

Gaming Commission Regulations
Regulation # R400-04:GC-02

Chapter 2 – Gaming Devices, Equipment and Supplies

Section 1. Purpose; Authority

1-1. *Purpose.* This regulation is intended to preserve the integrity of the gaming process by setting and maintaining the standards necessary for fair play in the use of gaming equipment, devices, implements and supplies. As part of the Gaming Commission’s regulatory oversight, these Regulations address the equipment, devices and supplies that are used in gaming enterprises within its jurisdiction. This Chapter establishes the process for seeking and obtaining regulatory approval of gaming devices, equipment and supplies, maintenance and disposal of gaming devices, equipment and supplies, and defines gaming devices, equipment and supplies.

1-2. *Authority.* These rules and regulations are issued under and pursuant to the authority of Gaming Ordinance #02-400-01 and Gaming Commission Ordinance #04-400-04.

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 this Chapter are defined for the purposes of all Gaming Commission Regulations.

2-2. *Gaming Device:* Gaming device means a microprocessor-controlled electronic device which allows a player to play games of chance, some of which are affected by skill, which is activated by the insertion of a coin, currency, tokens, tickets, or by the use of credit, and which awards game credits, cash tokens, replays or a receipt that can be redeemed by the player.

2-3. *Gaming Equipment or Supplies:* Gaming equipment or supplies means any equipment or mechanical, electromechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming. Gaming equipment or supplies includes, without limitation, any of the following:

- a. Progressive Signs
- b. On-line Slot Accounting Systems
- c. Player Tracking Systems
- d. Slot Machine Game Software and Equivalent Media
- e. Logo Playing Cards
- f. Logo Dice
- g. Poker Cards
- h. Drop Boxes (with locks)
- i. Electrical Devices
- j. Weigh Scales
- k. Counting Devices
- l. Automatic Card Shufflers
- m. Slip Dispensers (and slips)
- n. Dealing Shoes
- o. Locking Devices
- p. Card Reader Devices
- q. Data processing Equipment
- r. Logo Table Layouts
- s. Progressive Table Layouts
- t. Slot Machine Tokens

- u. Table Chips/Cheques
- v. Roulette Balls
- w. Roulette Cheques
- x. Dice Micrometers
- y. Dice Calipers
- z. Poker Chips/Cheques
- aa. Bill Validators
- bb. Coin Comparitors
- cc. Slot Machine Hoppers
- dd. Slot Machine Reel Strips
- ee. Slot Machine Paytable Glass
- ff. Roulette Wheels
- gg. Ticket Dispensers
- hh. Ticket paper
- ii. Redemption Kiosks

Section 3. Approval of Gaming Devices, Equipment and Supplies

- 3-1. No gaming device, equipment or supply shall be purchased, leased or otherwise acquired by the gaming enterprise unless:
- a. The vendor is properly licensed or exempted by the Gaming Commission.
 - b. Usage of new gaming devices, equipment or supplies has been approved by the Gaming Commission.
 - c. Certified by Gaming Laboratories International (GLI) or BMM Labs, provided that all certification or approval letters identify that the testing standards meet or exceed the State of Nevada or the State of New Jersey testing requirements.

Section 4. Responsibility to Report

- 4-1. Any person having evidence or reason to believe that any gaming device, equipment, or supply used or proposed for use at the gaming enterprise, has been tampered with or altered shall immediately report such evidence or belief to the Gaming Commission.
- 4-2. Any person having evidence or reason to believe that any individual has unauthorized possession of any gaming equipment, machine or other device used in the gaming enterprise, shall immediately report such evidence or belief to the Commission.
- 4-3. Upon receipt of information described in subsections (a) or (b), a Gaming Commission agent may secure and/or take custody of the suspected equipment or device and any evidence required to be reported pursuant to this subsection.
- 4-4. Any person failing to adhere to reporting requirements of subsections (a) and (b) is a violation of these regulations and may be subject to licensing action.

Section 5. Erasable Programmable Read Only Memory (EPROM) and Equivalent Software Media

- 5-1. All EPROMs and Equivalent Software Media shall:
- a. be shipped to and verified by the Gaming Commission.
 - b. remain in the custody of the Gaming Commission until the time of installation.
 - c. EPROMs and Equivalent Software Media NOT requiring verification will be turned over to the gaming enterprise's Slot Performance Department.

5-2. All RAM Clear, RAM Reset, Set or other Maintenance EPROMs or Equivalent Software Media:

- a. will remain in the custody of the Gaming Commission at all times; except when vendor service personnel bring in these types of EPROMs or media, in which case they must remain in the vendor's possession at all times.

Section 6. Required Notifications to the Gaming Commission

6-1. *New equipment notice.* Prior to the shipment of any gaming device, equipment or supply, the vendor is required to notify the Gaming Commission of the pending shipment. The Gaming Commission must receive the notice at least seven (7) calendar days prior to the shipment of such gaming equipment. The Notice shall include the following information:

- a. Description of the gaming device, equipment or supply;
- b. Number of each item being shipped;
- c. The serial number of each item (if applicable) being shipped;
- d. The EPROM Manufacturer and ID Number;
- e. Date of shipment & expected arrival date;
- f. Method of shipment; and
- g. Certification from an approved independent gaming laboratory.

6-2. *Replacement Equipment Notice.* Prior to the shipment of any replacement gaming device, equipment or supply, the vendor must notify the Gaming Commission of the pending shipment at least 24 hours prior to the shipment. The Notice shall include the following information:

- a. Description of the gaming device, equipment; or supply
- b. Number of each item being shipped;
- c. The serial number of each item (if applicable) being shipped;
- d. The EPROM Manufacturer and ID Number;
- e. Date of shipment & expected arrival date; and
- f. Method of shipment.

6-3. *Request for Shipping Waiver.* The vendor may request a waiver from the shipping notification requirements. The waiver request must be made to the Gaming Commission. Any request for waiver must include:

- a. Justification for the waiver
- b. Items listed in 6-2 above
- c. Contact person's telephone and fax number

All waiver requests will be evaluated on a case by case basis. A request for a waiver is not a guarantee one will be granted. Waivers will only be granted for valid mitigating circumstances. Approved waivers will be faxed to the contact person and may contain specific instructions.

Section 7. Receipt of Gaming Devices, Equipment and Supplies

7-1. No gaming devices, equipment or supplies may be accepted at the gaming enterprise unless:

- a. Proper notification has been received by the Gaming Commission prior to shipment.
- b. A Gaming Commission agent must be present to verify delivery and inspect the items at the time of receipt.
- c. The Gaming Commission agent(s) will compare for accuracy the items delivered, verifying the item, number delivered and serial numbers (if applicable) to the shipment notification.

Section 8. Gaming Chips and Token Standards

8-1. Approval of Chips and Tokens.

- a. The gaming enterprise shall not issue any chips or tokens for use in connection with gaming operations or promotions. The gaming enterprise shall not redeem any such chips or tokens, unless the Gaming Commission has approved the chips or tokens.
- b. The gaming enterprise shall not modify, in any manner, chips or tokens previously approved by the Gaming Commission unless the modifications have been approved by the Gaming Commission.
- c. Requests for approval of chips and tokens, or requests to modify previously approved chips or tokens must be made in such a manner as the Gaming Commission may prescribe. The request must include, at a minimum the following information:
 1. An exact drawing, in color, of each side and the edge of the proposed chip, drawn to actual size or drawn larger than actual size in scale, and showing the measurements of the proposed chip in each dimension.
 2. Written specifications for the proposed chips.
 3. The name and address of the manufacturer.
 4. The gaming enterprises intended use for the proposed chip.
 5. A verification upon oath or notarized affirmation, executed by the chip manufacturer, or a person with equivalent responsibilities, that it has a written system of internal controls, which describes in detail the current administrative, accounting, and security procedures which are utilized in the manufacture, storage and shipment of the chips, tokens, and related material. The written system must include at a minimum, a detailed narrative description of the procedures and controls implemented to ensure the integrity and security of the manufacturing process, from design through shipment, including but not limited to those procedures and controls designed specifically to:
 - i. Provide for the secure storage or destruction of all pre-production prototypes, samples, production rejects and other non-saleable products.
 - ii. Provide security over the finished artwork, hubs, plates, dies, molds, stamps and other related items that are used in the manufacturing process.
 - iii. Prevent the unauthorized removal of the product from the production facility through the utilization of security devices such as metal detectors, and surveillance cameras.
 - iv. Restrict access to raw materials; work in progress and finished goods inventories to authorized personnel.
 - v. Establish procedures for documenting approval of production runs.
 - vi. Establish and maintain a perpetual inventory system, which adequately documents the flow of materials through the manufacturing process.
 - vii. Establish procedures, which reconcile the raw material used to the finished product on a job-by-job basis. Significant variances are to be documented, investigated by management personnel, and immediately reported to the Gaming Commission and to the gaming enterprise.
 - viii. Provide for quarterly physical inventory counts to be performed by individual(s) independent of the manufacturing process, which are reconciled to the perpetual inventory records. Significant variances are to be documented and investigated by management personnel and immediately reported to the Gaming Commission.

- ix. Establish a framework of procedures, which provide for the security and accountability of products and material sent to or received from subcontractors or satellite production facilities.
 - x. Document controls over shipment of finished product, and
 - xi. Provide other additional information as the Gaming Commission may require.
6. The Gaming Commission shall approve in writing all variations from the specific requirements of this regulation as determined by the Gaming Commission that the alternative controls and procedures meet the objective of this regulation.
- d. If after receiving and reviewing the items and information described by this regulation the Gaming Commission is satisfied that the proposed chips, tokens, and related information conform to the requirements of this regulation, the Gaming Commission shall notify the gaming enterprise in writing. The gaming enterprise shall provide a sample of the proposed chips or tokens in final, manufactured form. If the Gaming Commission is satisfied that the sample conforms with the requirements of this regulation and the information submitted with the application, the Gaming Commission may approve the proposed chips or tokens and notify the gaming enterprise in writing. The Gaming Commission shall retain the sample chips or tokens submitted pursuant to this subsection.

Section 9. Specifications for Chips and Tokens

- 9-1. Chips and tokens must be designed, manufactured, and constructed in compliance with the standards of the State of Nevada and all applicable regulations of the Gaming Commission, and in such a manner as to prevent counterfeiting of the chips or tokens to the extent reasonably possible.
- 9-2. In addition to such other specifications as the Gaming Commission may approve:
- a. The name and location of the gaming enterprise must be inscribed on each side of each chip.
 - b. The value of the chip must be inscribed on each side of each chip.
 - c. The manufacturer's name or distinctive logo or other mark identifying the manufacturer must be inscribed on at least one side of each chip.
 - d. Each chip must be designed so that when stacked with chips and tokens of other denominations and viewed on closed circuit, black-and-white television, the denomination of the chip can be distinguished from that of the other chips and tokens in the stack.

Section 10. Additional Specifications for Chips and Tokens

- 10-1. Unless the Gaming Commission approves otherwise, the color of the chips shall be:
- a. \$0.50 chips shall be predominately blue in color.
 - b. \$1.00 chips shall be predominately white in color.
 - c. \$5.00 chips shall be predominately red in color.
 - d. \$25.00 chips shall be predominately green in color.
 - e. \$100.00 chips shall be predominately black in color.
 - f. \$500.00 chips shall be predominately purple in color.
 - g. \$1,000.00 chips shall be predominately orange in color.
- 10-2. Tokens must not be manufactured from material possessing sufficient magnetic properties as to be accepted by coin mechanism, other than that of a slot machine.

Section 11. Use of Chips and Tokens

11-1. Chips and tokens are only representatives of value which evidence a debt owed to their custodian by the gaming enterprise, and are not the property of anyone other than the gaming enterprise.

11-2. If chips or tokens are to be used at the gaming enterprise, the management of the gaming enterprise shall:

- a. Comply with all applicable statutes and regulations of the Little River Band of Ottawa Indians and the United States of America pertaining to chips.
- b. Issue chips and tokens only to patrons of the gaming establishment, and only at their request.
- c. Promptly redeem its own chips and tokens from its patrons by cash or check drawn on an account of the gaming enterprise.
- d. The gaming enterprise shall not redeem chips or tokens if presented by a person who the gaming enterprise knows or reasonably should know is not a patron of the gaming facility, except that the gaming enterprise shall promptly redeem its chips if presented by:
 1. Another gaming facility who represents that it redeemed the chips or tokens from its patrons or received them unknowingly, inadvertently, or unavoidably.
 2. An employee of the gaming enterprise who presents the chips or tokens in the normal course of employment.

Section 12. Redemption and Disposal of Discontinued Chips and Tokens

12-1. If the gaming enterprise permanently removes from use or replaces approved chips or tokens at its gaming facility, or ceases operating its gaming facility, the gaming enterprise must prepare a plan for redeeming discontinued chips or tokens that remain outstanding at the time of discontinuance. The gaming enterprise shall submit a plan in writing to the Gaming Commission no later than 30 days before the proposed removal, replacement, or closure. The Gaming Commission may approve the plan or require reasonable modifications as a condition of approval. Upon approval of the plan, the gaming enterprise shall implement the plan as approved.

12-2. In addition to such other reasonable provisions as the Gaming Commission may approve or require, the plan must provide for:

- a. Redemption of outstanding discontinued chips or tokens in accordance with this regulation for at least 90 days after the removal or replacement of the chips or tokens.
- b. Redemption of the chips or tokens at the premises of the gaming enterprise (or at such other location as the Gaming Commission may approve).
- c. Publication of notice of the discontinuance of the chips or tokens and of the redemption and the pertinent times and location in at least two newspapers of general circulation in the State of Michigan. The publication must run at least twice during each week of the redemption period, subject to the Gaming Commission's approval of the form of notice, the newspapers selected for publication, and the specific days of the publication.
- d. Conspicuous posting of the notice described in paragraph 3 at the gaming enterprise, and at all buildings of the Little River Band of Ottawa Indians.
- e. Destruction or such other disposition of the discontinued chips or tokens as the Gaming Commission may approve or require.

Section 13. Destruction of Damaged or Foreign Chips and Tokens

13-1. The gaming enterprise shall establish procedures for the destruction of damaged or foreign chips and tokens. These procedures must include, at a minimum:

- a. Recording the number and denominations of the damaged or foreign chips or tokens to be destroyed, or otherwise disposed of, pursuant to this section.
- b. Approved methods of destruction or disposition.
- c. Department responsible for carrying out the destruction or other disposition on behalf of the gaming enterprise.
- e. The gaming enterprise shall maintain each record required by this subsection for at least 5 years, unless the Gaming Commission approves or requires otherwise.

Section 14. Promotional and Tournament Chips

14-1. As used in this section, “promotional chip” means a chip- like object issued by the gaming enterprise for use in promotions or tournaments at the gaming enterprise.

14-2. Promotional chips must be designed, manufactured, approved, and used in accordance with the provisions of this regulation applicable to chips, except as follows:

- a. Promotional chips must be of such shape and size and have such other specifications as the Gaming Commission may approve or require.
- b. Promotional chips must not be used, and the gaming enterprise shall not permit their use, in transactions other than the promotions or tournaments for which they are issued.

Section 15. Other Instrumentalities

15-1. Other instrumentalities utilized by the gaming enterprise must be designed, manufactured, approved, used, discontinued, destroyed, or otherwise disposed of in accordance with the provisions of this regulation applicable to chips and tokens, except as follows:

- a. Such other instrumentalities must be of such shape, size, and design and have such other specifications as the Gaming Commission may approve or require.
- b. The Gaming Commission may deny approval of instrumentalities other than chips or may grant approval subject to such conditions, as considered appropriate.

Section 16. Card, Dice, Table Games Layouts and Class II Cards (Poker)

16-1. All Cards, Dice and Layouts not yet issued to the pit shall be maintained by two departments, one of which is independent of the pit, and in a secure location. Access to the secured storage location shall be controlled by the gaming enterprise’s Security Department.

16-2. Used cards, dice and layouts shall be maintained by a department independent of the pit, in a secure location until “marked”, “scored”, or “destroyed” within seven (7) days.

16-3. The gaming enterprise shall establish procedures for the destruction and/or disposal of cards, dice and gaming layouts with the Tribal logo present. Included in these procedures shall be, at a minimum:

- a. A log shall be kept and maintained to ensure accountability of all cards, dice and layouts.
- b. How the cards will be destroyed.
- c. Department responsible for the destruction of cards, dice and layouts.
- d. All cards, dice and layouts shall be destroyed under Surveillance coverage.

Section 17. Destruction and/or Disposal of EPROMS and/or Slot Machine Software

17-1. Agents of the Gaming Commission shall maintain all EPROMS and/or slot machine software removed from any gaming device. All EPROMS and other slot machine software must be destroyed or disposed of by representatives of the Gaming Commission in accordance with Gaming Commission procedures.

Section 18. Suspicious Instruments

18-1. All suspicious instruments (possible cheating devices, i.e., lights, magnets, coins, tokens etc.) found by, or delivered to employees of the gaming enterprise shall be forwarded to the Gaming Commission Office within 24 hours.

Section 19. Sensitive Key - Lock Replacement

19-1. *Sensitive Gaming Keys.* The gaming enterprise shall establish procedures for the replacement or “re-keying” of all locks opened by any sensitive gaming key that is lost or removed from the gaming floor. Sensitive gaming keys shall include, but are not limited to:

- a. Slot Main Door
- b. Slot Belly Door
- c. Cash Box Housing
- d. Cash Box Content
- e. Drop Compartment
- f. Cage/Satellite Cage
- g. Cash Drawer
- h. Chip Bank
- i. Main Bank
- j. Soft/Hard Count
- k. Vault keys
- l. CPU keys
- m. Reserve Fill Door
- n. Table Game Reset
- o. Roll Over
- p. Table Games Drop Box Content
- q. Table Games Release
- r. Poker Room
- s. Card and Dice Room
- t. any other key deemed sensitive by the Gaming Commission or any key held in any sensitive gaming electronic key management system.

19-2. *Sensitive Non-Gaming Keys.* The gaming enterprise shall establish procedures for the replacement or “re-keying” of all locks opened by any sensitive non-gaming key that is lost or removed from the gaming enterprise. Sensitive non-gaming keys shall include, but are not limited to:

- a. Hotel master
- b. Gift Shop
- c. Non-Gaming Outlets (Restaurants, Entertainment, Bars, Conference, etc)
- d. Any other key deemed sensitive by the Gaming Commission or any key held in any sensitive non-gaming electronic key management system.

19-3. These procedures must include:

- a. Provisions to replace or “re-key” all associated locks of any sensitive key lost or removed from the gaming enterprise.

- b. Notification to the Gaming Commission that includes:
 1. identification of affected locks
 2. number of locks affected
 3. Department(s) affected
 4. action to be taken (replace or “re-key”)
 5. date action taken

19-4. For incidents that affect a large number of locks (i.e. slot door keys) the gaming enterprise may make a written request for an exemption from the Gaming Commission for the replacement or “re-keying” of locks. The written request must include, at a minimum, the following:

- a. locks affected
- b. number of locks affected
- c. cost associated
- d. detailed justification/rationale
- e. corrective actions to prevent future occurrences

19-5. “Removed” does not apply to keys issued to on-duty casino employees, while executing their work duties. *Employees shall return all issued keys prior to leaving the gaming enterprise.*

Section 20. Prohibition of Electronic and Mechanical Aids

20-1. Except as specifically permitted by the Gaming Commission, no person shall possess, with the intent to use in connection with gaming, either individually, or in concert with others, any calculator, computer or other electronic or mechanical device to assist in projecting the outcome or odds of such gaming, to keep track of cards, or to change probabilities of any game or the playing strategy regularly utilized in such gaming.

Section 21. Software Requirements for Percentage Payouts

21-1. Gaming devices or slot machines must meet the following minimum theoretical percentage pay outs during the expected lifetime of the gaming device:

- a. The gaming device must pay out at least 80 percent, for games of chance not involving skill.
- b. The gaming device must pay out at least 85 percent, for games of chance that involve some skill. (i.e. video poker)

Section 22. Utilization of New Technologies and New Game Categories

22-1. The gaming enterprise shall not install, use or offer for play any new technology or new game platform without Gaming Commission approval, and:

- a. A minimum 90 days of advanced written notice to the Gaming Commission that includes:
 1. type of technology or game to be installed
 2. manufacturer
 3. approval letters from an approved gaming laboratory
 4. jurisdictional approvals (if applicable)
 5. date of proposed installation
 6. date of proposed implementation
 7. name of enterprise contact person
 8. rules for the proposed game (if applicable)

22-2. Proposed procedures must be submitted to the Gaming Commission 90 days in advance of implementation, for Gaming Commission approval.

Section 23. New Technologies and Game Categories

23-1. New Technologies include, but are not limited to:

- a. Ticket In/Ticket Out
- b. Slot Accounting Systems
- c. Revenue Accounting Systems
- d. Downloadable Games
- e. Server Based Games
- f. Player Tracking Systems
- g. Cashless Wagering Systems

23-2. Systems that allow for Electronic Funds Transfer (EFT) or Automatic Funds Transfer (AFT) from any financial institution shall not be allowed.

23-3. New Game Categories include, but are not limited to:

- a. Bingo
- b. Pull Tabs
- c. Keno
- d. Big Wheel
- e. Pari-Mutuel
- f. Sports Book
- g. Horse Racing
- h. Any other form of gambling

23-4. New game categories shall not be offered to the gaming public until approved Minimum Internal Control Standards and System of Internal Control Standards have been approved by the Gaming Commission.

23-5. New game categories DO NOT include new table games or individual slot machines already approved and in play at the gaming enterprise.