretical percentages that the gaming machine should hold based on adequate levels of coin-in. The worksheet also indicates the reel strip settings, number of credits that may be played, the payout schedule, the number of reels and other information descriptive of the particular type of gaming machine.
2-132. *Theoretical hold* means the intended hold percentage or win of an individual gaming machine as computed by reference to its payout schedule and reel strip settings or EPROM.
2-133. *Tier C* means a gaming enterprise with annual gross gaming revenues of more than $15

million.
2-134. *Ticket Redemption Kiosk* means a device which uses real-time transaction processing to the Ticket In/Ticket Out (TITO) module of a slot monitoring system for redemption of tickets in exchange for currency and coin. Kiosks are not capable of gaming functionality and may not issue tickets in exchange for currency or coin.
2-135. *TITO System* means a system which has a centralized Ticket In/Ticket Out Validation Component and allows for issuance, validation, and acceptance of tickets at TITO enabled gaming devices, and the validation and acceptance of tickets at kiosks or validation units, for gaming operations.
2-136. *TITO Validation Component* means a function of the automated slot system whereby this system receives information about a ticket from a floor device and compares the ticket in question to the information in the system's database. This determines the validity of the ticket for redemption.
2-137. *Tokens* means a coin-like cash substitute, in various denominations, used for gambling transactions.
2-138. *Transaction in Currency* means a transaction involving the physical transfer of currency from one person to another. A transaction in currency does not include a transfer of funds by means of bank check, bank draft, wire transfer, or other written order that does not include the physical transfer of currency.
2-139. *Vault* means a secure area within the gaming enterprise where tokens, checks, cash, coins, and chips are stored.
2-140. *Wide area progressive gaming machine* means a progressive gaming machine that is linked to machines in other operations and play on the machines affect the progressive amount. As wagers are placed, the progressive meters on all of the linked machines increase.
2-141. *Win* means the net win resulting from all gaming activities. Net win results from deducting all gaming losses from all wins prior to considering associated operating expenses.
2-142. *Wrap* means the method of storing coins after the count process has been completed, including, but not limited to, wrapping, racking, or bagging. Wrap, may also refer to the total amount or value of the counted and stored coins.
2-143. *Write* means the total amount wagered in keno, bingo and pull tabs.
2-144. *Writer* means an employee who writes keno, bingo and pull tab tickets. The keno writer can also make payouts.

Section 3. Gaming Operation Classification
3-1. The Gaming Commission recognizes the National Indian Gaming Commission's classification system of gaming operations as defined in the NIGC Minimum Internal Control Standards § 542.40.

Section 4. Tier C Gaming Compliance
4-1. *Tribal internal control standards.* The Gaming Commission shall, in accordance with the Gaming Ordinance, establish and implement tribal internal control standards that shall:

a. Provide a level of control that equals or exceeds those set forth in the NIGC MICS, 25 *CFR* Part 542.

b. Contain standards for currency transaction reporting that comply with 31 CFR Part 103;

c. Establish standards for games that are not addressed in *25 CFR Part 542*; and

d. Establish a deadline, by which a gaming operation must come into compliance with the tribal internal control standards. However, the Gaming Commission may extend the deadline by an additional six (6) months if written notice is provided to the Gaming Commission no later than two weeks before the expiration of the deadline.

4-2. *Gaming enterprises.* Each gaming enterprise of the Little River Band of Ottawa Indians shall develop and implement an internal control system that, at a minimum, complies with these Tribal Minimum Internal Controls. Internal Control Standards must be approved by the Gaming Commission prior to implementation.

4-3. *CPA testing.*

a. An independent CPA shall be engaged to perform Agreed-Upon Procedures to verify that the gaming operation is in compliance with the *these regulations or a variance that has been approved by the Gaming Commission and* that has received NIGC concurrence. The CPA shall report each event and procedure discovered by or brought to the CPA's attention that the CPA believes does not satisfy *these regulations or a variance that has been approved by the Gaming Commission and* that has received NIGC concurrence. The Agreed-Upon Procedures may be performed in conjunction with the annual audit. The CPA shall report its findings to the *Tribal Council,* Gaming Commission, and *gaming enterprise* management. The *Gaming Commission* shall submit two copies of the report to the NIGC within 120 days of the gaming enterprise's fiscal year end. This regulation is intended to communicate the *Gaming Commission's* position on the minimum agreed-upon procedures to be performed by the CPA. Throughout these regulations, the CPA's engagement and reporting are based on SSAEs in effect as of December 31, 2003, specifically SSAE 10, Revision and Recodification Agreed-Upon Procedures Engagements. If future revisions are made to the SSAEs or new SSAEs are adopted that are applicable to this type of engagement, the CPA is to comply with any new or revised professional standards in conducting engagements pursuant to these regulations and the issuance of the agreed-upon procedures report. The CPA shall perform the Agreed-Upon Procedures@ in accordance with the following:

1. A prerequisite to the evaluation of the gaming enterprise's internal control systems, it is recommended that the CPA obtain and review an organization chart depicting segregation of functions and responsibilities, a description of the duties and responsibilities of each position shown on the organization chart, and an accurate, detailed narrative description of the gaming enterprise's procedures in effect that demonstrate compliance.

2. Complete the CPA Compliance checklists *created and approved by NIGC* or other comparable testing procedures. The checklists should measure compliance on a sampling basis by performing walk-through' s, observations and substantive testing. The CPA shall complete separate checklists for each gaming revenue center, cage and credit, internal audit, surveillance, information technology and complimentary services or items. All questions on each applicable checklist should be completed. Work-paper references are suggested for all no responses for the results obtained during testing (unless a note in the W/P Ref' can explain the exception).

3. The CPA shall perform, at a minimum, the following procedures in conjunction with the completion of the checklists:

A. At least one unannounced observation of each of the following: Gaming machine coin drop, gaming machine currency acceptor drop, table games drop, gaming machine coin count, gaming machine currency acceptor count, and table games count. The AICPA's "Audits of Casinos" Audit and Accounting Guide states that "observations of operations" in the *gaming enterprise's* cage and count room shall not be announced in advance. For purposes of these procedures, unannounced means that no officers, directors, or employees are given advance information regarding

the dates or times of such observations. The independent accountant shall make arrangements with the gaming enterprise and *the* Gaming Commission to ensure proper identification of the CPA's personnel and to provide for their prompt access to the count rooms.

i. The gaming machine coin count observation would include a weigh scale test of all denominations using pre-counted coin. The count would be in process when these tests are performed, and would be conducted prior to the commencement of any other walk-through procedures. For computerized weigh scales, the test can be conducted at the conclusion of the count, but before the final totals are generated.

ii. The checklists shall provide for drop/count observations, inclusive of hard drop/count, soft drop/count and currency acceptor drop/count. The count room would not be entered until the count is in process and the CPA would not leave the room until the monies have been counted and verified to the count sheet by the CPA and accepted into accountability. If the drop teams are unaware of the drop observations and the count observations would be unexpected, the hard count and soft count rooms may be entered simultaneously. Additionally, if the gaming machine currency acceptor count begins immediately after the table games count in the same location, by the same count team, and using the same equipment, the currency acceptor count observation can be conducted on the same day as the table games count observation, provided the CPA remains until monies are transferred to the vault/cashier.

B. Observations of the gaming enterprise's employees as they perform their duties.

C. Interviews with the gaming enterprise's employees who perform the relevant procedures.

D. Compliance testing of various documents relevant to the procedures. The scope of such testing should be indicated on the checklist where applicable.

E. For new gaming operations that have been in operation for three months or less at the end of their business year, performance *requirements in this section are* not required for the partial period.

b. *Reliance on Internal Auditors.*

1. The CPA may rely on the work of an internal auditor, to the extent allowed by the professional standards, for the performance of the recommended procedures specified in this section, and for the completion of the checklists as they relate to the procedures covered therein provided that the internal audit department can demonstrate to the satisfaction of the CPA that the requirements contained within *25 CFR* 542.42 have been satisfied.

2. Agreed-upon procedures are to be performed by the CPA to determine that the internal audit procedures performed for a past 12-month period (includes two 6-month periods) encompassing a portion or all of the most recent business year has been properly completed. The CPA will apply the following Agreed-Upon Procedures to the gaming enterprise's written assertion:

A. Obtain internal audit department work-papers completed for a 12-month period (includes two 6-month periods) encompassing a portion or

all of the most recent business year and determine whether the CPA compliance checklists *created and approved by NIGC* or other comparable testing procedures were included in the internal audit work-papers and all steps described in the checklists were initialed or signed by an internal audit representative.

B. For the internal audit work-papers obtained in paragraph (A) above, on a sample basis, reperform the procedures included in the CPA Compliance checklists *created and approved by NIGC* or other comparable testing procedures prepared by internal audit and determine if all instances of noncompliance noted in the sample were documented as such by internal audit. The CPA Compliance checklists *created and approved by NIGC* or other comparable testing procedures for the applicable Drop and Count procedures are not included in the sample reperformance of procedures because the CPA is required to perform the drop and count observations as required subsection (a)(3) of the Agreed-Upon Procedures. The CPA's sample shall comprise a minimum of 3 percent of the procedures required in each CPA Compliance checklists *created and approved by NIGC* or other comparable testing procedures for the gaming machine and table game departments and 5 percent for the other departments completed by internal audit in compliance with *these regulations.* The reperformance of procedures is performed as follows:

(i) For inquiries, the CPA shall either speak with the same individual or an individual of the same job position as the internal auditor did for the procedure indicated in their checklist.

(ii) For observations, the CPA shall observe the same process as the internal auditor did for the procedure as indicated in their checklist.

(iii) For document testing, the CPA shall look at the same original document as tested by the internal auditor for the procedure as indicated in their checklist. The CPA need only retest the minimum sample size required in the checklist.

(iv) The CPA is to investigate and resolve any differences between their re-performance results and the internal audit results.

(v) Documentation is maintained for 5 years by the CPA indicating the procedures re-performed along with the results.

(vi) When performing the procedures for subsection (c)(2)(B) above in subsequent years, the CPA must select a different sample so that the CPA will re-perform substantially all of the procedures after several years.

(vii) Any additional procedures performed at the request of the NIGC, the Gaming Commission or management should be included in the Agreed-Upon Procedures report transmitted to the NIGC and the Gaming Commission.

d. *Report Format.*

1. The performance of these procedures is an attestation engagement in which the CPA applies such Agreed-Upon Procedures to the gaming enterprise's assertion that it is in compliance with *these regulations and 25 CFR Part 542, as well as any* variances *approved by the Gaming Commission and which has*

received NIGC concurrence, provides a level of control that equals or exceeds *these regulations and 25 CFR Part 542*. Accordingly, the SSAE's, specifically SSAE 10, issued by the Auditing Standards Board is currently applicable. SSAE 10 provides current, pertinent guidance regarding agreed-upon procedure engagements, and the sample report formats included within those standards should be used, as appropriate, in the preparation of the CPA's agreed-upon procedures report. If future revisions are made to this standard or new SSAEs are adopted that are applicable to this type of engagement, the CPA is to comply with any revised professional standards in issuing their agreed upon procedures report. The *Gaming* Commission will provide an Example Report and Letter Formats upon request that may be used and contain all of the information discussed below:

A. The report must describe all instances of procedural noncompliance (regardless of materiality) with *these regulations and 25 CFR Part 542, as well as any variances approved by the Gaming Commission and which has receive NIGC concurrence,* and all instances where the Gaming Commission's regulations do not *meet or exceed the requirements in 25 CFR Part 542, or where the internal controls of the gaming operations do not meet these regulatory requirements.* When describing the agreed-upon procedures performed, the CPA should also indicate whether procedures performed by other individuals were utilized to substitute for the procedures required to be performed by the CPA. For each instance of noncompliance noted in the CPA's agreed-upon procedures report, the following information must be included:

(i) The citation of the applicable MICS for which the instance of noncompliance was noted.

(ii) A narrative description of the noncompliance, including the number of exceptions and sample size tested.

e. *Report Submission Requirements.*

1. The CPA shall prepare a report of the findings for the *Gaming Commission. Tribal Council,* and *gaming operations* management. The *Gaming Commission* shall submit 2 copies of the report to the NIGC no later than 120 days after the gaming operation's business year. This report should be provided in addition to any other reports required to be submitted to the NIGC.

2. The CPA should maintain the work-papers supporting the report for a minimum of five years. Digital storage is acceptable. The NIGC may request access to these work-papers, through the *Gaming Commission.*

f. *Compliance Checklists.* In connection with the CPA testing pursuant to this section and as referenced therein, the NIGC *may create and approve compliance checklists or other comparable testing procedures.*

4-4. *Enforcement of these Minimum Internal Control Standards.*

a. *Failure of a gaming operation* to develop and implement an internal control system that complies with these minimum internal control standards may subject the gaming enterprise to penalties *assessed by the Gaming Commission, as well as penalties assessed by NIGC as authorized by* 25 U.S.C. 2713.

b. Enforcement action by the *Gaming Commission* will not be initiated under this part without first informing the *gaming operations* of deficiencies in the internal controls and allowing a reasonable period of time to address such deficiencies. Such prior notice and opportunity for corrective action is not required where the threat to the integrity of the gaming operation is immediate and severe.

Section 5. The Minimum Internal Control Standards and the Tribal-State Compact

5-1. If there is a direct conflict between an internal control standard established in the Tribal-State Compact and a standard or requirement set forth in this part, then the internal control standard established in a Tribal-State compact shall prevail.

5-2. If an internal control standard in the Tribal-State Compact provides a level of control that equals or exceeds the level of control under an internal control standard or requirement set forth in this part, then the Tribal-State Compact standard shall prevail.

5-3. If an internal control standard or a requirement set forth in this *regulation* provides a level of control that exceeds the level of control under an internal control standard established in *the* Tribal-State Compact, then the internal control standard or requirement set forth in this part shall prevail.

Section 6. How the Regulations Affect State Jurisdiction

6-1. Nothing in this internal control standard shall be construed to grant to the State of Michigan jurisdiction in class II gaming or extend the State of Michigan jurisdiction in any class III gaming enterprise of the Little River Band of Ottawa Indians.

Section 7. Card Games

7-1. *Computer applications.* Any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, must be approved by the Gaming Commission, prior to implementation.

7-2. *Standards for drop and count.* The procedures for the collection of the card game drop and the count thereof shall comply with sections 16-2 and 17-3 as applicable.

7-3. *Standards for supervision.*

a. Supervision shall be provided at all times the card room is in operation by personnel with authority equal to or greater than those being supervised.

b. Exchanges between table banks and the main card room bank (or cage, if a main card room bank is not used) in excess of $100.00 shall be authorized by a supervisor. All exchanges shall be evidenced by the use of a lammer unless the exchange of chips, tokens, and/or cash takes place at the table.

c. Exchanges from the main card room bank (or cage, if a main card room bank is not used) to the table banks shall be verified by the card room dealer and the runner.

d. If applicable, transfers between the main card room bank and the cage shall be properly authorized and documented.

e. A rake collected or ante placed shall be done in accordance with the posted rules.

7-4. *Standards for playing cards.*

a. Playing cards shall be maintained in a secure location to prevent unauthorized access and to reduce the possibility of tampering.

b. Used cards shall be maintained in a secure location until marked, scored, or destroyed, in a manner approved by the Gaming Commission, to prevent unauthorized access and reduce the possibility of tampering.

c. The Gaming Commission, or the gaming enterprise as approved by the Gaming Commission, shall establish and the gaming enterprise shall comply with a reasonable time period, which shall not exceed seven (7) days, within which to mark, cancel, or destroy cards from play. This standard shall not apply where playing cards are retained for an investigation.

d. A card control log shall be maintained that documents when cards and dice are received on site, distributed to and returned from tables and removed from play by the gaming operation.

7-5. *Plastic cards.* Notwithstanding the requirements of section 6-4, if a gaming enterprise uses plastic cards (not plastic-coated cards), the cards may be used for up to three (3) months if the plastic cards are routinely inspected, and washed or cleaned in a manner and time frame approved by the Gaming Commission. The gaming enterprise shall maintain records on the inspection and cleaning or washing of plastic cards.

7-6. *Standards for reconciliation of card room bank.*

a. The amount of the main card room bank shall be counted, recorded, and reconciled on at least a per shift basis.

b. At least once per shift, the table banks that were opened during that shift shall be counted, recorded, and reconciled by a dealer or other person, and a supervisor, and shall be attested to by their signatures on the check-out form.

7-7. *Standards for promotional progressive pots and pools.*

a. All funds contributed by players into the pools shall be returned when won in accordance with the posted rules with no commission or administrative fee withheld.

b. Rules governing promotional pools shall be conspicuously posted and designate:

1. The amount of funds to be contributed from each pot;
2. What type of hand it takes to win the pool (e.g., what constitutes a "bad beat");
3. How the promotional funds will be paid out;
4. How/when the contributed funds are added to the jackpots; and
5. Amount/percentage of funds allocated to primary and secondary jackpots, if applicable.

c. Promotional pool contributions shall not be placed in or near the rake circle, in the drop box, or commingled with gaming revenue from card games or any other gambling game.

d. The amount of the jackpot shall be conspicuously displayed in the card room.

e. At least once a day, the posted pool amount shall be updated to reflect the current pool amount.

f. At least once a day, increases to the posted pool amount shall be reconciled to the cash previously counted or received by the cage by personnel independent of the card room.

g. All decreases to the pool must be properly documented, including a reason for the decrease.

7-8. *Promotional progressive pots and pools where funds are displayed in the card room.*

a. Promotional funds displayed in the card room shall be placed in a locked container in plain view of the public.

b. Persons authorized to transport the locked container shall be precluded from having access to the contents keys.

c. The contents key shall be maintained by personnel independent of the card room.

d. At least once a day, the locked container shall be removed by two persons, one of whom is independent of the card games department, and transported directly to the cage or other secure room to be counted, recorded, and verified.

e. The locked container shall then be returned to the card room where the posted pool amount shall be updated to reflect the current pool amount.

7-9. *Promotional progressive pots and pools where funds are maintained in the cage.*

a. Promotional funds removed from the card game shall be placed in a locked container.

b. Persons authorized to transport the locked container shall be precluded from having access to the contents keys.

c. The contents key shall be maintained by personnel independent of the card room.

d. At least once a day, the locked container shall be removed by two persons, one of

whom is independent of the card games department, and transported directly to the cage or other secure room to be counted, recorded, and verified, prior to accepting the funds into cage accountability.

e. The posted pool amount shall then be updated to reflect the current pool amount.

7-10 *Shills*

a. Use of shills is prohibited.

7-11 *Cash-Out tickets not accepted*

a. Cash-out tickets will not be accepted at any card game, unless:
   1. Hand held redemption units are used or;
   2. Bill Validators are available and;
   3. Procedures have been approved by the Gaming Commission for redemption at Card Games.

Section 8.Table Games

8-1. *Computer applications.* Any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, must be approved by the Gaming Commission, prior to implementation.

8-2. *Standards for drop and count.* The procedures for the collection of the table game drop and the count thereof shall comply with sections 16-2 and 17-3, as applicable.

8-3. *Fill and credit standards.*

a. Fill slips and credit slips shall be in at least triplicate form, and in a continuous, pre-numbered series. Such slips shall be concurrently numbered in a form utilizing the alphabet and only in one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year.

b. Un-issued and issued fill/credit slips shall be safeguarded and adequate procedures shall be employed in their distribution, use, and control. Personnel from the cashier or pit departments shall have no access to the secured (control) copies of the fill/credit slips.

c. When a fill/credit slip is voided, the cashier shall clearly mark "void" across the face of the original and first copy, the cashier and one other person independent of the transactions shall sign both the original and first copy, and shall submit them to the accounting department for retention and accountability.

d. Fill transactions shall be authorized by pit supervisory personnel before the issuance of fill slips and transfer of chips, tokens, or cash equivalents. The fill request shall be communicated to the cage where the fill slip is prepared.

e. At least three parts of each fill slip shall be utilized as follows:
   1. One part shall be transported to the pit with the fill and, after the appropriate signatures are obtained, deposited in the table game drop box;
   2. One part shall be retained in the cage for reconciliation of the cashier bank; and
   3. For computer systems, one part shall be retained in a secure manner to insure that only authorized persons may gain access to it. For manual systems, one part shall be retained in a secure manner in a continuous unbroken form.

f. For a Tier C gaming enterprise, the part of the fill slip that is placed in the table game drop box shall be of a different color for fills than for credits, unless the type of transaction is clearly distinguishable in another manner, the checking of a box on the form shall not be a clearly distinguishable indicator.

g. The table number, shift, and amount of fill by denomination and in total shall be noted on all copies of the fill slip. The correct date and time shall be indicated on at least two copies.

h. All fills shall be carried from the cashier's cage by an employee who is independent of the cage or pit.

i. The fill slip shall be signed by at least the following persons, as an indication that each has counted the amount of the fill and the amount agrees with the fill slip:

1. Cashier who prepared the fill slip and issued the chips, tokens, or cash equivalent;
2. Runner who carried the chips, tokens, or cash equivalents from the cage to the pit;
3. Dealer or boxperson who received the chips, tokens, or cash equivalents at the gaming table; and
4. Pit supervisory personnel who supervised the fill transaction.

j. Fills shall be broken down and verified by the dealer or boxperson in public view before the dealer or boxperson places the fill in the table tray.

k. A copy of the fill slip shall then be deposited into the drop box on the table by the dealer, where it shall appear in the soft count room with the cash receipts for the shift.

l. Table credit transactions shall be authorized by a pit supervisor before the issuance of credit slips and transfer of chips, tokens, or other cash equivalent. The credit request shall be communicated to the cage where the credit slip is prepared.

m. At least three parts of each credit slip shall be utilized as follows:

1. Two parts of the credit slip shall be transported by the runner to the pit. After signatures of the runner, dealer, and pit supervisor are obtained, one copy shall be deposited in the table game drop box and the original shall accompany transport of the chips, tokens, markers, or cash equivalents from the pit to the cage for verification and signature of the cashier.
2. For computer systems, one part shall be retained in a secure manner to insure that only authorized persons may gain access to it. For manual systems, one part shall be retained in a secure manner in a continuous unbroken form.

n. The table number, shift, and the amount of credit by denomination and in total shall be noted on all copies of the credit slip. The correct date and time shall be indicated on at least two copies.

o. Chips, tokens, and/or cash equivalents shall be removed from the table tray by the dealer or boxperson and shall be broken down and verified by the dealer or boxperson in public view prior to placing them in racks for transfer to the cage.

p. All chips, tokens, and cash equivalents removed from the tables and markers removed from the pit shall be carried to the cashier's cage by an employee who is independent of the cage or pit.

q. The credit slip shall be signed by at least the following employees, as an indication that each has counted or, in the case of markers, reviewed the items transferred:

1. Cashier who received the items transferred from the pit and prepared the credit slip;
2. Runner who carried the items transferred from the pit to the cage;
3. Dealer who had custody of the items prior to transfer to the cage; and
4. Pit supervisory personnel who supervised the credit transaction.

r. The credit slip shall be inserted in the drop box by the dealer.

s. Chips, tokens, or other cash equivalents shall be deposited on or removed from gaming tables only when accompanied by the appropriate fill/credit or marker transfer forms.

t. Cross fills, the transfer of chips between table games, and even cash exchanges are prohibited in the pit.

8-4. *Table inventory forms.*

a. At the close of each shift, for those table banks that were opened during that shift:

1. The table's chip, token, coin, and marker inventory shall be counted and recorded on a table inventory form; or

2. If the table banks are maintained on an imprest basis, a final fill or credit shall be made to bring the bank back to par.

b. If final fills are not made, beginning and ending inventories shall be recorded on the master game sheet for shift win calculation purposes.

c. The accuracy of inventory forms prepared at shift end shall be verified by the outgoing pit supervisor and the dealer. Alternatively, if the dealer is not available, such verification may be provided by another pit supervisor or another supervisor from another gaming department. Verifications shall be evidenced by signature on the inventory form.

d. If inventory forms are placed in the drop box, such action shall be performed by a person other than a pit supervisor.

8-5. *Table games computer generated documentation standards.*

a. The computer system shall be capable of generating adequate documentation of all information recorded on the source documents and transaction detail (*e.g.,* fill/credit slips, markers, etc.).

b. This documentation shall be restricted to authorized personnel.

c. The documentation shall include, at a minimum:

1. System exception information (*e.g.,* appropriate system parameter information, corrections, voids, etc.); and

2. Personnel access listing, which includes, at a minimum:

A. Employee name or employee identification number, if applicable; and

B. Listing of functions employees can perform or equivalent means of identifying the same.

8-6. *Standards for playing cards, dice and logo layouts..*

a. Playing cards, dice and logo layouts shall be maintained in a secure location to prevent unauthorized access and to reduce the possibility of tampering.

b. Used cards, dice and logo layouts shall be maintained in a secure location until marked, scored, or destroyed, in a manner as approved by the Gaming Commission, to prevent unauthorized access and reduce the possibility of tampering.

c. The gaming enterprise as approved by the Gaming Commission, shall establish and comply with a reasonable time period, which shall not exceed seven (7) days, within which to mark, cancel, or destroy cards, dice and logo layouts from play. This standard shall not apply where playing cards, dice or logo layouts are retained for an investigation.

d. A card room control log shall be maintained that documents when cards, dice and logo layouts are received on site, distributed to and returned from tables and removed from play by the gaming operation.

8-7. *Plastic cards.* Notwithstanding the requirements in section 8-6, if a gaming enterprise uses plastic cards (not plastic-coated cards), the cards may be used for up to three (3) months if the plastic cards are routinely inspected, and washed or cleaned in a manner and time frame approved by the Gaming Commission. The gaming enterprise shall maintain records on the inspection and cleaning or washing of plastic cards.

8-8. *Standards for supervision.* Pit supervisory personnel, with authority equal to or greater than those being supervised, shall provide supervision of all table games.

8-9. *Analysis of table game performance standards.*

a. Records shall be maintained by day and shift indicating any single-deck blackjack games that were dealt for an entire shift.

b. Records reflecting hold percentage by table and type of game shall be maintained by shift, by day, cumulative month-to-date, and cumulative year-to-date.

c. This information shall be presented to and reviewed by management independent of the pit department on at least a monthly basis.

d. The management *independent of the pit department* shall investigate any unusual fluctuations in hold percentage with pit supervisory personnel.

e. The results of such investigations shall be documented, maintained for inspection,

and provided to the Gaming Commission upon request.

8-10. *Accounting/auditing standards.*

a. The accounting and auditing procedures shall be performed by personnel who are independent of the transactions being audited/accounted for.

b. If a table game has the capability to determine drop (*e.g.,* bill-in/coin-drop meters, bill acceptor, computerized record, etc.) the dollar amount of the drop shall be reconciled to the actual drop by shift.

c. Accounting/auditing employees shall review exception reports for all computerized table games systems at least monthly for propriety of transactions and unusual occurrences.

d. All noted improper transactions or unusual occurrences shall be investigated with the results documented.

e. Evidence of table games auditing procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the Gaming Commission upon request.

f. A daily recap shall be prepared for the day and month-to-date, which shall include the following information:

1. Drop;
2. Win; and
3. Gross revenue.

8-11. *Progressive Table Games.* The Gaming Commission shall approve procedures specific to the transfer of progressive amounts in excess of the base amount to other table games. Such procedures may also include other methods of distribution that accrue to the benefit of the gaming public via an award or prize.

8-12. *Cash-Out Tickets*

a. Cash-out tickets will not be accepted at any table game, unless:

1. Hand held redemption units are used or;
2. Bill Validators are available and;
3. Procedures have been approved by the Gaming Commission for redemption at Table Games.

8-13. *Foreign Currency. Foreign currency shall not be accepted in the Pit.*

Note: All references to dealers <u>includes</u> boxpersons.

Section 9. Gaming Machines

9-1. *Standards for gaming machines.*

a. For this section only, credit or customer credit means a unit of value equivalent to cash or cash equivalents deposited, wagered, won, lost, or redeemed by a customer.

b. For all computerized gaming machine systems, a personnel access listing shall be maintained, which includes at a minimum:

1. Employee name or employee identification number (or equivalent); and
2. Listing of functions employee can perform or equivalent means of identifying same.

c. The gaming enterprise shall have a system in place that utilizes an access device which:

1. Identifies the employee opening the gaming device, gaming machine, gaming machine drop cabinet or related equipment in a manner that allows access to:
   i. Reserve fills
   ii. Bill/Ticket Acceptor canister and mechanisms
2. Immediately notifies the Surveillance room of any attempted or actual unauthorized access.

9-2. *Computer applications.* For any computer applications utilized, alternate documentation

and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Gaming Commission, will be acceptable.

9-3. *Standards for drop and count.* The procedures for the collection of the gaming machine and redemption kiosk drop and the count thereof shall comply with sections 16-3, 16-4, 17-4 and 17-6as applicable.

9-4. *Jackpot payouts, gaming machines fills, short pays and accumulated credit payouts standards.*

a. For jackpot payouts and gaming machine fills, documentation shall include the following information:

1. Date and time;
2. Machine number;
3. Dollar amount of cash payout or gaming machine fill (both alpha and numeric) or description of personal property awarded, including fair market value. Alpha is optional if another unalterable method is used for evidencing the amount of the payout;
4. Game outcome (including reel symbols, card values, suits, etc.) for jackpot payouts. Game outcome is not required if a computerized jackpot/fill system is used;
5. Preprinted or concurrently printed sequential number; and
6. Signatures of at least two employees verifying and witnessing the payout or gaming machine fill, except as otherwise provided below.

A. Jackpot payouts over a predetermined amount shall require the signature and verification of a supervisory or management employee independent of the gaming machine department, in addition to the two *required* signatures. Alternatively, if an on-line accounting system is utilized, only two signatures are required: one employee and one supervisory or management employee independent of the gaming machine department. This predetermined amount shall be authorized by management, as approved by the Gaming Commission, documented, and maintained.

B. With regard to jackpot payouts and hopper fills, the signature of one employee is sufficient if an on-line accounting system is utilized and the jackpot or fill is less than $1,200.

C. On graveyard shifts, eight-hour maximum, payouts/fills less than $100 can be made without the payout/fill being witnessed by a second person.

b. For short pays of $10.00 or more, and payouts required for accumulated credits, the payout form shall include the following information:

1. Date and time;
2. Machine number;
3. Dollar amount of payout, both alpha and numeric; and
4. The signature of at least one (1) employee verifying and witnessing the payout.

A. Where the payout amount is $50 or more, signatures of at least two (2) employees verifying and witnessing the payout. Alternatively, the signature of one (1) employee is sufficient if an on-line accounting system is utilized and the payout amount is less than $3,000.

c. Computerized jackpot/fill systems shall be restricted so as to prevent unauthorized access and fraudulent payouts by one person.

d. Payout forms shall be controlled and routed in a manner that precludes any one person from producing a fraudulent payout by forging signatures or by altering the amount paid out subsequent to the payout and misappropriating the funds.

9-5. *Promotional payouts or awards.* If a gaming enterprise offers promotional payouts or

awards that are not reflected on the gaming machine pay table, then the payout form/documentation shall include:

a. Date and time;

b. Machine number and denomination;

c. Dollar amount of payout or description of personal property (*e.g.,* jacket, toaster, car, etc.), including fair market value;

d. Type of promotion (*e.g.,* double jackpots, four-of-a-kind bonus, etc.); and

e. Signature of at least one employee authorizing and completing the transaction.

9-6. *Gaming machine department funds standards.*

a. The gaming machine booths and change banks that are active during the shift shall be counted down and reconciled each shift by two employees utilizing appropriate accountability documentation. Unverified transfers of cash and/or cash equivalents are prohibited.

9-7. *EPROM control standards.*

a. At least annually, procedures shall be performed to insure the integrity of a sample of gaming machine game program EPROMs, or other equivalent game software media, by personnel independent of the gaming machine department or the machines being tested.

b. The Gaming Commission, or the gaming enterprise subject to the approval of the Gaming Commission, shall develop and implement procedures for the following:

1. Removal of EPROMs, or other equivalent game software media, from devices, the verification of the existence of errors as applicable, and the correction via duplication from the master game program EPROM, or other equivalent game software media;

2. Copying one gaming device program to another approved program;

3. Verification of duplicated EPROMs before being offered for play;

4. Receipt and destruction of EPROMs, or other equivalent game software media; and

5. Securing the EPROM, or other equivalent game software media, duplicator, and master game EPROMs, or other equivalent game software media, from unrestricted access.

c. The master game program number, par percentage, and the pay table shall be verified to the par sheet when initially received from the manufacturer.

d. Gaming machines with potential jackpots in excess of $100,000 shall have the game software circuit boards locked or physically sealed. The lock or seal shall necessitate the presence of a person independent of the gaming machine department to access the device game program EPROM, or other equivalent game software media. If a seal is used to secure the board to the frame of the gaming device, it shall be pre-numbered.

e. Records that document the procedures identified in subsection (b)(1) above shall include the following information:

1. Date;

2. Machine number (source and destination);

3. Manufacturer;

4. Program number;

5. Personnel involved;

6. Reason for duplication;

7. Disposition of any permanently removed EPROM, or other equivalent game software media;

8. Seal numbers, if applicable; and

9. Approved testing lab approval numbers, if available.

f. EPROMS, or other equivalent game software media, returned to gaming devices shall be labeled with the program number. Supporting documentation shall include the date,

program number, information identical to that shown on the manufacturer's label, and initials of the person replacing the EPROM, or other equivalent game software media.

9-8. *Standards for evaluating theoretical and actual hold percentages.*

a. Accurate and current theoretical hold worksheets shall be maintained for each gaming machine.

b. For multi-game/multi-denominational machines, an employee or department independent of the gaming machine department shall:

1. Weekly, record the total coin-in meter;
2. Quarterly, record the coin-in meters for each paytable contained in the machine; and
3. On an annual basis, adjust the theoretical hold percentage in the gaming machine statistical report to a weighted average based upon the ratio of coin-in for each game pay table.
4. No machine shall exceed 12 months without the adjustment required in Section 9-8 (b) (3).

c. For those gaming enterprises that are unable to perform the weighted average calculation as required by subsection (b) above the following procedures shall apply:

1. On at least an annual basis, calculate the actual hold percentage for each gaming machine;
2. On at least an annual basis, adjust the theoretical hold percentage in the gaming machine statistical report for each gaming machine to the previously calculated actual hold percentage; and
3. The adjusted theoretical hold percentage shall be within the spread between the minimum and maximum theoretical payback percentages.

d. The adjusted theoretical hold percentage for multi-game/multi-denominational machines may be combined for machines with exactly the same game mix throughout the year.

e. The theoretical hold percentages used in the gaming machine analysis reports should be within the performance standards set by the manufacturer.

f. Records shall be maintained for each machine indicating the dates and type of changes made and the recalculation of theoretical hold as a result of the changes.

g. Records shall be maintained for each machine that indicate the date the machine was placed into service, the date the machine was removed from operation, the date the machine was placed back into operation, and any changes in machine numbers and designations.

h. All of the gaming machines shall contain functioning meters that shall record coin-in or credit-in, or on-line gaming machine monitoring system that captures similar data.

i. All gaming machines with bill acceptors shall contain functioning bill-in meters that record the dollar amounts or number of bills accepted by denomination.

j. Gaming machine in-meter readings shall be recorded at least weekly immediately prior to or subsequent to a gaming machine drop. On-line gaming machine monitoring systems can satisfy this requirement. However, the time between readings may extend beyond one week in order for a reading to coincide with the end of an accounting period only if such extension is for no longer than six (6) days.

k. The employee who records the in-meter reading shall either be independent of the hard count team or shall be assigned on a rotating basis, unless the in-meter readings are randomly verified quarterly for all gaming machines and bill acceptors by a person other than the regular in-meter reader.

l. Upon receipt of the meter reading summary, the accounting department shall review all meter readings for reasonableness using pre-established parameters.

m. Prior to final preparation of statistical reports, meter readings that do not appear reasonable shall be reviewed with gaming machine department employees or other

appropriate designees, and exceptions documented, so that meters can be repaired or clerical errors in the recording of meter readings can be corrected.

n. A report shall be produced at least monthly showing month-to-date, year-to-date (previous twelve (12) months data preferred), and if practicable, life-to-date actual hold percentage computations for individual machines and a comparison to each machine's theoretical hold percentage previously discussed.

o. Each change to a gaming machine's theoretical hold percentage, including progressive percentage contributions, shall result in that machine being treated as a new machine in the statistical reports (*i.e.*, not commingling various hold percentages), except for adjustments made in accordance with subsection (b) above.

p. If promotional payouts or awards are included on the gaming machine statistical reports, it shall be in a manner that prevents distorting the actual hold percentages of the affected machines.

q. The statistical reports shall be reviewed by both gaming machine department management and management employees independent of the gaming machine department on at least a monthly basis.

r. For those machines that have experienced at least 100,000 wagering transactions, large variances {three percent (3%) or greater} between theoretical hold and actual hold shall be investigated and resolved by a department independent of the gaming machine department with the findings documented and provided to the Gaming Commission in a timely manner.

s. Maintenance of the on-line gaming machine monitoring system data files shall be performed by a department independent of the gaming machine department. Alternatively, maintenance may be performed by gaming machine supervisory employees if sufficient documentation is generated and it is randomly verified on a monthly basis by employees independent of the gaming machine department.

t. Updates to the on-line gaming machine monitoring system to reflect additions, deletions, or movements of gaming machines shall be made at least weekly prior to in-meter readings and the weigh process.

9-9. *In-house progressive gaming machine standards.*

a. A meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.

b. At least once each day, each gaming enterprise shall record the amount shown on each progressive jackpot meter at the gaming enterprise except for those jackpots that can be paid directly from the machine's hopper;

c. Explanations for meter reading decreases shall be maintained with the progressive meter reading sheets, and where the payment of a jackpot is the explanation for a decrease, the gaming enterprise shall record the jackpot payout number on the sheet or have the number reasonably available; and

e. Each gaming enterprise shall record the base amount of each progressive jackpot the gaming enterprise offers.

f. The Gaming Commission shall approve procedures specific to the transfer of progressive amounts in excess of the base amount to other gaming machines. Such procedures may also include other methods of distribution that accrue to the benefit of the gaming public via an award or prize.

9-10. *Wide area progressive gaming machine standards.*

a. A meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.

b. As applicable to participating gaming enterprises, the wide area progressive gaming machine system shall be adequately restricted to prevent unauthorized access (e.g., changing passwords at least quarterly, restrict access to EPROMs or other equivalent game software media, and restrict physical access to computer hardware, etc.).

c. The Gaming Commission shall approve procedures for the wide area progressive system that:

1. Reconcile meters and jackpot payouts;
2. Collect/drop gaming machine funds;
3. Verify jackpot, payment, and billing to gaming operations on pro-rata basis;
4. System maintenance;
5. System accuracy; and
6. System security.

d. Reports, where applicable, adequately documenting the procedures required in subsection (c) above shall be generated and retained.

9-11. *Accounting/auditing standards.*

a. Gaming machine accounting/auditing procedures shall be performed by employees who are independent of the transactions being reviewed.

b. For on-line gaming machine monitoring systems, procedures shall be performed at least monthly to verify that the system is transmitting and receiving data from the gaming machines properly and to verify the continuing accuracy of the coin-in meter readings as recorded in the gaming machine statistical report.

c. For weigh scale and currency interface systems, for at least one drop period per month accounting/auditing employees shall make such comparisons as necessary to the system generated count as recorded in the gaming machine statistical report. Discrepancies shall be resolved prior to generation/distribution of gaming machine reports.

d. For each drop period, accounting/auditing personnel shall compare the coin-to-drop meter reading to the actual drop amount. Discrepancies should be resolved prior to generation/distribution of on-line gaming machine monitoring system statistical reports.

e. Follow-up shall be performed for any one machine having an unresolved variance between actual coin drop and coin-to-drop meter reading in excess of three percent (3%) and over $25.00. The follow-up performed and results of the investigation shall be documented, maintained for inspection, and provided to the Gaming Commission.

f. For each drop period, accounting/auditing employees shall compare the bill-in meter reading to the total bill acceptor drop amount for the period. Discrepancies shall be resolved before the generation/distribution of gaming machine statistical reports.

g. Follow-up shall be performed for any one machine having an unresolved variance between actual currency drop and bill-in meter reading in excess of an amount that is both more than $25 and at least three percent (3%) of the actual currency drop. The follow-up performed and results of the investigation shall be documented, maintained for inspection, and provided to the Gaming Commission.

h. At least annually, accounting/auditing personnel shall randomly verify that EPROM or other equivalent game software media changes are properly reflected in the gaming machine analysis reports.

i. Accounting/auditing employees shall review exception reports for all computerized gaming machine systems on a daily basis for propriety of transactions and unusual occurrences.

j. All gaming machine auditing procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the Gaming Commission upon request.

9-12. *Cash-out tickets.* For gaming machines that utilize cash-out tickets, the following standards apply.

a. In addition to the applicable auditing and accounting standards in section 9-12, on a quarterly basis, the gaming operation shall foot all jackpot cash-out tickets equal to or greater than $1,200 and trace totals to those produced by the host validation computer system.

b. The customer may request a cash-out ticket from the gaming machine that reflects all remaining credits. The cash-out ticket shall be printed at the gaming machine by an internal document printer. The cash-out ticket shall be valid for a time period specified by the gaming enterprise as approved by the Gaming Commission. Cash-out tickets may be redeemed for payment or inserted in another gaming machine and wagered, if applicable, during the specified time period.
c. The customer shall redeem the cash-out ticket at a change booth or cashiers' cage. Alternatively, if a gaming enterprise utilizes a remote computer validation system, the gaming enterprise as approved by the Gaming Commission, shall develop alternate standards for the maximum amount that can be redeemed, which shall not exceed $2,999.99 per cash-out transaction.
d. Upon presentation of the cash-out ticket(s) for redemption, the following shall occur:
1. Scan the bar code via an optical reader or its equivalent; or
2. Input the cash-out ticket validation number into the computer.
e. The information contained in paragraph 9-13 (d) of this section shall be communicated to the host computer. The host computer shall verify the authenticity of the cash-out ticket and communicate directly to the redeemer of the cash-out ticket.
f. If valid, the cashier (redeemer of the cash-out ticket) pays the customer the appropriate amount and the cash-out ticket is electronically noted "paid" in the system. The "paid" cash-out ticket shall remain in the cashiers' bank for reconciliation purposes. The host validation computer system shall electronically reconcile the cashier's banks for the paid cashed-out tickets.
g. If invalid, the host computer shall notify the cashier (redeemer of the cash-out ticket). The cashier (redeemer of the cash-out ticket) shall refuse payment to the customer and notify a supervisor of the invalid condition. The supervisor shall resolve the dispute.
h. If the host validation computer system temporarily goes down, cashiers may redeem cash-out tickets at a change booth or cashier's cage after recording the following:
1. Serial number of the cash-out ticket;
2. Date and time;
3. Dollar amount;
4. Issuing gaming machine number;
5. Marking ticket "paid"; and
6. Ticket shall remain in cashier's bank for reconciliation purposes.
i. Cash-out tickets shall be validated as expeditiously as possible when the host validation computer system is restored.
j. The gaming enterprise as approved by the Gaming Commission, shall establish and comply with procedures to control cash-out ticket paper, which shall include procedures that:
1. Mitigate the risk of counterfeiting of cash-out ticket paper;
2. Adequately control the inventory of the cash-out ticket paper;
3. Provide for the destruction of all unused cash-out ticket paper;
4. Provide a Contingency Plan for System Failure;
5. Adequately control the handling/redemption of: Blank Tickets, Rejected Tickets, Voided Tickets, Test Tickets, Ticket Jams, Duplicate Tickets, Tickets with Duplicate Validation Numbers, Overrides and Adjustments;
6. Provide for the use of redemption Kiosks
k. If the host validation computer system is down for more than four (4) hours, the gaming enterprise shall promptly notify the Tribal gaming regulatory authority or its designated representative.
l. Cash-out Tickets shall not be accepted by gaming machines that are not ticket-enabled games.
m. These gaming machine systems shall comply with all other standards (as applicable) in this part including:

1. Standards for bill/ticket acceptor drop and count;
2. Standards concerning EPROMS or other equivalent game software media.

9-13. *Account access cards.* For gaming machines that utilize account access cards to activate play of the machine, the following standards shall apply:

a. *Equipment.*

1. A central computer, with supporting hardware and software, to coordinate network activities, provide system interface, and store and manage a player/account database;
2. A network of contiguous player terminals with touch-screen or button-controlled video monitors connected to an electronic selection device and the central computer via a communications network;
3. One or more electronic selection devices, utilizing random number generators, each of which selects any combination or combinations of numbers, colors, and/or symbols for a network of player terminals.

b. *Player terminals standards.*

1. The player terminals are connected to a game server;
2. The game server shall generate and transmit to the bank of player terminals a set of random numbers, colors, and/or symbols at regular intervals. The subsequent game results are determined at the player terminal and the resulting information is transmitted to the account server;
3. The game server shall be housed in a game server room or a secure locked cabinet.

c. *Patron account maintenance standards.*

1. A central computer acting as an account server shall provide patron account maintenance and the deposit/withdrawal function of those account balances;
2. Patrons may access their accounts on the computer system by means of an account access card at the player terminal. Each player terminal may be equipped with a card reader and personal identification number (PIN) pad or touch screen array for this purpose;
3. All communications between the player terminal, or bank of player terminals, and the account server shall be encrypted for security reasons.
4. The gaming enterprise as approved by the Tribal gaming regulatory authority, shall establish and the gaming enterprise shall comply with procedures to resolve any patron disputes on account balances.

d. *Patron account generation standards.*

1. A computer file for each patron shall be prepared by an employee ~~clerk~~, with no incompatible functions, prior to the patron being issued an account access card to be utilized for machine play. The patron may select his/her PIN to be used in conjunction with the account access card.
2. For each patron file, an employee shall:
   A. Record the patron's name and current address;
   B. The date the account was opened; and
   C. At the time the initial deposit is made, account opened, or credit extended, the identity of the patron shall be verified by examination of a valid driver's license or other reliable identity credential.
3. The clerk shall sign-on with a unique password to a terminal equipped with peripherals required to establish a customer account. Passwords are issued and can only be changed by information technology personnel at the discretion of the department director.
4. After entering a specified number of incorrect PIN entries at the cage or player terminal, the patron shall be directed to proceed to a clerk to obtain a new PIN. If a patron forgets, misplaces or requests a change to their PIN, the patron shall proceed to a clerk for assistance.

e. *Deposit of credits standards.*

1. The cashier shall sign-on with a unique password to a cashier terminal equipped with peripherals required to complete the credit transactions. Passwords are issued and can only be changed by information technology personnel at the discretion of the department director.
2. The patron shall present cash, chips, coin or coupons along with their account access card to a cashier to deposit credits.
3. The cashier shall complete the transaction by utilizing a card scanner that the cashier shall slide the patron's account access card through.
4. The cashier shall accept the funds from the customer and enter the appropriate amount on the cashier terminal.
5. A multi-part deposit slip shall be generated by the point of sale receipt printer. The cashier shall direct the patron to sign the deposit slip receipt. One copy of the deposit slip shall be given to the patron. The other copy of the deposit slip shall be secured in the cashier's cash drawer.
6. The cashier shall verify the patron's balance before completing the transaction. The cashier shall secure the funds in their cash drawer and return the account access card to the customer.
7. Alternatively, if a kiosk is utilized to accept a deposit of credits, the gaming enterprise as approved by the Gaming Commission shall establish and the gaming enterprise shall comply with procedures that safeguard the integrity of the kiosk system.

f. *Prize standards.*

1. Winners at the gaming machines may receive cash, prizes redeemable for cash or merchandise.
2. If merchandise prizes are to be awarded, the specific type of prize or prizes that may be won shall be disclosed to the player before the game begins.
3. The redemption period of account access cards, as approved by the Tribal gaming regulatory authority, shall be conspicuously posted in the gaming operation.

g. *Credit withdrawal.* The patron shall present their account access card to a cashier to withdraw their credits. The cashier shall perform the following:

1. Scan the account access card;
2. Request the patron to enter their PIN, if the PIN was selected by the customer;
3. The cashier shall ascertain the amount the customer wishes to withdraw and enter the amount into the computer;
4. A multi-part withdrawal slip shall be generated by the point of sale receipt printer. The cashier shall direct the patron to sign the withdrawal slip;
5. The cashier shall verify that the account access card and the patron match by:
   A. Comparing the patron to image on the computer screen;
   B. Comparing the patron to image on patron's picture ID; or
   C. Comparing the patron signature on the withdrawal slip to signature on the computer screen.
6. The cashier shall verify the patron's balance before completing the transaction. The cashier shall pay the patron the appropriate amount, issue the patron the original withdrawal slip and return the account access card to the patron;
7. The copy of the withdrawal slip shall be placed in the cash drawer. All account transactions shall be accurately tracked by the account server computer system. The copy of the withdrawal slip shall be forwarded to the accounting department at the end of the gaming day; and
8. In the event the imaging function is temporarily disabled, patrons shall be required to provide positive ID for cash withdrawal transactions at the cashier stations.

9-14. *Smart cards.* All smart cards (i.e., cards that possess the means to electronically store and retrieve data) that maintain the only source of account data are prohibited.

Section 10. Cage & Vault

10-1. *Computer applications.* Any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, must be approved by the Gaming Commission, prior to implementation.

10-2. *Personal checks, cashier's checks, payroll checks, and counter checks.*

a. If personal checks, cashier's checks, payroll checks, or counter checks are cashed at the cage, the Gaming Commission, or the gaming enterprise as approved by the Gaming Commission, shall establish and the gaming enterprise shall comply with appropriate controls for purposes of security and integrity.

b. The Gaming Commission, or the gaming enterprise as approved by the Gaming Commission, shall establish and the gaming enterprise shall comply with procedures for the acceptance of personal checks, collecting and recording checks returned to the gaming enterprise after deposit, re-deposit, and write-off authorization.

c. When counter checks are issued, the following shall be included on the check:

1. The customer's name and signature;
2. The dollar amount of the counter check (both alpha and numeric);
3. Customer's bank name and bank account number;
4. Date of issuance; and
5. Signature or initials of the person approving the counter check transaction.

d. When traveler's checks or other guaranteed drafts such as cashier's checks are presented, the cashier shall comply with the examination and documentation procedures as required by the issuer.

10-3. *Cage and vault accountability standards.*

a. All transactions that flow through the cage shall be summarized on a cage accountability form on a per shift basis and shall be supported by documentation.

b. The cage and vault (including coin room) inventories shall be counted by the oncoming and outgoing cashiers. These employees shall make individual counts for comparison for accuracy and maintenance of individual accountability. Such counts shall be recorded at the end of each shift during which activity took place. All discrepancies shall be noted and investigated. Unverified transfers of cash and/or cash equivalents are prohibited.

c. The gaming enterprise as approved by the Gaming Commission, shall establish and comply with a minimum bankroll formula to ensure the gaming enterprise maintains cash or cash equivalents (on hand and in the bank, if readily accessible) in an amount sufficient to satisfy obligations to the gaming enterprise's customers as they are incurred. A suggested bankroll formula will be provided by the Gaming Commission upon request.

10-4. *Coupon standards.* Any program for the exchange of coupons for chips, tokens, and/or another coupon program shall be approved by the Gaming Commission prior to implementation. The gaming enterprise as approved by the Gaming Commission, shall establish and comply with procedures that account for and control such programs.

10-5. *Accounting/auditing standards.*

a. The cage accountability shall be reconciled to the general ledger at least monthly.

b. A trial balance of gaming enterprise's accounts receivable, including the name of the customer and current balance, shall be prepared at least monthly for active, inactive, settled or written-off accounts.

c. The trial balance of gaming enterprise's accounts receivable shall be reconciled to the general ledger each month. The reconciliation and any follow-up performed shall be documented, maintained for inspection, and provided to the Gaming Commission upon request.

d. On a monthly basis an evaluation of the collection percentage of credit issued to identify unusual trends shall be performed.

e. All cage and credit accounting procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the Gaming Commission upon request.

10-6. *Extraneous items.* The gaming enterprise as approved by the Gaming Commission, shall comply with procedures to address the transporting of extraneous items, such as coats, purses, and/or boxes, into and out of the cage, coin room, count room, and/or vault.

Section 11. Information Technology

11-1. *General controls for gaming hardware and software.*

a. Management shall take an active role in making sure that physical and logical security measures are implemented, maintained, and adhered to by personnel to prevent unauthorized access that could cause errors or compromise data or processing integrity.

1. Management shall ensure that all new gaming vendor hardware and software agreements/contracts contain language requiring the vendor to adhere to tribal internal control standards applicable to the goods and services the vendor is providing.
2. Physical security measures shall exist over computer, computer terminals, and storage media to prevent unauthorized access and loss of integrity of data and processing.
3. Access to systems software and application programs shall be limited to authorized personnel.
4. Access to computer data shall be limited to authorized personnel.
5. Access to computer communications facilities, or the computer system, and information transmissions shall be limited to authorized personnel.
6. Standards in paragraphs (1-5) above shall apply to each applicable department within the gaming enterprise.
7. Management shall take an active role to ensure Information Technology personnel are prohibited from accessing confidential information, including, but not limited to, files stored on Local Area Networks (LAN's) and Wide Area Networks (WAN's).

b. The main computers (i.e., hardware, software, and data files) for each gaming application (*e.g.,* gaming machines, etc.) shall be in a secured area with access restricted to authorized persons, including vendors.

c. Access to computer operations shall be restricted to authorized personnel to reduce the risk of loss of integrity of data or processing.

d. Incompatible duties shall be adequately segregated and monitored to prevent error in general information technology procedures to go undetected or fraud to be concealed.

e. Non-information technology personnel shall be precluded from having unrestricted access to the secured computer areas.

f. The computer systems, including application software, shall be secured through the use of passwords or other approved means where applicable. Management personnel or persons independent of the department being controlled shall assign and control access to system functions.

g. Passwords shall be controlled as follows unless otherwise addressed in the standards in this section.

1. Each user shall have their own individual password;
2. Passwords shall be changed at least quarterly with changes documented; and
3. For computer systems that automatically force a password change on a quarterly basis, documentation shall be maintained listing the systems and the date the user was given access.

h. Adequate backup and recovery procedures shall be in place that include:

1. Frequent backup of data files;
2. Backup of all programs;
3. Secured off-site storage of all backup data files and programs, or other adequate protection and readily accessible to IT Personnel; and
4. Recovery procedures, which are tested on a sample basis at least annually with documentation of results.

i. Adequate information technology system documentation shall be maintained, including descriptions of hardware and software, operator manuals, etc.

11-2. *Independence of information technology personnel.*

a. The information technology personnel shall be independent of the gaming areas (*e.g.*, cage, pit, count rooms, etc.). Information technology personnel procedures and controls should be documented and responsibilities communicated.

b. Information technology personnel shall be precluded from unauthorized access to:
1. Computers and terminals located in gaming areas;
2. Source documents; and
3. Live data files (not test data).

c. Information technology personnel shall be restricted from:
1. Having unauthorized access to cash or other liquid assets; and
2. Initiating general or subsidiary ledger entries.

11-3. *Gaming computer program changes.* Computer program changes for in-house developed or purchased systems shall be documented as follows:

a. Requests for new programs or program changes shall be reviewed by the Information Technology Director. Approvals to begin work on the program shall be documented;

b. A written plan of implementation for new and modified programs shall be maintained, and shall include, at a minimum, the date the program is to be placed into service, the nature of the change, a description of procedures required in order to bring the new or modified program into service (conversion or input of data, installation procedures, etc.), and an indication of who is to perform all such procedures;

c. Testing of new and modified programs shall be performed and documented prior to implementation; and

d. A record of the final program or program changes, including evidence of user acceptance, date in service, programmer, and reason for changes, shall be documented and maintained.

This section does not pertain to the gaming machine EPROMs or equivalent gaming machine software. This is for computer programs designed, changed or purchased by the gaming enterprise and/or the IT Department.

11-4. *Security logs.*

a. If computer security logs are generated by the system, they shall be reviewed by information technology supervisory personnel for evidence of:
1. Multiple attempts to log-on, or alternatively, the system shall deny user access after three attempts to log-on;
2. Unauthorized changes to live data files; and
3. Any other unusual transactions.

b. This paragraph shall not apply to personal computers, except when used as a terminal to
access systems otherwise covered by these MICS.

11-5. *Remote dial-up.* If remote dial-up to any associated equipment is allowed for software support, the gaming operation shall maintain an access log that includes:

a. Name of employee authorizing modem access;

b. Name of authorized programmer or manufacturer representative;

c. Reason for modem access;

d. Description of work performed; and

e. Date, time, and duration of access.

11-6. *Document storage.* Documents may be scanned or directly stored to an unalterable storage medium under the following conditions.

a. The storage medium shall contain the exact duplicate of the original document.

b. All documents stored on the storage medium shall be maintained with a detailed index containing the gaming operation department and date. This index shall be available upon request by the NIGC or the Gaming Commission.

c. Upon request and adequate notice by the NIGC or the Gaming Commission, hardware (terminal, printer, etc.) shall be made available in order to perform auditing procedures.

d. Controls shall exist to ensure the accurate reproduction of records up to and including the printing of stored documents used for auditing purposes.

e. The storage medium shall be retained for a minimum of five years.

f. Original documents must be retained until the books and records have been audited by an independent certified public accountant.

11-7. *Protection of deleted data.* The Enterprise shall implement a process that:

a. Prior to the movement or reassignment to a different department of:

1. Non-removable rigid disks;
2. All hard drives; and
3. All removable, rewritable storage devices with a capacity greater than 1.44 MB,

b. A reformat and re-image of the device is performed, that removes all prior data

1. Verification that prior data has been removed.

c. This standard applies to:

1. All components of a Local Area Network (LAN);
2. All components of a Wide Area Network (WAN);
3. All personal computers and workstations;
4. Any other computer or storage media not specifically listed above.

11-8. The Enterprise shall implement a process that:

a. Prior to the sale or disposal of;

1. Non-removable rigid disks;
2. All hard drives; and
3. All removable, rewriteable, storage devices with a capacity greater than 1.44 MB,

b. Immediately overwrites **ALL** sectors, using a program that:

1. Overwrites all addressable locations with a character;
2. The complement of the proceeding character;
3. A random character; and
4. Verifies the prior data has been overwritten.

c. This standard applies to:

1. All components of a Local Area Network (LAN);
2. All components of a Wide Area Network (WAN);
3. All personal computers and workstations;
4. Any other computer or storage media not specifically listed above.

Section 12. Complimentary Services or Items

12-1. The gaming enterprise shall establish and comply with procedures for the authorization, issuance, and tracking of complimentary services and items, including cash and non-cash gifts. Such procedures must be approved by the Gaming Commission and shall include, but shall not be limited to, the procedures by which the gaming enterprise delegates to its employees the authority to approve the issuance of complimentary services and items, and the procedures by which conditions or limits, if any, which may apply to such authority are established and modified (including limits based on relationships between the authorizer and recipient), and shall further include effective provisions for audit purposes.

12-2. The complimentary services or items shall, at a minimum, be separated into categories for

rooms, food, beverage, travel, cash gift, non-cash gift, entertainment, and other services or items.

12-3. At least monthly, accounting, information technology, or audit personnel that cannot grant or receive complimentary privileges shall prepare reports that include the following information for all complimentary items and services equal to or exceeding $50:

a. Name of customer who received the complimentary service or item;
b. Name(s) of authorized issuer of the complimentary service or item;
c. The actual cash value of the complimentary service or item;
d. The type of complimentary service or item (i.e., food, beverage, etc.); and
e. Date the complimentary service or item was issued.

12-4. The Compliance or Accounting departments *of the gaming enterprise* shall review the reports required in section 12-3 at least monthly. These reports shall be made available to the Gaming Commission.

12-5. Complimentaries may only be issued to patrons/guests for the purpose of generating revenue.

Section 13. Promotions and Promotional Drawings

13-1. The gaming enterprise shall establish and the Gaming Commission shall approve procedures for the conducting of Promotions and Promotional Drawings. These procedures shall include, at a minimum:

a. Rules for promotions and promotional drawings
b. Eligibility requirements
c. Entrance requirements (points, player's club membership, etc)
d. Selection (assurance of randomness)
e. Date requirements

13-2. Information for individual Promotions or Promotional Drawings must be filed with the Gaming Commission.

Section 14 Coupons and Direct Mailings

14-1. Coupons.

a. The gaming enterprise shall establish and the Gaming Commission shall approve procedures for the issuance, redemption, physical controls, eligibility and documentation.
b. Physical controls must include procedures for: unused or expired coupons.
c. Prior to distribution, any coupons that are printed by an external vendor shall be reviewed by at least one member of the Accounting and Regulatory Compliance departments for accuracy, any errors or discrepancies must be brought to the immediate attention of the Director of Marketing or their designee.

14-2. Direct Mailings. The gaming enterprise shall establish and the Gaming Commission shall approve procedures for the direct mailing of complimentary and coupon offers to patrons. These procedures must include:

a. Eligibility
b. Review by at least one member of the Accounting and Compliance Departments for accuracy, any errors or discrepancies must be brought to the immediate attention of the Director of Marketing or their designee.
c. Offer specifications coins tokens, dinner, hotel, etc)
d. Security of mailing lists
e. Outside vendors adherence to procedures

Section 15. Player Tracking

15-1. *Player tracking system.* The following standards apply if a player tracking system is utilized:

a. The player tracking system shall be secured so as to prevent unauthorized access (e.g., changing passwords at least quarterly and physical access to computer hardware, etc.).

b. The addition of points to members' accounts other than through actual gaming machine play shall be sufficiently documented (including substantiation of reasons for increases) and shall be authorized by a department independent of the player tracking and gaming machines. Alternatively, addition of points to members' accounts may be authorized by gaming machine supervisory employees if sufficient documentation is generated and it is randomly verified by employees independent of the gaming machine department on a quarterly basis.

c. Player's Club booth employees who redeem points for members shall be allowed to receive lost players club cards, provided that they are immediately deposited into a secured container for retrieval by independent personnel.

d. Changes to the player tracking system parameters, such as point structures and employee access, shall be performed by supervisory employees independent of the gaming machine department. Alternatively, changes to player tracking system parameters may be performed by gaming machine supervisory employees if sufficient documentation is generated and it is randomly verified by supervisory employees independent of the gaming machine department on a monthly basis.

e. All other changes to the player tracking system shall be appropriately documented.

Section 16. Drop Standards

16-1. *Computer applications.* Any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, must be approved by the Gaming Commission, prior to implementation.

16-2. *Table game drop standards.*

a. The setting out of empty table game drop boxes and the drop shall be a continuous process.

b. At the end of each shift:

1. All locked table game drop boxes shall be removed from the tables by an employee independent of the pit shift being dropped;

2. A separate drop box shall be placed on each table opened at any time during each shift or a gaming enterprise may utilize a single drop box with separate openings and compartments for each shift; and

3. Upon removal from the tables, table game drop boxes shall be transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.

c. If drop boxes are not placed on all tables, then the pit department shall document which tables were open during the shift.

d. The transporting of table game drop boxes shall be performed by a minimum of two persons, at least one of whom is independent of the pit shift being dropped.

e. All table game drop boxes shall be posted with a number corresponding to a permanent number on the gaming table and marked to indicate game, table number, and shift.

f. Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities.

16-3. *Gaming machine and redemption kiosk bill/ticket acceptor drop standards.*

a. A minimum of three employees shall be involved in the removal of the gaming machine and redemption kiosk drop, at least one of who is independent of the gaming machine and cage departments.

b. All bill/ticket acceptor canisters shall be removed only at the time previously designated by the gaming operation and reported to the Gaming Commission, except for

emergency drops.

c. Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities.

d. The bill/ticket acceptor canisters shall be removed by an employee independent of the gaming machine and cage departments then transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.

1. Security shall be provided over the bill/ticket acceptor canisters removed from the gaming machines and awaiting transport to the count room.

2. The transporting of bill/ticket acceptor canisters shall be performed by a minimum of two persons, at least one of who is independent of the gaming machine and cage departments.

e. All bill/ticket acceptor canisters shall be posted with a number corresponding to a permanent number on the gaming machine.

16-4. *Emergency drop procedures.* Emergency drop procedures shall be developed by the gaming enterprise and approved by the Gaming Commission.

Section 17. Count Standards

17-1. *Computer applications.* Any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, must be approved by the Gaming Commission, prior to implementation.

17-2. *Soft count room personnel.*

a. The table game soft count, gaming machine and redemption kiosk bill acceptor count shall be performed by a minimum of three employees.

b. Count room personnel shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. At no time during the count, shall there be fewer than three employees in the count room until the drop proceeds have been accepted into cage/vault accountability. Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.

c. Count team members shall be rotated on a routine basis such that the count team is not consistently the same three persons more than four (4) days per week. This standard shall not apply to a gaming enterprise that utilizes a count team of more than three persons.

d. The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments, however, an accounting representative may be used if there is an independent audit of all soft count documentation.

17-3. *Table game soft count standards.*

a. The table game soft count shall be performed in a soft count room or other equivalently secure area with comparable controls.

b. Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.

c. If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.

d. The table game drop boxes shall be individually emptied and counted in such a manner to prevent the commingling of funds between boxes until the count of the box has been recorded.

1. The count of each box shall be recorded in ink or other permanent form of recordation.
2. A second count shall be performed by an employee on the count team who did not perform the initial count.
3. Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.

e. If currency counters are utilized and the count room table is used only to empty boxes and sort/stack contents, a count team member shall be able to observe the loading and unloading of all currency at the currency counter, including rejected currency.

f. Table game drop boxes, when empty, shall be shown to another member of the count team, or to another person who is observing the count, or to surveillance, provided the count is monitored in its entirety by a person independent of the count.

g. Orders for fill/credit (if applicable) shall be matched to the fill/credit slips. Fills and credits shall be traced to or recorded on the count sheet.

h. Foreign currency exchange forms (if applicable) removed from the table game drop boxes shall be reviewed for the proper daily exchange rate and the conversion amount shall be recomputed by the count team. Alternatively, this may be performed by accounting/auditing employees.

i. The opening/closing table and marker inventory forms (if applicable) shall either be:

1. Examined and traced to or recorded on the count sheet; or
2. If a computerized system is used, accounting personnel can trace the opening/closing table and marker inventory forms to the count sheet. Discrepancies shall be investigated with the findings documented and maintained for inspection.

j. The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder.

k. All members of the count team shall sign the count document or a summary report to attest to their participation in the count.

l. All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.

m. The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashiers department. Alternatively, it may be adequately secured (*e.g.,* locked container to which only accounting personnel can gain access) until retrieved by the accounting department.

n. Access to stored, full table game drop boxes shall be restricted to authorized members of the drop and count teams.

17-4. *Gaming machine and redemption kiosk bill acceptor count standards.*

a. The gaming machine and redemption kiosk bill acceptor count shall be performed in a soft count room or other equivalently secure area with comparable controls.

b. Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
c. If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
d. The bill/ticket acceptor canisters shall be individually emptied and counted in such a manner to prevent the commingling of funds between canisters until the count of the canister has been recorded.

1. The count of each canister shall be recorded in ink or other permanent form of recordation.
2. A second count shall be performed by an employee on the count team who did not perform the initial count.
3. Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.

e. If currency counters are utilized and the count room table is used only to empty canisters and sort/stack contents, a count team member shall be able to observe the loading and unloading of all currency at the currency counter, including rejected currency.
f. Canisters, when empty, shall be shown to another member of the count team, or to another person who is observing the count, or to surveillance, provided that the count is monitored in its entirety by a person independent of the count.
g. The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder.
h. All members of the count team shall sign the count document or a summary report to attest to their participation in the count.
i. All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
j. The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or an employee independent of the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.
k. Access to stored bill/ticket acceptor canisters, full or empty, shall be restricted to:

1. Authorized members of the drop and count teams; and
2. Authorized personnel in an emergency for the resolution of a problem.

Section 18. Sensitive Keys and Locks

18-1. *Computer applications.* Any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, must be approved by the Gaming Commission, prior to implementation.
18-2. *Keys and Locks* All references to sensitive keys includes the associated locks. Sensitive keys as defined in Gaming Commission Regulation Chapter 2; Section 2.12.0 (A).
18-3. *Access* All sensitive keys will have access controlled by the Security Department or by the electronic key security system. The gaming enterprise will have alternate manual key access procedures approved by the Gaming Commission, to be used during times of the failure of the electronic key security system or power loss.

18-4. *Drop and Count Keys*

a. *Gaming machine drop key control standards.*

1. Gaming machine coin drop cabinet keys, including duplicates, shall be maintained by a department independent of the gaming machine department.
2. The physical custody of the keys needed to access gaming machine drop cabinets, including duplicates, shall require the involvement of two persons, one of whom is independent of the gaming machine department.
3. Two employees (separate from key custodian) shall be required to accompany such keys while checked out and observe each time gaming machine drop cabinets are accessed, unless surveillance is notified each time keys are checked out and surveillance observes the employee throughout the period the keys are checked out.

b. *Table game drop box key control standards.*

1. Procedures shall be developed and implemented to insure that unauthorized access to empty table game drop boxes shall not occur from the time the boxes leave the storage racks until they are placed on the tables.
2. The involvement of at least two employees independent of the cage department shall be required to access stored empty table game drop boxes.
3. The release keys shall be separately keyed from the contents keys.
4. At least three count team members are required to be present at the time count room and other count keys are issued for the count.
5. All duplicate keys shall be maintained in a manner that provides the same degree of control as is required for the original keys. Records shall be maintained for each key duplicated that indicate the number of keys made and destroyed.
6. Logs shall be maintained by the custodian of sensitive keys to document authorization of personnel accessing keys.

c. *Table game drop box release keys.*

1. The table game drop box release keys shall be maintained by a department independent of the pit department.
2. Only the employee(s) authorized to remove table game drop boxes from the tables shall be allowed access to the table game drop box release keys; however, the count team members may have access to the release keys during the soft count in order to reset the table game drop boxes.
3. Employees authorized to remove the table game drop boxes shall be precluded from having simultaneous access to the table game drop box contents keys and release keys.
4. For situations requiring access to a table game drop box at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

d. *Bill/Ticket acceptor canister release keys.*

1. The bill/ticket acceptor canister release keys shall be maintained by a department independent of the gaming machine and cage departments.
2. Only the employee(s) authorized to remove bill/ticket acceptor canisters from the gaming machines or redemption kiosks shall be allowed access to the release keys.
3. Employees authorized to remove the bill/ticket acceptor canisters shall be precluded from having simultaneous access to the bill/ticket acceptor canister contents keys and release keys.
4. For situations requiring access to a bill/ticket acceptor canister at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

e. *Table game drop box storage rack keys.*

1. An employee independent of the pit department shall be required to accompany the table game drop box storage rack keys and observe each time table game drop boxes are removed from or placed in storage racks.

2. Employees authorized to obtain table game drop box storage rack keys shall be precluded from having simultaneous access to table game drop box contents keys with the exception of the count team.

f. *Bill/Ticket acceptor canister storage rack keys.*

1. A person independent of the gaming machine and cage departments shall be required to accompany the bill/ticket acceptor canister storage rack keys and observe each time canisters are removed from or placed in storage racks.

2. Employees authorized to obtain bill/ticket acceptor canister storage rack keys shall be precluded from having simultaneous access to bill/ticket acceptor canister contents keys with the exception of the count team.

g. *Table game drop box contents keys.*

1. The physical custody of the keys needed for accessing stored, full table game drop box contents shall require the involvement of employees from at least two separate departments, with the exception of the count team.

2. Access to the table game drop box contents key at other than scheduled count times shall require the involvement of at least three employees from separate departments, including management. The reason for access shall be documented with the signatures of all participants and observers.

3. Only count team members shall be allowed access to table game drop box content keys during the count process.

h. *Bill/Ticket acceptor canister contents keys.*

1. The physical custody of the keys needed for accessing stored, full bill/ticket acceptor canister contents shall require involvement of employees from two separate departments, with the exception of the count team.

2. Access to the bill/ticket acceptor canister contents key at other than scheduled count times shall require the involvement of at least three employees from separate departments, one of whom must be a supervisor. The reason for access shall be documented with the signatures of all participants and observers.

3. Only the count team members shall be allowed access to bill/ticket acceptor canister contents keys during the count process.

i. *Gaming machine computerized key security systems.*

1. Computerized key security systems which restrict access to the gaming machine drop and count keys through the use of passwords, keys or other means, other than a key custodian, must provide the same degree of control as indicated in the aforementioned key control standards; refer to sections: 18-4 a,d,f and h. Note: This standard does not apply to the system administrator.

2. For computerized key security systems, the following additional gaming machine key control procedures apply:

i. Management personnel independent of the gaming machine department assign and control user access to keys in the computerized key security system (*i.e.*, system administrator) to ensure that gaming machine drop and count keys are restricted to authorized employees.

ii. In the event of an emergency or the key box is inoperable, access to the emergency manual key(s) (a.k.a. override key), used to access the box containing the gaming machine drop and count keys, requires the physical involvement of at least three persons from separate departments, including management. The date, time, and reason for access, must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).

iii. The custody of the keys issued pursuant to under this subsection requires the presence of two persons from separate departments from the time of their issuance until the time of their return.

iv. Routine physical maintenance that requires accessing the emergency manual

key(s) (override key) and does not involve the accessing of the gaming machine drop and count keys, only requires the presence of two persons from separate departments. The date, time and reason for access must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).

3. For computerized key security systems controlling access to gaming machine drop and count keys, accounting/audit personnel, independent of the system administrator, will perform the following procedures:

i. Daily, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes user's access within the system (*i.e.*, system administrator). Determine whether the transactions completed by the system administrator provide an adequate control over the access to the gaming machine drop and count keys. Also, determine whether any gaming machine drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized.

ii. For at least one day each month, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual gaming machine drop and count key removals or key returns occurred.

iii. At least quarterly, review a sample of users that are assigned access to the gaming machine drop and count keys to determine that their access to the assigned keys is adequate relative to their job position.

iv. All noted improper transactions or unusual occurrences are investigated with the results documented.

4. Quarterly, an inventory of all count room, drop box release, storage rack and contents keys is performed, and reconciled to records of keys made, issued, and destroyed. Investigations are performed for all keys unaccounted for, with the investigation being documented.

j. *Table games computerized key security systems.*

1. Computerized key security systems which restrict access to the table game drop and count keys through the use of passwords, keys or other means, other than a key custodian, must provide the same degree of control as indicated in the aforementioned key control standards; refer to sections: 18-4 b,c,e and g. Note: This standard does not apply to the system administrator.

2. For computerized key security systems, the following additional table game key control procedures apply:

i. Management personnel independent of the table game department assign and control user access to keys in the computerized key security system (*i.e.*, system administrator) to ensure that table game drop and count keys are restricted to authorized employees.

ii. In the event of an emergency or the key box is inoperable, access to the emergency manual key(s) (a.k.a. override key), used to access the box containing the table game drop and count keys, requires the physical involvement of at least three persons from separate departments, including management. The date, time, and reason for access, must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).

iii. The custody of the keys issued pursuant to this subsection requires the presence of two employees from separate departments from the time of their issuance until the time of their return.

iv. Routine physical maintenance that requires accessing the emergency manual key(s) override key) and does not involve the accessing of the table games drop and count keys, only requires the presence of two employees from separate

departments. The date, time and reason for access must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).

3. For computerized key security systems controlling access to table games drop and count keys, accounting/audit personnel, independent of the system administrator, will perform the following procedures:

i. Daily, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes user's access within the system (*i.e.*, system administrator). Determine whether the transactions completed by the system administrator provide an adequate control over the access to the table games drop and count keys. Also, determine whether any table games drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized.

ii. For at least one day each month, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual table games drop and count key removals or key returns occurred.

iii. At least quarterly, review a sample of users that are assigned access to the table games drop and count keys to determine that their access to the assigned keys is adequate relative to their job position.

iv. All noted improper transactions or unusual occurrences are investigated with the results documented.

4. Quarterly, an inventory of all count room, table game drop box release, storage rack and contents keys is performed, and reconciled to records of keys made, issued, and destroyed. Investigations are performed for all keys unaccounted for, with the investigations being documented.

Section 19. Internal Audit

19-1. *Internal audit personnel.*

a. *The Gaming Commission* shall maintain, a separate internal audit department whose primary function is performing internal audit work and that is independent with respect to the departments subject to audit.

b. The internal audit personnel shall report directly to the Gaming Commission.

19-2. *Audits.*

a. Internal audit personnel shall perform audits of all major gaming areas of the gaming operation. The following shall be reviewed at least annually:

1. Table games, including but not limited to, fill and credit procedures, soft drop/count procedures and the subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies;

2. Gaming machines, including but not limited to, jackpot payout and gaming machine fill procedures, gaming machine drop/count and bill acceptor drop/count and subsequent transfer of funds, unannounced testing of weigh scale and weigh scale interface, unannounced testing of count room currency counters and/or currency interface, gaming machine drop cabinet access, tracing of source documents to summarized documentation and accounting records, reconciliation to restricted copies, location and control over sensitive keys;

3. Cage and credit procedures including all cage, collection procedures, and the reconciliation of trial balances to physical instruments on a sample basis. Cage accountability shall be reconciled to the general ledger;

4. Information technology functions, including review for compliance with

information technology standards;

5. Accounting procedures, including review of compliance with accounting standards;

6. Complimentary service or item, including but not limited to, procedures whereby complimentary service items are issued, authorized, and redeemed; and

7. Any other internal audits as required by the Tribe, Gaming Commission, audit committee, or other entity designated by the Tribe.

b. In addition to the observation and examinations performed under subsection (a) above, follow-up observations and examinations shall be performed to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit, the independent accountant, and/or the NIGC. The verification shall be performed within six (6) months following the date of notification.

c. Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without the employees being forewarned that their activities will be observed). Additionally, if the independent accountant also performs the internal audit function, the accountant shall perform separate observations of the table games/gaming machine drops and counts to satisfy the internal audit observation requirements and independent accountant tests of controls as required by the American Institute of Certified Public Accountants guide.

19-3. *Documentation.*

a. Documentation (*e.g.,* checklists, programs, reports, etc.) shall be prepared to evidence all internal audit work performed as it relates to the requirements in this section, including all instances of noncompliance.

b. The internal audit department shall operate with audit programs, which, at a minimum, address the MICS. Additionally, the department shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. Institute of Internal Auditors standards are recommended but not required.

19-4. *Reports.*

a. Reports documenting audits performed shall be maintained and made available to the Gaming Commission upon request.

b. Such audit reports shall include the following information:

1. Audit objectives;
2. Audit procedures and scope;
3. Findings and conclusions;
4. Recommendations, if applicable; and
5. Management's response.

19-5. *Material exceptions.* All material exceptions resulting from internal audit work shall be investigated and resolved with the results of such being documented and retained for five years.

19-6. *Role of management.*

a. Internal audit findings shall be reported to management.

b. Management shall be required to respond to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception.

c. Such management responses shall be included in the internal audit report that will be delivered to management, *and the* Gaming Commission.

d. Management is responsible for ensuring that corrective measures have been incorporated into the gaming enterprise's System of Internal Controls.

19-7. *Internal Audit Guidelines.* In connection with the internal audit testing pursuant to section 19-2, the *Gaming Commission or* NIGC *may* develop recommended Internal Audit Guidelines, which shall be available upon request.

Section 20. Surveillance

20-1. The surveillance system shall be maintained and operated from a staffed surveillance

room and shall provide surveillance over gaming areas.
20-2. The entrance to the surveillance room shall be located so that it is not readily accessible by either gaming enterprise employees who work primarily on the *gaming enterprise's* floor, or the general public.
20-3. The surveillance room shall have installed at least one (1) monitor or other notification device that complies with Section 9-1 (c) (2).
20-4. Access to the surveillance room shall be limited to surveillance personnel, designated employees, and other persons authorized in accordance with the surveillance department policy. Such policy shall be approved by the Gaming Commission. The surveillance department shall maintain a sign-in log of other authorized persons entering the surveillance room.
20-5. Surveillance room equipment shall have total override capability over all other satellite surveillance equipment located outside the surveillance room.
20-6. In the event of power loss to the surveillance system, an auxiliary or backup power source shall be available and capable of providing immediate restoration of power to all elements of the surveillance system that enable surveillance personnel to observe the table games remaining open for play and all areas covered by dedicated cameras. Auxiliary or backup power sources such as a UPS System, backup generator, or an alternate utility supplier, satisfy this requirement.
20-7. The surveillance system shall include date and time generators that possess the capability to display the date and time of recorded events on video and/or digital recordings. The displayed date and time shall not significantly obstruct the recorded view.
20-8. The surveillance department shall strive to ensure staff is trained in the use of the equipment, knowledge of the games, and house rules.
20-9. Each camera required by the standards in this section shall be installed in a manner that will prevent it from being readily obstructed, tampered with, or disabled by customers or employees.
20-10. Each camera required by the standards in this section shall possess the capability of having its picture displayed on a monitor and recorded. The surveillance system shall include sufficient numbers of monitors and recorders to simultaneously display and record multiple gaming and count room activities, and record the views of all dedicated cameras and motion activated dedicated cameras.
20-11. Reasonable effort shall be made to repair each malfunction of surveillance system equipment required by the standards in this section within seventy-two (72) hours after the malfunction is discovered. The Gaming Commission shall be notified of any camera(s) that has malfunctioned for more than twenty-four (24) hours. In the event of a dedicated camera malfunction, the gaming operation and/or the surveillance department shall immediately provide alternative camera coverage or other security measures, such as additional supervisory or security personnel, to protect the subject activity.
20-12. *Technical Standards.*

a. *Analog Systems Sufficient Clarity Requirements*
    1. Continuous movement must be recorded at a frame rate of 30 frames per second (FPS);
    2. Resolution must be sufficient to produce a video record that is a complete and accurate representation of the activity being observed;
    3. Any areas covered by motion detection must record live action at the frame rate of 30 FPS.
b. *Digital Systems (referred to as DVR systems)*
    1. The DVR system must capture record and view continuous movement at a minimum rate equivalent to 30 IPS (Images Per Second);
    2. The resolution must be sufficient to produce a video record that is a complete, accurate and viewable representation of the activity being observed;
    3. The DVR system must have pre- and post-alarm activation at a minimum of

five (5) seconds (before and after event) for those areas in which motion-activated cameras are allowed;

4. Viewing and recording size of images will be at a minimum of CIF or FCIF for all inclusive areas of the DVR system;

5. An internal back-up system must be included in the configuration to perform in the event that a hard drive failure will have a negative impact on the system's ability to record video images;

6. The DVR System must have a failure notification function consisting, at a minimum, of both audible and visual warning devices when system failure could negatively impact the ability to record, play back or store video images;

7. If the gaming enterprise chooses to utilize a network (also referred to as NVR System) for the interconnection of or playback from digital recording devices, access to this network must be limited to authorized personnel and be password or code protected in order to maintain integrity and data network security;

8. If the gaming enterprise elects to utilize authentication/encryption code software, the software must be submitted to the Gaming Commission for inspection and approval.

20-13. *Card games.* The surveillance system shall monitor and record general activities in each card room with sufficient clarity to identify the employees performing the different functions.

20-14. *Progressive card games.* Progressive card games with a progressive jackpot of $25,000 or more shall be monitored and recorded by dedicated cameras that provide coverage of:

a. The table surface, sufficient that the card values and card suits can be clearly identified;

b. An overall view of the entire table with sufficient clarity to identify customers and dealer; and

c. A view of the posted jackpot amount.

20-15. *Table games.*

a. *Enterprise's with four (4) or more table games.* Except as otherwise provided in subsection (b-d) below, the surveillance system of gaming operations operating four (4) or more table games shall provide at a minimum one (1) pan-tilt-zoom camera per two (2) tables and surveillance must be capable of taping:

1. With sufficient clarity to identify customers and dealers; and

2. With sufficient coverage and clarity to simultaneously view the table bank and determine the configuration of wagers, card values, and game outcome.

3. One (1) dedicated camera per table and one (1) pan-tilt-zoom camera per four (4) tables may be an acceptable alternative procedure to satisfy the requirements of this paragraph.

b. *Craps.* All craps tables shall have two (2) dedicated cross view cameras covering both ends of the table.

c. *Roulette.* All roulette areas shall have one (1) overhead dedicated camera covering the roulette wheel and shall also have one (1) dedicated camera covering the play of the table.

d. *Big wheel.* All big wheel games shall have one (1) dedicated camera viewing the wheel.

20-16. *Progressive table games.* Progressive table games with a progressive jackpot of $25,000 or more shall be monitored and recorded by dedicated cameras that provide coverage of:

a. The table surface, sufficient that the card values and card suits can be clearly identified;

b. An overall view of the entire table with sufficient clarity to identify customers and dealer; and

c. A view of the progressive meter jackpot amount. If several tables are linked to the same progressive jackpot meter, only one meter need be recorded.

20-17. *Gaming machines.*

a. Except as otherwise provided in subsections (b) and (c) below, gaming machines offering a payout of more than $250,000 shall be monitored and recorded by a dedicated camera(s) to provide coverage of:

1. All customers and employees at the gaming machine, and
2. The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine.

b. *In-house progressive machine.* In-house progressive gaming machines offering a base payout amount (jackpot reset amount) of more than $100,000 shall be monitored and recorded by a dedicated camera(s) to provide coverage of:

1. All customers and employees at the gaming machine; and
2. The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine.

c. *Wide-area progressive machine.* Wide-area progressive gaming machines offering a base payout amount of $1 million or more and monitored by an independent vendor utilizing an on-line progressive computer system shall be recorded by a dedicated camera(s) to provide coverage of:

1. All customers and employees at the gaming machine; and
2. The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine.

d. Notwithstanding paragraph (a) of this section, if the gaming machine is a multi-game machine, the Gaming Commission, or the gaming enterprise subject to the approval of the Gaming Commission, may develop and implement alternative procedures to verify payouts.

20-18. *Cage and vault.*

a. The surveillance system shall monitor and record a general overview of activities occurring in each cage and vault area with sufficient clarity to identify employees within the cage and customers and employees at the counter areas.

b. Each cashier station shall be equipped with one (1) dedicated overhead camera covering the transaction area.

c. The surveillance system shall provide an overview of cash transactions. This overview should include the customer, the employee, and the surrounding area.

20-19. *Fills and credits.*

a. The cage or vault area in which fills and credits are transacted shall be monitored and recorded by a dedicated camera or motion activated dedicated camera that provides coverage with sufficient clarity to identify the chip values and the amounts on the fill and credit slips.

b. Controls provided by a computerized fill and credit system may be deemed an adequate alternative to viewing the fill and credit slips.

20-20. *Currency and coin.*

a. The surveillance system shall monitor and record with sufficient clarity all areas where currency or coin may be stored or counted.

b. Audio capability of the soft count room shall also be maintained.

c. The surveillance system shall provide for:

1. Coverage of scales shall be sufficiently clear to view any attempted manipulation of the recorded data.
2. Monitoring and recording of the table game drop box storage rack or area by either a dedicated camera or a motion-detector activated camera.
3. Monitoring and recording of all areas where coin may be stored or counted, including the hard count room, all doors to the hard count room, all scales and wrapping machines, and all areas where uncounted coin may be stored during the drop and count process.

4. Monitoring and recording of soft count room, including all doors to the room, all table game drop boxes, safes, and counting surfaces, and all count team personnel. The counting surface area must be continuously monitored and recorded by a dedicated camera during the soft count.

5. Monitoring and recording of all areas where currency is sorted, stacked, counted, verified, or stored during the soft count process.

20-21. *Change booths.* The surveillance system shall monitor and record a general overview of the activities occurring in each gaming machine change booth.

20-22. *Video recording and/or digital record retention.*

a. All video recordings and/or digital records of coverage provided by the dedicated cameras or motion-activated dedicated cameras required by the standards in this section shall be retained for a minimum of seven (7) days.

b. Recordings involving suspected or confirmed gaming crimes, unlawful activity, or detentions by security personnel, must be retained for a minimum of thirty (30) days.

c. Duly authenticated copies of video recordings and/or digital records shall be provided to the Commission upon request.

20-23. *Video library log.* A video library log, or comparable alternative procedure approved by the Tribal gaming regulatory authority, shall be maintained to demonstrate compliance with the storage, identification, and retention standards required in this section.

20-24. *Malfunction and repair log.*

a. Surveillance personnel shall maintain a log or alternative procedure approved by the Gaming Commission that documents each malfunction and repair of the surveillance system as defined in this section.

b. The log shall state the time, date, and nature of each malfunction, the efforts expended to repair the malfunction, and the date of each effort, the reasons for any delays in repairing the malfunction, the date the malfunction is repaired, and where applicable, any alternative security measures that were taken.

20-25. *Surveillance log.*

a. Surveillance personnel shall maintain a log of all surveillance activities.

b. Such log shall be maintained by surveillance room personnel and shall be stored securely within the surveillance department.

c. At a minimum, the following information shall be recorded in a surveillance log:

1. Date;
2. Time commenced and terminated;
3. Activity observed or performed; and
4. The name or license credential number of each person who initiates, performs, or supervises the surveillance.

d. Surveillance personnel shall also record a summary of the results of the surveillance of any suspicious activity. This summary may be maintained in a separate log.

Section 21. Accounting

21-1. *Required Transaction Records.*

a. Each gaming enterprise shall prepare accurate, complete, legible, and permanent records of all transactions pertaining to revenue and gaming activities.

21-2. *Required Accounting Records.*

a. Each gaming enterprise shall prepare general accounting records according to Generally Accepted Accounting Principles on a double entry system of accounting, maintaining detailed, supporting, subsidiary records, including, but not limited to:

1. Detailed records identifying revenues, expenses, assets, liabilities, and equity for each gaming operation;
2. Detailed records of all returned checks, or other similar credit instruments;
3. Individual and statistical game records to reflect statistical drop, statistical

win, and the percentage of statistical win to statistical drop by each table game, and to reflect statistical drop, statistical win, and the percentage of statistical win to statistical drop for each type of table game, by shift, by day, cumulative month-to-date, and cumulative year-to-date, and individual and statistical game records reflecting similar information for all other games;

4. Gaming machine analysis reports which, by each machine, compare actual hold percentages to theoretical hold percentages;

5. The records required by these Minimum Internal Control Standards;

6. Journal entries prepared by the gaming operation and by its independent accountants; and

7. Any other records specifically required to be maintained.

21-3. *Administrative and Accounting Procedures.*

a. Each gaming enterprise shall establish administrative and accounting procedures for the purpose of determining effective control over a gaming enterprise's fiscal affairs. These procedures must be approved by the Gaming Commission. The procedures shall be designed to reasonably ensure that:

1. Assets are safeguarded;

2. Financial records are accurate and reliable;

3. Transactions are performed only in accordance with management's general and specific authorization;

4. Transactions are recorded adequately to permit proper reporting of gaming revenue and of fees and taxes, and to maintain accountability of assets;

5. Recorded accountability for assets is compared with actual assets at reasonable intervals, and appropriate action is taken with respect to any discrepancies; and

6. Functions, duties, and responsibilities are appropriately segregated in accordance with sound practices by competent, qualified personnel.

21-4. *Gross gaming revenue computations.*

a. For table games, gross revenue equals the closing table bankroll, plus credit slips for cash, chips, tokens or personal/payroll checks returned to the cage, plus drop, less opening table bankroll and fills to the table, and money transfers issued from the game through the use of a cashless wagering system.

b. For gaming machines, gross revenue equals drop, less fills, jackpot payouts and personal property awarded to patrons as gambling winnings. Additionally, the initial hopper load is not a fill and does not affect gross revenue. The difference between the initial hopper load and the total amount that is in the hopper at the end of the gaming enterprise's fiscal year should be adjusted accordingly as an addition to or subtraction from the drop for the year.

c. For each card game and any other game in which the gaming enterprise is not a party to a wager, gross revenue equals all money received by the gaming enterprise as compensation for conducting the game.

1. A gaming enterprise shall not include either shill win or loss in gross revenue computations.

2. In computing gross revenue for gaming machines, keno and bingo, the actual cost to the gaming enterprise of any personal property distributed as losses to patrons may be deducted from winnings (other than costs of travel, lodging, services, food, and beverages), if the gaming enterprise maintains detailed documents supporting the deduction.

21-5 *Securing Currency.*

a. Each gaming enterprise shall establish internal control systems sufficient to ensure that currency (other than tips or gratuities) received from a patron in the gaming area is promptly placed in a locked box in the table, or, in the case of a cashier, in the

appropriate place in the cashier's cage, or on those games which do not have a locked drop box or on card game tables, in an appropriate place on the table, in the cash register, or other approved repository.

21-6. *WAP Payouts.*

a. For payouts by wide-area progressive gaming machine systems, a gaming enterprise may deduct from winnings only its pro rata share of a wide area gaming machine system payout.

21-7 *Cash-out tickets* issued at a gaming machine or gaming device shall be deducted from gross revenue as jackpot payouts in the month the tickets are issued by the gaming machine or gaming device. Tickets deducted from gross revenue that are not redeemed within a period, not to exceed 90 days of issuance, shall be included in gross revenue. An unredeemed ticket previously in gross revenue may be deducted from gross revenue in the month redeemed.

21-8. *Unpaid Balance.* A gaming enterprise may not deduct from gross revenue the unpaid balance of a credit instrument extended for purposes other than gaming.

21-9. *Unpaid Balance of Credit Instrument.* A gaming enterprise may deduct from gross revenue the unpaid balance of a credit instrument if the gaming enterprise documents or otherwise keeps detailed records of compliance with the following requirements. Such records confirming compliance shall be made available to the Gaming Commission upon request:

a. In the case of personal checks, the gaming enterprise has established procedures to examine documentation, normally acceptable as a means of identification when cashing checks, and has recorded a bank check guarantee card number or credit card number;

b. The gaming enterprise has established procedures to effectively document its attempt to collect the full amount of the debt. Such documentation would include, but not be limited to, letters sent to the patron, logs of personal or telephone conversations, presentation of the credit instrument to the patron's bank for collection, settlement agreements, or otherwise demonstrates that it has made a good faith attempt to collect the full amount of the debt. Such records documenting collection efforts shall be made available to the Gaming Commission upon request.

21-10 *Maintenance and preservation of books, records and documents.*

a. All original books, records and documents pertaining to the conduct of wagering activities shall be retained by a gaming enterprise in accordance with the following schedule. A record that summarizes gaming transactions is sufficient, provided that all documents containing an original signature(s) attesting to the accuracy of a gaming related transaction are independently preserved. Original books, records or documents shall not include copies of originals, except for copies that contain original comments or notations on parts of multi-part forms. The following original books, records and documents shall be retained by a gaming operation for a minimum of five (5) years:

1. Casino cage documents;
2. Documentation supporting the calculation of table game win;
3. Documentation supporting the calculation of gaming machine win;
4. Documentation supporting the calculation of revenue received from pull-tabs, card games, and all other gaming activities offered by the gaming enterprise;
5. Table games statistical analysis reports;
6. Gaming machine statistical analysis reports;
7. Bingo, pull-tab, keno and pari-mutuel wagering statistical reports;
8. Internal audit documentation and reports;
9. Documentation supporting the write-off of gaming credit instruments and named credit instruments;
10. All other books, records and documents pertaining to the conduct of wagering activities that contain original signature(s) attesting to the accuracy of the gaming related transaction.

b. Unless otherwise specified in these Internal Controls, all other books, records, and documents shall be retained until such time as the accounting records have been audited by the gaming operation's independent Certified Public Accountants.
c. The above definition shall apply without regards to the medium through which the book, record or document is generated or maintained (paper, computer generated, magnetic media, etc.).

Section 22. Title 31 and Currency Transaction Reporting

22-1. *Required Documents.*

a. Currency Transaction Report by Casinos
b. CTRC forms are to be available to all departments which may encounter reportable transactions.
c. CTRC forms are completed in accordance with, and contain the information required in Title 31 section 103.22 (b) and (c) for all reportable transactions
d. A copy of each completed CTRC is retained in chronological order for a minimum of five (5) years and are readily available for inspection.

22-2. *Multiple Transaction Log*

a. A Multiple Transaction Log (MTL) is a two-part log maintained in each monitoring area for purposes of recording information relative to cash transactions in excess of $2500.00. Only one MTL is used at a time, per monitoring area, for each designated 24 hour period (i.e. gaming day).
b. Each completed MTL is retained in chronological order for a minimum of five years and is readily available for inspection.
c. An MTL contains the following information for each loggable transaction:
1. Description of the customer (or agent) that addresses, at a minimum, age, sex, race, eye color, hair, weight, height and attire.
2. Customer's name and agent's name, if known.
3. Table number, station number, window number or other identification of the location where the transaction occurred.
4. Time (when the handler is given the cash) and the date of the transaction.
5. Type of transaction as delineated in Title 31.
6. Dollar amount of the transaction or United States dollar equivalent, and the amount and type of foreign currency for foreign currency transactions.
7. Signature of the person recording each transaction
8. Subtotal for 24 hour period
9. Notation if a CTRC is to be created.

22-3. *Suspicious Activity Report*

a. Suspicious Activity Report-casino (SARC) forms are made available to all departments which may encounter suspicious transactions.
b. SARC forms are completed in accordance with Title 31. A SARC form contains the information required by Title 31 and any other available information that is requested on the form for all suspicious transactions. Pursuant to Title 31, a completed SARC is considered a confidential document and the customer is not to be informed that a report was completed.
c. A completed SARC shall be filed no later the 30 days after the date of the initial detection. However, if no suspect is identified the *gaming enterprise* may delay filing for another 30 days. Reporting cannot be delayed by more than 60 days from the date of initial detection.
d. A copy of a completed SARC is retained, along with all supporting documentation, in chronological order for five (5) years and is readily available for inspection.

22-4. *Monetary Instrument Log (MIL)*

a. This one-part log is prepared by the *gaming enterprise* to record transactions between

the *gaming enterprise* and its guests involving the following types of negotiable instruments having a face value of $3,000.00 or more in any gaming day:

1. Personal Checks (excluding instruments which evidence credit granted by a *gaming enterprise* strictly for gaming, such as markers);
2. Business checks (including *gaming enterprise* checks)
3. Official Bank checks
4. Third Party checks
5. Traveler's checks

b. The MIL will contain the following information:

1. Time and Date of transaction
2. Amount of the transaction(s)
3. Name and Permanent Address of the guest
4. Type of Instrument (i.e. personal check)
5. The name of the Bank, *gaming enterprise* or agency on which the instrument is drawn
6. If applicable; *gaming enterprise* Prize Number, personal or business check number, cash advance check number and traveler's check number
7. The name and license number of the *gaming enterprise* employee that conducted the transaction.

c. Transactions must be entered in chronological order in which they occur.

d. The MIL must be retained with all supporting documentation for a minimum of five (5) years.

22-5. *Player Rating Records.* Player rating records, when used as a source document for documenting cash activity and when used for the purposes of complying with Title 31, are retained for a period of five (5) years. Summary documents may be retained in lieu of original player rating records if:

a. The summary documents include at a minimum, on a daily basis, all cash transaction information recorded on the original player rating records;

b. Original player rating records are retained for a minimum of seven days and,

c. Both the original and summary player rating records are retained, if possible, when the records are used as support to an SARC.

22-6. *Additional Records Required for Title 31.*

a. Records must be retained to support all transactions regarding a patron's credit issuance, payments or settlements of gaming debts in accordance with Title 31 requirements

b. Records must be retained to support all transactions regarding a patron's deposit of money and withdrawals from money kept on deposit.

c. Records are to be created and maintained to detail every component of every deposit made to the gaming facility, that allow for the reconciliation of a total bank deposit.

d. Documentation of any checks accepted is created and maintained for the purchase of chips, tokens or gaming instrumentalities, of for any purpose other than to receive cash.

22-7. *Reportable Transactions.*

a. All cash transactions with each guest in excess of $10,000.00 must be reported on a CTRC . The CTRC must be filed with the IRS within 15 days of the transaction. This includes any single transaction or series of related transactions with the same directional flow (Cash-in or Cash-out) during the same gaming day, except:

1. When the gaming enterprise has knowledge of customer slot jackpot wins involving payment in currency in excess of $10,000.00 through a single transaction or aggregated transactions on a multiple transaction log, or W-2G logs.

b. When knowledge exists that the $10,000.00 threshold is about to be exceeded, the employee handling the transactions is responsible for obtaining and verifying the guests identification and sufficient information to complete the CTRC prior to concluding the

transaction. (If the player ID cannot be confirmed or is refused, the responsible employee must ensure that the transaction is not consummated.

c. When a customer buys back with cash a check, or other negotiable instrument previously tendered, the transaction is recorded on an MTL or a CTRC as "other cash-in".

d. Tournament or contest buy-ins and entry fees, or purchases of nonnegotiable items (i.e. promotional chips), are recorded on an MTL or CTRC as "other cash-in".

e. For craps, all cash wagers are recorded on an MTL or CTRC as purchases of chips.

f. More than one guest may be part of a reportable or loggable transaction (i.e. two party check cashing). Also, if the persons conducting the transactions are in cooperation with each other and the transactions are designed to benefit a team of customers and not just a single person. Customer information from all customers included is recorded on the CTRC.

g. If in a single visit an agent conducts transactions for more than one customer. Customer information for all customers is recorded on the CTRC. If more than one agent is associated with one customer, transactions are aggregated for the customer and the information for all associated agents is included on the CTRC.

22-8. *Foreign Currency Transactions.*

a. Customers using foreign currency must be tracked using equivalent threshold levels in U.S. currency ($10,000.00) A CTRC must be completed on a customer who is reaching or has reached the $10,000.00 equivalent mark with either a mixture of foreign and U.S. funds, or the U.S. equivalent of foreign funds. A conversion to the U.S equivalent must be made to determine whether the $10,000.00 (U.S.) level has been reached. ($10,000.00 foreign does not necessarily equal $10,000.00 U.S.). If a customer exceeds the $10,000.00 mark in a mixture of foreign and U.S. currency, or foreign currency, but when converted to U.S. funds does not exceed $10,000.00, a CTRC is not required.

b. Foreign customers who do not have a U.S. social security number may use their passport number and another appropriate identification. The second identification can be an equivalent type of U.S. identification used an approved by FinCen and the IRS, such as driver's license, military ID, etc. One or both forms of identification must have a photograph.

22-9. *Suspicious Transactions.* The *gaming enterprise* is responsible for reporting suspicious transaction to the IRS in excess of $5,000.00. A SARC must be completed for suspicious transactions in accordance with section 16-3.

a. Suspicious transactions may include:

b. Using more than one person (agent)

c. Putting up large amounts of money with little or no activity then cashing out.

d. Providing false documents or information

e. Layering money to disguise the source

22-10. *Responsibilities Departments.*

a. All Departments

1. Ensure that prohibited transactions do not take place.
2. Properly record all transactions that fall under the criteria of Title 31.
3. Make a diligent effort to prevent the circumvention of the prohibitions of Title 31 or the reporting and record keeping requirements of Title 31 by multiple transactions in a designated 24-hour period.
4. Being familiar with what is considered a suspicious transaction, making diligent efforts to identify suspicious transactions and report them.
5. Having knowledge of Title 31 and the minimum internal control standards relative to Title 31.
6. Attend training on Title 31.

b. Accounting and Compliance Departments

1. Ensure that Title 31 procedure manuals and other appropriate documentation are in place and available to employees for reference purposes when needed.
2. Ensures that a formal training program is established, maintained and effective.
3. Ensures that a system of internal controls relative to Title 31 is established, maintained and effective.
4. Ensures that CTRC's, SARC's, MTL's and MIL's are properly completed and filed chronologically and are ready for inspection by appropriate regulatory agencies.
5. Submit original CTRC's and SARC's to the IRS, in accordance with Title 31.

22-11. *Formal Training Program.*

a. A formal training program must be established and maintained to instruct employees as to the requirements of Title 31 and the *gaming enterprise's* System of Internal Controls. The formal training program must be; submitted to and approved by the Gaming Commission.

b. Records are to be maintained that document when training is provided and which employees received and passed the content of the training.

c. *Gaming enterprise* employees receive and pass training before they are permitted to function in a capacity that entails the possibility of encountering a Title 31 reporting requirement, record keeping requirement or prohibition.

d. Training of *gaming enterprise* employees is ongoing and provided at least twice annually.

e. Training includes, but is not limited to:

1. Presenting materials such as a copy of Title 31, minimum internal controls relative to Title 31, an CTRC, an SARC, suspicious transaction guidelines, an MTL, and MIL and any appropriate procedures manual.
2. Explanation as to the purchase of each Title 31 document and how each document is used.
3. Explanation of prohibited transactions (Title 31), loggable transactions, reportable transactions, suspicious transactions and reviewing the duties, responsibilities and procedures associated with each employee's position.
4. Review the use of MTL's
5. Explanation of procedures for gaming, safekeeping or front money deposits.
6. Review the definition of a customer
7. Review the proper completion of a CTRC and an SARC.
8. Review the definition of an "established customer" and when "established customer-information on file" may be used on a CTRC.
9. Review the documentation and records that need to be created and maintained relative to Title 31.
10. Explanation of consequences of noncompliance with Title 31.

22-12. *Compliance Testing.*

a. Internal Audit procedures are performed to determine compliance with the provisions of Title 31 and the provisions of the System of Internal Controls relative to Title 31. These procedures must include at a minimum:

1. Quarterly reviews of established procedures in effect for all departments performed once each calendar year.
2. An annual examination of all types of documents prepared pursuant to Title 31 and the System of Internal Controls-CTR standards.

b. The performance and the results of the above Compliance Testing requirements is to be documented. All exceptions discovered are also documented and forwarded to management, the Gaming Commission and the department heads of those departments responsible for noncompliance. The department heads are responsible for ensuring that

corrective action is taken.

c. Follow-up observations and examinations must be performed to verify that corrective action has been taken.

d. Compliance Testing must be performed by those employees designated to perform such duties and who are independent of the functions being examined.

NOTE: The gaming enterprise may engage an independent accountant to perform all or part of the Compliance Testing requirements.

Section 23 – Facility

23-1. Health and Safety. The gaming enterprise shall submit to the Gaming Commission for approval, procedures that comply with applicable laws, codes, regulations in regards to:

a. Emergency preparedness;
b. Potable Water
c. Food
d. Construction
e. Maintenance
f. Hazardous materials
g. Sanitation

Section 24 – Food and Beverage

24-1. Procedures. The gaming enterprise shall submit to the Gaming Commission for approval, procedures that include, but are not limited to:

a. Employee Banks and Pouches
b. Redemption of Comps
c. Money handling

Section 25- Hotel

25-1. Procedures. The gaming enterprise shall submit to the Gaming Commission for approval procedures that include, but are not limited to:

a. Comp Redemption
b. Employee Use
c. Money Handling

Section 26 – Entertainment/ Conference Sales

26-1. Procedures. The gaming enterprise shall submit to the Gaming Commission for approval, procedures that include, but are not limited to:

a. Comp Redemption
b. Employee Use
c. Payments and Deposits

Section 27. Tournaments

27-1. The gaming enterprise shall establish procedures for all tournaments, slot, table games and poker. These procedures shall include at a minimum:

a. General Rules
b. Eligibility requirements
c. Accounting requirements
d. documentation

27-2. The Gaming Commission must receive notice of any tournament at least 10 calendar days in advance of the tournament dates. The notification must include: eligibility, the dates of the tournament, rules of the tournament and prizes to be awarded.

Section 28. Keno

28-1. *Computer applications.* For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Gaming Commission, will be acceptable.

28-2. *Game play standards.*

a. The computerized customer ticket shall include the date, game number, ticket sequence number, station number, and conditioning (including multi-race if applicable).

b. The information on the ticket shall be recorded on a restricted transaction log or computer storage media concurrently with the generation of the ticket.

c. Keno personnel shall be precluded from having access to the restricted transaction log or computer storage media.

d. When it is necessary to void a ticket, the void information shall be inputted in the computer and the computer shall document the appropriate information pertaining to the voided wager (e.g., void slip is issued or equivalent documentation is generated).

e. Controls shall exist to prevent the writing and voiding of tickets after a game has been closed and after the number selection process for that game has begun.

f. The controls in effect for tickets prepared in outstations (if applicable) shall be identical to those in effect for the primary keno game.

28-3. *Rabbit ear or wheel system.*

a. The following standards shall apply if a rabbit ear or wheel system is utilized:

1. A dedicated camera shall be utilized to monitor the following both prior to, and subsequent to, the calling of a game:
   - (i) Empty rabbit ears or wheel;
   - (ii) Date and time;
   - (iii) Game number; and
   - (iv) Full rabbit ears or wheel.

2. The film of the rabbit ears or wheel shall provide a legible identification of the numbers on the balls drawn.

3. Keno personnel shall immediately input the selected numbers in the computer and the computer shall document the date, the game number, the time the game was closed, and the numbers drawn.

4. The Gaming Commission, or the gaming enterprise as approved by the Gaming Commission, shall establish and the gaming enterprise shall comply with procedures that prevent unauthorized access to keno balls in play.

5. Back-up keno ball inventories shall be secured in a manner to prevent unauthorized access.

6. The gaming enterprise as approved by the Gaming Commission, shall establish and shall comply with procedures for inspecting keno balls prior to being placed into play to ensure that all numbers are accounted for and that each ball has an equal chance of being selected during the game. The inspection must be performed by a minimum of two employees and the inspection must be documented. The inspection documentation must include:
   - (i) Date and time of inspection
   - (ii) Procedures performed
   - (iii) Inspection results
   - (iv) exceptions noted
   - (v) signatures of employees completing the inspection.

28-4. *Random number generator.*

a. The following standards shall apply if a random number generator is utilized:
1. The random number generator shall be linked to the computer system and shall directly relay the numbers selected into the computer without manual input.
2. Keno personnel shall be precluded from access to the random number generator.

b. A keno random number generator, that determines win or loss must receive Gaming Commission approval as a gaming device, prior to installation and use.

28-5. *Winning tickets.* Winning tickets shall be verified and paid as follows:

a. The sequence number of tickets presented for payment shall be inputted into the computer, and the payment amount generated by the computer shall be given to the customer.

b. The gaming enterprise as approved by the Gaming Commission, shall establish and shall comply with procedures that preclude payment on tickets previously presented for payment, unclaimed winning tickets (sleepers) after a specified period of time, voided tickets, and tickets that have not been issued yet.

c. All payouts shall be supported by the customer (computer-generated) copy of the winning ticket (payout amount is indicated on the customer ticket or a payment slip is issued).

d. A manual report or other documentation shall be produced and maintained documenting any payments made on tickets that are not authorized by the computer. Payments made which are not authorized by the computer system requires signed authorization by supervisory personnel.

e. Winning tickets over a specified dollar amount (not to exceed $3,000) shall also require the following:
1. Approval of management personnel independent of the keno department, evidenced by their signature;
2. Review of the video recording and/or digital record of the rabbit ears or wheel to verify the legitimacy of the draw and the accuracy of the draw ticket (for rabbit ear or wheel systems only);
3. Comparison of the winning customer copy to the computer reports;
4. Regrading of the customer copy using the payout schedule and draw information; and
5. Documentation and maintenance of the procedures in this paragraph.

f. When the keno game is operated by one person, all winning tickets in excess of an amount to be determined by management (not to exceed $1,500) shall be reviewed and authorized by a person independent of the keno department.

28-6. *Check out standards at the end of each keno shift.*

a. For each writer station, a cash summary report (count sheet) shall be prepared that includes:
1. Computation of net cash proceeds for the shift and the cash turned in; and
2. Signatures of two employees who have verified the net cash proceeds for the shift and the cash turned in. Unverified transfers of cash and/or cash equivalents are prohibited.

28-7. *Promotional payouts or awards.*

a. If a gaming enterprise offers promotional payouts or awards, the payout form/documentation shall include the following information:
1. Date and time;
2. Dollar amount of payout or description of personal property (e.g., jacket, toaster, car, etc.), including fair market value;
3. Type of promotion; and
4. Signature of at least one employee authorizing and completing the transaction.

28-8. *Standards for statistical reports.*

a. Records shall be maintained that include win and write by individual writer for each

day.

b. Records shall be maintained that include win, write, and win-to-write hold percentage for:

1. Each shift;
2. Each day;
3. Month-to-date; and
4. Year-to-date or fiscal year-to-date as applicable.

c. A manager independent of the keno department shall review keno statistical data at least on a monthly basis and investigate any large or unusual statistical variances.

d. At a minimum, investigations shall be performed for statistical percentage fluctuations from the base level for a month in excess of ±3%. The base level shall be defined as the gaming operation's win percentage for the previous business year or the previous twelve (12) months.

e. Such investigations shall be documented, maintained for inspection, and provided to the Gaming Commission upon request.

28-9. *System security standards.*

a. All keys (including duplicates) to sensitive computer hardware in the keno area shall be maintained by a department independent of the keno function.

b. Personnel independent of the keno department shall be required to accompany such keys to the keno area and shall observe changes or repairs each time the sensitive areas are accessed.

28-10. *Documentation standards.*

a. Adequate documentation of all pertinent keno information shall be generated by the computer system.

b. This documentation shall be restricted to authorized personnel.

c. The documentation shall include, at a minimum:

1. Ticket information (as described in paragraph (28-2 (a) of this section);
2. Payout information (date, time, ticket number, amount, etc.);
3. Game information (number, ball draw, time, etc.);
4. Daily recap information, including:
   (i) Write;
   (ii) Payouts; and
   (iii) Gross revenue (win);
   (iv) System exception information, including:
      (A) Voids;
      (B) Late pays; and
      (C) Appropriate system parameter information (e.g., changes in pay tables, ball draws, payouts over a predetermined amount, etc.); and
5. Personnel access listing, including:
   (i) Employee name or employee identification number; and
   (ii) Listing of functions employee can perform or equivalent means of identifying same.

28-11. *Keno audit standards.*

a. The keno audit function shall be independent of the keno department.

b. At least annually keno audit shall foot the write on the restricted copy of the keno transaction report for a minimum of one shift and compare the total to the total as documented by the computer.

c. For at least one shift every other month, keno audit shall perform the following:

1. Foot the customer copy of the payouts and trace the total to the payout report; and

3. Regrade at least 1% of the winning tickets using the payout schedule and draw ticket.

d. Keno audit shall perform the following:

1. For a minimum of five games per week, compare the video recording and/or digital record of the rabbit ears or wheel to the computer transaction summary;
2. Daily compare net cash proceeds to the audited win/loss by shift and investigate any cash overages or shortages in excess of $25;
3. Daily review and regrade all winning tickets greater than or equal to $1,500, including all forms that document that proper authorizations and verifications were obtained and performed;
4. Daily review the documentation for payout adjustments made outside the computer and investigate large and frequent payments;
5. Review personnel access listing for inappropriate functions an employee can perform;
6. Review system exception information on a daily basis for propriety of transactions and unusual occurrences including changes to the personnel access listing;
7. If a random number generator is used, then at least weekly review the numerical frequency distribution for potential patterns; and
8. Investigate and document results of all noted improper transactions or unusual occurrences.
9. If the rabbit ear or wheel system is interfaced with a computerized keno system, any manual ball changes made to the direct interface, must be audited and compared to the rabbit ears videotape/film.

e. When the keno game is operated by one person:

1. The customer copies of all winning tickets in excess of $100 and at least 5% of all other winning tickets shall be regraded and traced to the computer payout report;
2. The video recording and/or digital record of rabbit ears or wheel shall be randomly compared to the computer game information report for at least 10% of the games during the shift; and
3. All manual changes associated with directly interfaced systems must be audited and compared to rabbit ear films, if applicable.
4. Keno audit personnel shall review winning tickets for proper authorization pursuant to paragraph 28-5 (f) of this section.

f. In the event any person performs the writer and deskman functions on the same shift, the procedures described in paragraphs 28-11 (e) (1 and 2) of this section (using the sample sizes indicated) shall be performed on tickets written by that person.

g. Documentation (e.g., a log, checklist, etc.) that evidences the performance of all keno audit procedures shall be maintained.

h. A manager independent of the keno department shall review keno audit exceptions and voids, and perform and document investigations into unresolved exceptions and voids. These investigations shall be documented, maintained for inspection, and provided to the Gaming Commission upon request.

i. When a multi-game ticket is part of the sample in paragraphs 28-11 (c) (2), 28-11 (e) (2) and 28-11 (f) of this section, the procedures may be performed for ten (10) games or ten percent (10%) of the games won, whichever is greater.

j. Monthly keno audit personnel must review all contests, tournament, promotional payouts, drawings and giveaway programs to ensure that these were conducted in accordance with the conditions provided to patrons, and;

1. determine proper accounting treatment, including general ledger accounts (if applicable)
2. proper win/loss computation

k. Non-Keno management reviews all keno audit exceptions, and performs and documents investigations into unresolved exceptions.

28-12. *Access.* Access to the computer system shall be adequately restricted (i.e., passwords are changed at least quarterly, access to computer hardware is physically restricted, etc.).

28-13. *Equipment standards.*

a. There shall be effective maintenance planned to service keno equipment, including computer program updates, hardware servicing, and keno ball selection equipment (e.g., service contract with lessor).

b. Keno equipment maintenance (excluding keno balls) shall be independent of the operation of the keno game.

c. Keno maintenance personnel shall report irregularities to management personnel independent of the keno department.

d. If the gaming operation utilizes a barcode or microchip reader in connection with the play of keno, the reader shall be tested at least annually by personnel independent of the keno department to determine that it is correctly reading the barcode or microchip.

28-14. *Document retention.*

a. All documents (including computer storage media) discussed in this section shall be retained for five (5) years, except for the following, which shall be retained for at least seven (7) days:

1. Video recordings and/or digital records of rabbit ears or wheel;
2. All copies of winning keno tickets of less than $1,500.00.

28-15. *Multi-race tickets.*

a. Procedures shall be established to notify keno personnel immediately of large multi-race winners to ensure compliance with standards in paragraph 28-5 (e) of this section.

b. Procedures shall be established to ensure that keno personnel are aware of multi-race tickets still in process at the end of a shift.

28-16. *Manual keno.* For gaming operations that conduct manual keno games, alternate procedures that provide at least the level of control described by the standards in this section shall be developed and implemented and approved by the Gaming Commission.

Section 29 Pull tabs

29-1. *Computer applications.* For any computer application utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Tribal gaming regulatory authority, will be acceptable.

29-2. *Pull tab inventory.*

a. Pull tab inventory (including unused tickets) shall be controlled to assure the integrity of the pull tabs.

b. Purchased pull tabs shall be inventoried and secured by a person or persons independent of the pull tab sales.

c. The issue of pull tabs to the cashier or sales location shall be documented and signed for by the person responsible for inventory control and the cashier. The document log shall include the serial number of the pull tabs issued.

d. Appropriate documentation shall be given to the redemption booth for purposes of determining if the winner purchased the pull tab from the pull tabs issued by the gaming operation. Electronic verification satisfies this requirement.

e. At the end of each month, a person or persons independent of pull tab sales and inventory control shall verify the accuracy of the ending balance in the pull tab control by reconciling the pull tabs on hand.

f. A monthly comparison for reasonableness shall be made of the amount of pull tabs sold from the pull tab control log to the amount of revenue recognized.

29-3. *Access.* Access to pull tabs shall be restricted to authorized persons.

29-4. *Transfers.* Transfers of pull tabs from storage to the sale location shall be secured and independently controlled.

29-5. *Winning pull tabs.*

a. Winning pull tabs shall be verified and paid as follows:

1. Payouts in excess of a dollar amount determined by the gaming operation, as approved by the Tribal gaming regulatory authority, shall be verified by at least two employees.
2. Total payout shall be computed and recorded by shift.
3. The winning pull tabs shall be voided so that they cannot be presented for payment again.

b. Personnel independent of pull tab operations shall verify the amount of winning pull tabs redeemed each day.

29-6. *Accountability form.*

a. All funds used to operate the pull tab game shall be recorded on an accountability form.

b. All funds used to operate the pull tab game shall be counted independently by at least two persons and reconciled to the recorded amounts at the end of each shift or session. Unverified transfers of cash and/or cash equivalents are prohibited.

29-7. *Standards for statistical reports.*

a. Records shall be maintained, which include win, write (sales), and a win-to-write hold percentage as compared to the theoretical hold percentage derived from the flare, for each deal or type of game, for:

1. Each shift;
2. Each day;
3. Month-to-date; and
4. Year-to-date or fiscal year-to-date as applicable.

b. A manager independent of the pull tab operations shall review statistical information at least on a monthly basis and shall investigate any large or unusual statistical fluctuations. These investigations shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

c. Each month, the actual hold percentage shall be compared to the theoretical hold percentage. Any significant variations (3%) shall be investigated.

29-8. *Electronic equipment.*

a. If the gaming operation utilizes electronic equipment in connection with the play of pull tabs, then the gaming enterprise will develop and implement sufficient internal controls, that must be approved by the Gaming Commission.

Section 30 Bingo

30-1. *Computer applications.* For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Tribal gaming regulatory authority, will be acceptable.

30-2. *Game play standards.*

a. The functions of seller and payout verifier shall be segregated. Employees who sell cards on the floor shall not verify payouts with cards in their possession. Floor clerks who sell cards on the floor are permitted to announce the serial numbers of winning cards.

b. All sales of bingo cards shall be documented by recording at least the following:

1. Date;
2. Shift (if applicable);
3. Session (if applicable);
4. Dollar amount;
5. Signature, initials, or identification number of at least one seller (if manually

documented); and

6. Signature, initials, or identification number of a person independent of the seller who has randomly verified the card sales (this requirement is not applicable to locations with $1 million or less in annual write).

c. The total win and write shall be computed and recorded by shift (or session, if applicable).

d. The Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with procedures that ensure the correct calling of numbers selected in the bingo game.

e. Each ball shall be shown to a camera immediately before it is called so that it is individually displayed to all customers. For speed bingo games not verified by camera equipment, each ball drawn shall be verified by a person independent of the bingo caller responsible for calling the speed bingo game.

f. For all coverall games and other games offering a payout of $1,200 or more, as the balls are called the numbers shall be immediately recorded by the caller and maintained for a minimum of twenty-four (24) hours.

g. Controls shall be present to assure that the numbered balls are placed back into the selection device prior to calling the next game.

h. The authenticity of each payout shall be verified by at least two persons. A computerized card verifying system may function as the second person verifying the payout if the card with the winning numbers is displayed on a reader board.

i. Payouts in excess of $1,200 shall require written approval, by personnel independent of the transaction, that the bingo card has been examined and verified with the bingo card record to ensure that the ticket has not been altered.

j. Total payout shall be computed and recorded by shift or session, if applicable.

30-3. *Promotional payouts or awards.*

a. If the gaming operation offers promotional payouts or awards, the payout form/documentation shall include the following information:

1. Date and time;
2. Dollar amount of payout or description of personal property (*e.g.,* jacket, toaster, car, etc.), including fair market value;
3. Type of promotion; and
4. Signature of at least one employee authorizing and completing the transaction.

30-4. *Accountability form.*

a. All funds used to operate the bingo department shall be recorded on an accountability form.

b. All funds used to operate the bingo department shall be counted independently by at least two persons and reconciled to the recorded amounts at the end of each shift or session. Unverified transfers of cash and/or cash equivalents are prohibited.

30-5. *Bingo equipment.*

a. Access to controlled bingo equipment (e.g., blower, balls in play, and back-up balls) shall be restricted to authorized persons.

b. The procedures established by the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall include standards relating to the inspection of new bingo balls put into play as well as for those in use.

c. Bingo equipment shall be maintained and checked for accuracy on a periodic basis.

d. The bingo card inventory shall be controlled so as to assure the integrity of the cards being used as follows:

1. Purchased paper shall be inventoried and secured by a person or persons independent of the bingo sales;

2. The issue of paper to the cashiers shall be documented and signed for by the person responsible for inventory control and a cashier. The document log shall include the series number of the bingo paper;
3. A copy of the bingo paper control log shall be given to the bingo ball caller for purposes of determining if the winner purchased the paper that was issued for sale that day (electronic verification satisfies this standard);
4. At the end of each month, a person or persons independent of bingo sales and inventory control shall verify the accuracy of the ending balance in the bingo paper control by reconciling the paper on-hand;
5. A monthly comparison for reasonableness shall be made of the amount of paper sold from the bingo paper control log to the amount of revenue recognized.

30-6. *Standards for statistical reports.*

a. Records shall be maintained, which include win, write (card sales), and a win-to-write hold percentage, for:
1. Each shift or each session;
2. Each day;
3. Month-to-date; and
4. Year-to-date or fiscal year-to-date.

b. A manager independent of the bingo department shall review bingo statistical information on at least a monthly basis and investigate any large or unusual statistical fluctuations.

c. Investigations shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

30-7. *Electronic equipment.*

a. If the gaming operation utilizes electronic equipment in connection with the play of bingo, then the gaming enterprise will develop and implement sufficient internal controls, that must be approved by the Gaming Commission.

30-8. *Standards for linked electronic games.* Management shall ensure that all agreements/contracts that provide linked electronic games shall contain language requiring the vendor to comply with the standards in this section applicable to the goods or services the vendor is providing.

30-9. *Host requirements/game information (for linked electronic games).*

a. Providers of any linked electronic game(s) shall maintain complete records of game data for a period of one (1) year from the date the games are played (or a time frame established by the Tribal gaming regulatory authority). This data may be kept in an archived manner, provided the information can be produced within twenty-four (24) hours upon request. In any event, game data for the preceding seventy-two (72) hours shall be immediately accessible.

b. Data required to be maintained for each game played includes:
1. Date and time game start and game end;
2. Sales information by location;
3. Cash distribution by location;
4. Refund totals by location;
5. Cards-in-play count by location;
6. Identification number of winning card(s);
7. Ordered list of bingo balls drawn; and
8. Prize amounts at start and end of game.

30-10. *Host requirements/sales information (for linked electronic games).*

a. Providers of any linked electronic game(s) shall maintain complete records of sales data for a period of one (1) year from the date the games are played (or a time frame established by the Tribal gaming regulatory authority). This data may be kept in an archived manner, provided the information can be produced within twenty-four (24)

hours upon request. In any event, sales data for the preceding ten (10) days shall be immediately accessible. Summary information must be accessible for at least 120 days.

b. Sales information required shall include:
   1. Daily sales totals by location;
   2. Commissions distribution summary by location;
   3. Game-by-game sales, prizes, refunds, by location; and
   4. Daily network summary, by game by location.

30-11. *Remote host requirements (for linked electronic games).*

a. Linked electronic game providers shall maintain on-line records at the remote host site for any game played. These records shall remain on-line until the conclusion of the session of which the game is a part. Following the conclusion of the session, records may be archived, but in any event, must be retrievable in a timely manner for at least seventy-two (72) hours following the close of the session. Records shall be accessible through some archived media for at least ninety (90) days from the date of the game.

b. Game information required includes date and time of game start and game end, sales totals, cash distribution (prizes) totals, and refund totals.

c. Sales information required includes cash register reconciliations, detail and summary records for purchases, prizes, refunds, credits, and game/sales balance for each session.

30-12. *Standards for player accounts (for proxy play and linked electronic games).*

a. Prior to participating in any game, players shall be issued a unique player account number. The player account number can be issued through the following means:
   1. Through the use of a point-of-sale (cash register device);
   2. By assignment through an individual play station; or
   3. Through the incorporation of a "player tracking" media.

b. Printed receipts issued in conjunction with any player account should include a time/date stamp.

c. All player transactions shall be maintained, chronologically by account number, through electronic means on a data storage device. These transaction records shall be maintained on-line throughout the active game and for at least twenty-four (24) hours before they can be stored on an "off-line" data storage media.

d. The game software shall provide the ability to, upon request, produce a printed account history, including all transactions, and a printed game summary (total purchases, deposits, wins, debits, for any account that has been active in the game during the preceding twenty-four (24) hours).

e. The game software shall provide a "player account summary" at the end of every game. This summary shall list all accounts for which there were any transactions during that game day and include total purchases, total deposits, total credits (wins), total debits (cash-outs) and an ending balance.

Section 31 [RESERVED For Pari-Mutual Wagering]

Section 32. Adoption; Amendment; Repeal

32-1. *Adoption.* This Chapter is approved by the Gaming Commission by resolution #GC08-1104-31 and accepted by the Tribal Council on December 12, 2008.

32-2. *Amendment.* This regulation may be amended by the Gaming Commission in accordance with the Constitution and any rules set forth governing amendment of regulation of the Little River Band of Ottawa Indians. Provided that, any amendments must approved or adopted in the same manner as set forth in section 21-1.

32-3. *Severability Clause.* If any provision of this regulation or its application to any person or

circumstance is held invalid, the invalidity does not affect other provisions or applications of this regulation which can be given effect without the invalid provision or application, and to this end the provisions of this regulation are severable.

32-4. *Compliance.* In regards to compliance with this regulation, substantial compliance with the spirit of this regulation rather than complete compliance is acceptable.

32-5. *Sovereign Immunity.* Nothing in this Regulation shall provide or be interpreted to provide a waiver of sovereign immunity from suit of the Tribe or any of its governmental officers and/or agents.

32-6. *Effective Date.* This Regulation shall take effect upon final approval by the Gaming Commission and Tribal Council.