



United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, DC 20240

SEP 29 2023

The Honorable Robert L. Larsen
President, Lower Sioux Indian Community
P.O. Box 308
Morton, Minnesota 56270

Dear President Larsen:

On August 16, 2023, the Office of Indian Gaming received the Amendment to Technical Standards in Tribal-State Compact for Control of Class III Blackjack on the Lower Sioux Community (Community) Reservation in Minnesota (Blackjack Amendment) and the Amendment to Technical Standards in Tribal-State Compact for Control of Class III Video Games of Chance (Video Game Amendment) between the Community and the State of Minnesota (State), submitted by the Community and the State.

We note that the Blackjack Amendment incorporates two previous amendments dated 2002 and December 3, 2020, between the State and the Community, but not submitted to the Department of the Interior (Department) for review and approval as required by the Indian Gaming Regulatory Act (IGRA) and the Department's regulations at 25 C.F.R. Part 293. Those amendments provided technical corrections and other changes to the Community's compact. The Blackjack Amendment defines propositional wagers (side bets), allows the Community to permit side bets, and describes how cards will be dealt.

We note that the Video Game Amendment incorporates six previous amendments dated June 1, 1990, 2002, February 25, 2003, November 12, 2003, April 2, 2010, and April 2, 2015. The Video Game Amendment defines minimum payouts, odds, minimum media storage requirements, and provisions for cashless tickets, ticket redemption, ticket printing and printing errors, and ticket validation. The Video Game Amendment also adopts minimum internal control standards and software requirements.

Our regulations at 25 C.F.R. § 293.2(b)(1) defines *amendment* as “an amendment to a class III Tribal-State gaming compact. Further, our regulations at 25 C.F.R. §293.4 clarifies that all compacts and amendments are subject to review and approval by the Secretary of the Interior and that such agreements are not in effect for the purposes of IGRA until notice of approval is published in the *Federal Register*. 25 C.F.R. § 293.15 implementing 25 U.S.C. §2710(d)(3)(B). Parties who do not submit compacts or amendments for review and approval prior to implementing the amendments risk enforcement action from the National Indian Gaming Commission for gaming under a compact that is not in effect.

We completed our review of the Blackjack and Video Game Amendments and conclude that they do not violate the Indian Gaming Regulatory Act (IGRA), any other provision of Federal law that does not relate to jurisdiction over gaming on Indian lands or the trust obligations of the United States to Indians. 25 U.S.C. § 2710(d)(8)(B). Therefore, pursuant to my delegated authority and Section 11 of

IGRA, I approve the Blackjack Amendment, including the amendments dated 2002 and December 3, 2020, as amended, and the Video Game Amendment, including amendments dated June 1, 1990, 2002, February 25, 2003, November 12, 2003, April 2, 2010, and April 2, 2015, as amended. 25 U.S.C. § 2710(d)(8)(A). The Amendments take effect when the notice of this approval is published in the *Federal Register*, as required by 25 U.S.C. § 2710(d)(8)(D).

A similar letter is being sent to the Honorable Tim Walz, Governor, State of Minnesota.

Sincerely,



Bryan Newland
Assistant Secretary – Indian Affairs

Enclosure

AMENDMENT TO TECHNICAL STANDARDS IN TRIBAL-STATE

COMPACT FOR CONTROL OF CLASS III VIDEO
GAMES OF CHANCE ON THE LOWER SIOUX
COMMUNITY RESERVATION IN MINNESOTA

Pursuant to Section 6.12 of the Tribal-State Compact for Control of Class III Video Games of Chance on the Lower Sioux Indian Community Reservation in Minnesota (hereinafter "the Compact,,"), the Lower Sioux Indian Community ("the Community") and the State of Minnesota, by and through its Commissioner of Public Safety agree to the following terms regarding amendments to the Compact.

PART I -Amendment of the Compact

The Community and the State agree to the following amendments to the Compact.

1. Sections 6.10(2)(a) and (b) are amended to read as follows:
 - (a) Games Not Affected. by Player Skill. Video games of chance with game outcomes not affected by player skill shall payout a minimum of eighty percent (80%) and not more than one hundred percent (100%) of the amount wagered, including replays. For the video game of keno and other similar games, the theoretical payout percentage requirements apply to each number of spots marked, but in no instance less than seventy-five percent (75%) for each wager.
 - (b) Games Affected by Player Skill. Video games of chance affected by player skill, such as draw poker and blackjack, shall payout a minimum of eighty-three percent (83%) and not more than one hundred percent (100%) of the amount wagered, including replays. This standard is met when using a method of play which will provide the greatest return to the player.
2. Section 6.10(3) is amended to read as follows:
 - (3) Odds. The odds of achieving any explicitly advertised award shall occur at least once in every one hundred million (100,000,000) games. However, an allowance shall be made for any advertised award that exceeds this odds standard, provided that the game artwork prominently displays the actual odds of that award to the player. This standard shall apply to all wager categories that can win the advertised award. In the context of odds, an award shall be defined to be a credit prize, a multiplier, entry into a bonus game or feature, or a similar option.
3. Section 6.14(5), as added by the Amendment dated April 2, 2015, is hereby further amended as follows:
 - (5) "Logic Control Components" means all types of program storage media that stores and/or contains files or software that are required for compliance of the gaming device. Such components include, but are not limited to hard disc drives, media

partitions, PCMCIA cards, EPROMs, EEPROMs, CD-ROMs, flash drives and similar storage media. Such storage media shall meet the following requirements:

- (1) For program storage media with device partitions that contain executable software responsible for the critical functions of the device, if the partition is not write protected, the control software must ensure that only verified authentic programs and data are able to be installed, stored, accessed, or executed from the storage media.
- (2) Logic control components and logic boards must be maintained in a locked area sealed with security tape.
- (3) Logic control components must be able to be inspected in the field. Devices must be able to be verified by using signatures, hash codes, or other secure algorithm. In addition, files/software must be able to be compared on a bit for bit basis.
- (4) The supplier of the gaming devices shall supply to both the Community and the State approved field test equipment for carrying out tests required in subsection (3), above. In addition, the supplier is required to provide verification training to all parties who request it.

PART II - Consolidation of Cumulative Amendments of the Compact

In the interest of clarity and efficiency of administering the Compact, the Community and the State memorialize and confirm the following amendments to the Compact, comprising all amendments adopted to date: First Amendment dated June 1, 1990; Second Amendment dated February 25, 2003; Third Amendment dated November 12, 2003; and, Amendment dated April 2, 2010. The Amendment dated April 2, 2015 is superseded by Part I.3, above.

1. Section 6.9(6) is amended, as previously provided in Section 1 of Second Amendment dated February 25, 2003, to read as follows:
 - (6) Approved Coin and Bill Acceptors. At least one electronic or mechanical coin acceptor must be installed in or on each video game of chance, with the exception of cashless ticket devices. The video games of chance may also contain token or bill acceptors, or cashless ticket acceptors and cashless ticket dispensers, for denominations determined by the Community. Prior to operation within the Community, all models of coin, token, bill, or cashless ticket acceptors and cashless ticket dispensers installed must have been tested and approved in writing by a gaming test laboratory as provided in Section 6.
2. Section 6.9(9) is amended, as previously provided in Section 1 of Amendment dated April 2, 2010 (amending Section 1 of First Amendment dated June 1, 1990, Section 2 of Second Amendment dated February 25, 2003) to read as follows:
 - (9) Secure Cash Compartment. The coin and currency component shall be secured with a different key or combination than that used for the main cabinet door, except that a separate cash compartment shall not be required for coins necessary to pay prizes in a machine which pays prizes through a drop hopper, or in a cashless video game of chance.

3. Section 6.9(11) is amended, as previously provided in Section 3 of Second Amendment dated February 25, 2003 (amending Section 2 of First Amendment dated June 1, 1990), to read as follows:

(11) Printed Record of Credits and Payouts Required. A single printing mechanism, which must be capable of printing an original ticket and retaining an exact legible copy (either within the game or in a slot management/reporting system approved by the gaming test laboratory), and which provides permanent sequential tracking, and which permits monitoring of error conditions on a printed medium for future use, and which records the following information: (a) the number of credits; (b) the value of the credits in dollars and cents; (c) the cash paid by the device, and (d) any other data required by the Community, shall be permitted to be installed in each device. Video games of chance utilizing coin drop hoppers and that accept and issue cashless tickets are permitted, provided they are monitored by a slot management/reporting system of the type described in this paragraph which has been approved by an independent gaming test laboratory as provided in Section 6.

4. Section 6.9(16) is amended, as provided in Section 2 of Amendment dated April 2, 2010 (amending Section 4 of Second Amendment dated February 25, 2003), to read as follows:

(16) No Credit Card Meters Permitted. No video game of chance may be equipped with a device which permits the player to use a credit card or debit card rather than currency, tokens, coins, cashless tickets, or cashless electronic credits to activate the game.

5. The following is added as Section 6.9(17), as previously provided in Section 5 of Second Amendment dated February 25, 2003, and Section 2 of Amendment dated April 2, 2010:

(17) Cashless Video Games of Chance. The following technical standards are applicable for video games of chance that accept coins, tokens, currency, cashless electronic credits, or cashless tickets and issue cashless tickets. For the purpose of this Section, the term "cashless electronic credits" means electronic credits awarded by a cashless promotional system. Cashless gaming devices and the associated equipment must be tested and approved by a gaming test laboratory as provided by Section 6. In order to ensure that the cashless system and the cashless video games of chance are properly functioning prior to public play, the State of Minnesota, through its Commissioner of Public Safety, will test and certify the cashless video games of chance operated as part of an initial installation of a cashless system. This requirement shall apply only to those video games of chance which are part of the initial installation of devices on a cashless system, and shall not apply to subsequent additions of video gaming devices to such a cashless system. Nothing contained in this provision is intended to, nor does, modify, alter or otherwise restrict the authority of the State of Minnesota, through its Commissioner of Public Safety, to conduct those inspections contemplated by Section 4.4 of the Tribal-State Compact for Control of Class III Video Games of Chance on the Lower Sioux Community in Minnesota, including, for the purposes of investigating potential criminal activity, any related promotional systems.

(a) Credit Redemption.

Available credits may be collected from the video gaming device by the player pressing the "COLLECT" button at any time other than during:

- (1) A game being played;
- (2) Audit mode;
- (3) Any door open;
- (4) Test mode;
- (5) A Credit Meter or Win Meter incrementation, unless the entire amount is placed on the meters when the collect button is pressed; or
- (6) An error condition.

(b) Cancel Credit.

If credits are collected, and the total credit value is greater than or equal to a specific limit (e.g. Printer Limit for printer games), the games shall lock up until the credits have been paid, and the handpay is cleared by an attendant.

(c) Printers.

The printer shall print on a ticket and provide the data to a slot management/reporting system that records the following information regarding each payout ticket printed. The information listed below can be obtained from the video game of chance, validation terminal, the slot management/reporting system or other means.

- (1) Value of credits in U.S. currency, presented in numerical format;
- (2) Time of day the ticket was printed, presented in twenty-four (24) hour format showing hours and minutes;
- (3) Date, in any commonly accepted format, indicating the day, month and year;
- (4) Gaming device number or machine number; and
- (5) Unique validation number, or bar code.

The video game of chance shall either keep a duplicate copy or print only one (1) copy to the player. Each video game of chance shall have two dedicated logs which will record and retain a ticket history consisting of, at a minimum (i) thirty-five (35) tickets printed, and (ii) thirty-five (35) tickets redeemed. In addition, an approved system shall be used to validate the payout ticket, and information pertaining to the ticket shall be retained by the slot management/reporting system at least as long as the ticket is valid for redemption at that location.

(d) Printer Location.

In order to ensure that changing the paper does not require access to the drop (cash) or logic areas, the ticket printer shall be located in a locked area of the video gaming device

(e.g. require opening the main door to access the ticket printer), but shall not be located in the logic area or in the drop cabinet.

(e) Error Conditions.

A printer shall have mechanisms to allow software to interpret and act upon the following conditions:

- (1) Out of paper/paper low;
- (2) Printer jam/failure; and
- (3) Printer disconnected (this may only be detected when the software tries to print).

These conditions shall trigger an error condition to indicate the error has occurred.

(f) Cashless Ticket Information.

The cashless ticket at a minimum shall contain the following printed information:

- (1) Casino location;
- (2) Machine number and location;
- (3) Date and time;
- (4) Alpha and numeric dollar amount of the cash-out;
- (5) Cashless ticket serial number;
- (6) Validation number;
- (7) Bar code;
- (8) Type of transaction; and
- (9) A phrase stating the voucher's expiration period.

(g) Period for Which Tickets Shall be Valid.

The cashless ticket shall be valid for a period of sixty (60) days, commencing from the time of issuance by the video gaming device. Tickets may be redeemed for payment or inserted in another gaming device and wagered.

After the sixty (60) day period expires, an unredeemed cashless ticket shall have no cash value. If payment is made on the expired cashless ticket, an override to the slot management/reporting system must be processed by an authorized supervisor or management personnel.

(h) Ticket Validation.

Payment by ticket printer as a method of credit redemption is only permissible where the gaming device is linked to a slot management/reporting system, which allows validation of the printed ticket. Validation approval or information must come from the host system and shall be validated by a cashier. Tickets may be validated at the gaming device or at any

validation terminal as long as it meets the standards in this section. The video gaming device must contain a mechanism ensuring an alternate method of payment which will be utilized if communication is lost and validation information cannot be sent to the slot management/reporting system.

(i) Information Retained by Slot Management/Reporting System.

The slot management/reporting system shall maintain the following information for each redeemed cashless ticket:

- (1) Machine number and location;
- (2) Operator number;
- (3) Serial number;
- (4) Issue date and time;
- (5) Paid date and time; and
- (6) Dollar amount.

(j) Daily Reports.

Reports shall be generated on a daily basis containing the total of cashless tickets issued, redeemed and unredeemed.

(k) Duplicate Tickets.

If the gaming device is capable of printing duplicate tickets, each duplicate ticket printed by the device must clearly indicate on its face that it is a duplicate. In order to prevent fraud by reprinting and redeeming a ticket that was previously issued by the gaming device, the slot management/reporting system must readily and accurately identify duplicate tickets.

(l) Inoperability of Slot Management/Reporting System.

If the slot management/reporting system is temporarily down, regardless of the period of time for which the system is non-functional, management shall be immediately notified, and cashless tickets may be redeemed only after the following information is reviewed by a cashier.

- (1) Serial number of the cashless ticket;
- (2) Date and time;
- (3) Dollar amount; and
- (4) Issuing slot machine number.

6. The following is added as Section 6.9(18), as previously provided in the Third Amendment dated November 12, 2003:

(18) Automated Ticket Redemption Equipment. The following technical standards are applicable for automated ticket redemption equipment. This equipment must be tested and

approved by a gaming test laboratory as provided by Section 6. In order to insure that the automated ticket redemption system is properly functioning prior to public use, the State of Minnesota, through its Commissioner of Public Safety, will test and certify the automated ticket redemption equipment as part of an initial installation of the system. Nothing contained in this provision is intended to, nor does, modify, alter, or otherwise restrict the authority of the State of Minnesota, through its Commissioner of Public Safety, to conduct those inspections contemplated by Section 4.4 of the Tribal-State Compact for control of Class III Video Games of Chance on the Lower Sioux Community in Minnesota.

- (a) If inserted into automated ticket redemption equipment, the equipment and related software shall scan the bar code via an optical reader or its equivalent. If the optical reader or its equivalent is unable to read the bar code the equipment will reject the ticket back to the presenter for redemption at a change booth or cashier's cage. If accepted, the ticket shall remain secured within the equipment until dropped by authorized personnel.
- (b) The validation number shall be transmitted to the host computer. The host computer shall verify the authenticity of the cashless ticket and communicate directly back to the automated ticket redemption equipment.
- (c) If valid, the automated ticket redemption equipment pays the customer the appropriate amount and the cashless ticket is electronically noted "paid" in the system. This equipment and related software will maintain an independent printable audit trail of all tickets paid containing the following:
 - (1) Machine number;
 - (2) Transaction number;
 - (3) Validation number;
 - (4) Ticket Issue date and time;
 - (5) Paid date and time; and
 - (6) Amount.
- (d) The automated ticket redemption equipment and related software will perform the following for the purpose of detecting and reporting transactions as defined under the Bank Secrecy Act, 31 U.S.C. § 321 *et seq.*:
 - (1) Will be programmed to reject transactions over \$2,000.00 for processing manually at a change booth or cashier's cage;
 - (2) Will be programmable to notify appropriate casino personnel of transactions over a predefined amount; and
 - (3) Will be monitored by surveillance cameras for the purpose of identification of the operator. Both the time/date stamps of the surveillance equipment and ticket redemption equipment's audit trail will be synchronized for the purpose of identifying the exact transaction of each operator.

- (e) The automated ticket redemption equipment and related software will produce balancing reports on demand that will disclose the amount of tickets redeemed, the amount of cash/coin issued by denomination and the available balance for audit purposes.
- (f) The manufacturer of automated ticket redemption equipment will house the client software of the machine within a secure location (behind safe door, with dual-custody locks). The operator will house the server software responsible for interfacing with an approved slot management system within a secure location, which limits general access. The manufacturer will provide the state with the software, training and assistance necessary to test the integrity of the slot management interface by inspecting the MD5 Checksum (or similar process) that was generated by the testing lab during approval of the slot management interface code base.
- (g) If for any reason communication is lost between the automated ticket redemption equipment and the slot accounting system, tickets will no longer be accepted for redemption, The equipment will be designed to insure the integrity of transactions in progress in the event of power surges or a complete power loss. The equipment will be equipped with UPS, monitored by the related software, that will allow the completion of the current transaction, when detecting power loss, before placing the equipment out-of-service.
- (h) The equipment will not have the capability to produce a ticket in a format acceptable for insertion within a video slot machine for credit.

7. The following is hereby added as Section 6.9(19):

Prior to public use of those video gaming devices activated by cashless tickets installed by the Community in its gaming facilities, the Community shall adopt minimum internal control standards ("MICS") governing the use by the Community of such video gaming devices. The controls imposed by the MICS adopted by the Community on the operation and use of video gaming devices activated by cashless tickets shall be no less stringent than those proposed by the National Indian Gaming Commission for use of cashless technology. The MICS adopted by the Community will be provided to the State of Minnesota for its review and comment. Five business days before the implementation of any proposed changes to the MICS, such changes will be provided to the State for its review and comment.

8. Section 6.10(5) is amended, as previously provided in Section 3 of Amendment dated April 2, 2010, to read as follows:

(5) Software Requirements for Play Transaction Records. Each game shall maintain electronic accounting meters. Such meters shall be maintained at all times, whether or not the game is being supplied with external power, unless an online gaming machine monitoring system is utilized that captures similar data. Mechanical meters are not

required. If mechanical meters are utilized, they must be fully functional. The following information must be recorded and stored on meters capable of maintaining totals no less than eight digits in length:

- (a) Total number of coins inserted (the meter must count the total number of coins, or the equivalent value if a bill acceptor is used, which are inserted by players);
- (b) Number of Credits Wagered;
- (c) Number of Credits Won;
- (d) Credits paid out by Printed Ticket Voucher or cash paid by the device.

The following information must be recorded and stored on meters capable of maintaining totals no less than six digits in length:

- (e) Number of Times the Logic Area was accessed;
- (f) Number of Coins or Credits Wagered in the Current Grune;
- (g) Number of Coins or Credits Wagered in the last complete, valid game; and
- (h) Number of cumulative credits representing credits won and money inserted by a player but not collected, commonly referred to as the credit meter.

Meter Requirements for Promotional Gaming Devices.

The following specific promotional meters are required:

- (a) Total Promotional Awards In (received by game) meter, which includes:
 - 1) Total non-restricted (cashable), Promotional In, if applicable
 - 2) Total restricted (non-cashable), Promotional In, if applicable
- (b) Total Promotional Awards Out (removed from game and transferred back to player account) meter, if applicable, which includes:
 - 1) Total non-restricted (cashable), Promotional Out
 - 2) Total restricted (non-cashable), Promotional Out

Audit Trails for Promotional Transactions.

A cashless promotional system must have the ability to recall the last twenty-five (25) promotional transactions received from the system and the last twenty-five (25) promotional transactions transmitted to the system for each gaming device associated with the system. However, if a gaming device has Bonusing or host-cashless features, or both enabled simultaneously with promotional features, a single 100-event log shall suffice. The following information must be displayed:

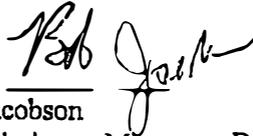
- (a) The type of transaction (upload/download) including restrictions (cashable or non-cashable, etc.) if utilizing a single 100-event log;
- (b) Transaction value;
- (c) Time and date;

- (d) The players account number or a unique identifier, either of which can be used to authenticate the source of the funds (i.e., source of where the funds came from/ went to.)
9. The following is added, as previously provided in Section 6 of Second Amendment dated February 25, 2003, as Section 6.10(7):
- (7) Meter Modifications for Cashless Video Games of Chance. To account for cashless tickets accepted by a gaming device, information recorded by the electronic gaming device meters or the slot management/reporting system shall include:
 - (a) Total value of all items accepted;
 - (b) Total number of all items accepted;
 - (c) The "drop" meter, which shall maintain a cumulative count of the number of coins that have been diverted into a drop bucket and credit value of all bills or cashless tickets inserted into the bill acceptor for play. It is acceptable to have both a coins-dropped meter and a bills-dropped meter. The game shall have a separate meter that accumulates the number of cashless tickets accepted, not including bills; and
 - (d) A separate meter that accumulates and increments the total value of cashless tickets accepted, not including bills which are included in section (c) above.
10. The following is added as Section 6.10(8), as previously provided in the last section of the Amendment dated April 2, 2010 (amending the terms added by Section 7 of Second Amendment dated February 25, 2003):
- (8) Prior to public use of those video gaming devices activated by cashless tickets and cashless electronic credits installed by the Community in its gaming facilities, the Community shall adopt minimum internal control standards ("MICS") governing the use by the Community of such video gaming devices. The controls imposed by the MICS adopted by the Community on the operation and use of video gaming devices activated by cashless tickets and cashless electronic credits shall be no less stringent than those proposed by the National Indian Gaming Commission for use of cashless technology. The MICS adopted by the Community shall be provided to the State of Minnesota for its review and comment. Five business days before the implementation of any proposed changes to the MICS, such changes will be provided to the State for its review and comment.

[Signature Page Follows.]

Date: 07/19/2023

STATE OF MINNESOTA



Bob Jacobson
Commissioner, Minnesota Department of
Public Safety

Date: 7/17/23

LOWER SIOUX INDIAN COMMUNITY

Robert L. Larsen
President, Lower Sioux Indian Community

Consistent with 25 U.S.C. §2710(d)(8)(A), “The Secretary is authorized to approve any Tribal-State compact entered into between an Indian tribe and a State governing gaming on Indian lands of such Indian tribe.” Therefore, the Amendment to Technical Standards in Tribal-State Compact for Control of Class III Video Games of Chance on the Lower Sioux Community Reservation in Minnesota, executed by Minnesota Public Safety Commissioner Bob Jacobson on July 19, 2023, and by Lower Sioux Indian Community President Robert Larsen on July 17, 2023, and received by the Department of the Interior for review and approval on August 16, 2023, is hereby approved.

APPROVED

UNITED STATES DEPARTMENT OF THE INTERIOR



Bryan Newland
Assistant Secretary – Indian Affairs

SEP 29 2023

Date