TRIBAL STATE COMPACT

Among the

WYANDOTTE NATION

and the

STATE OF KANSAS

February 25, 2026

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GAMING COMPACT
BETWEEN THE
WYANDOTTE NATION,
AND THE
STATE OF KANSAS

This Compact is made and entered into by and between the Wyandotte Nation (hereinafter referred to as the "Tribe") and the State of Kansas (hereinafter referred to as the "State"), pursuant to the provisions of the Indian Gaming Regulatory Act (hereinafter referred to as "IGRA"), Public Law 100-497, 102 Stat. 2426, 25 U.S.C. §§ 2701, *et seq*. (1988).

Recitals:

The Tribe is a federally recognized Indian Tribe, organized pursuant to its Constitution and By-laws, approved by the Secretary of the Interior, and situated on Indian lands taken into trust for the benefit of the Wyandotte Nation by the Secretary of the Interior located within the boundaries of Kansas.

The State, through constitutional provisions and legislative acts, has authorized limited gaming activities, and the Congress of the United States, through the Indian Gaming Regulatory Act, has authorized the Tribe to operate Class III gaming that is permitted in the State pursuant to a tribal gaming ordinance approved by the Chairman of the National Indian Gaming commission and a compact entered into with the State for that purpose. Pursuant to its inherent sovereign authority and IGRA, the Tribe intends to operate Class III gaming, and the Tribe and State desire to negotiate a compact under the provisions of IGRA to authorize and provide for the regulation of such gaming. In doing so, the parties acknowledge the following policies, duties, and rights of the State: to protect its residents against organized and other crime; to protect its ability to promote economic development; and to raise revenues to carry out its governmental functions.

NOW THEREFORE, in consideration of the covenants and agreements of the parties hereinbelow, the Tribe and the State agree as follows:

Section 1: Title of Compact.

This Compact shall be referred to as the "Wyandotte Nation - Kansas Gaming Compact."

Section 2: Policy and Purpose.

(A) **Tribal Interests in Class III Gaming**. The Tribe's interests in Class III gaming include raising revenue to provide governmental services for the benefit of the tribal community and its enrolled citizenship, promoting public safety as well as law and order on the jurisdiction of the Tribe, realizing the objectives of economic self-sufficiency and tribal self-determination, and regulating the activities of all people within the Tribe's jurisdictional borders. Tribal programs to be funded by gaming revenues include education, health and human resources, housing development, road construction and maintenance, sewer and water projects, police, fire, and judicial services, economic development, and all other purposes authorized under IGRA.

(B) State Interests in Class III Gaming. The State's interests in Class III gaming include the interplay of such gaming with the state's public policy, safety, law, and other interests, as well as impacts on the state regulatory system, including its economic interest in raising revenue for its citizens. The economic benefits from tribal gaming include increased tourism and related economic development activities which would generally benefit Kansas and help foster mutual understanding and respect among Indians and non-Indians.

(C) Tribal Benefits. The Tribe and the State mutually recognize the Tribe's belief that gaming will provide positive economic benefits to the Tribe, and the Tribe and the State recognize the need to ensure that the health, safety, and welfare of the public and the integrity of the gaming industry throughout the State is protected. In the spirit of cooperation, the Tribe and the State hereby agree to carry out the terms of IGRA regarding any Class III gaming conducted on Indian lands pursuant to this Compact.

(D) Law Applicable to Class III Gaming. The Tribal Gaming Ordinance, that shall be adopted in accordance with IGRA, Tribal Gaming Regulations, this Compact, and any applicable State law, shall govern all gaming activities or operations authorized herein. The purpose of this Compact is to provide for licensing and regulation of certain Class III gaming to benefit the Tribe economically while minimizing the possibility of corruption.

(E) Application of Compact. This Compact shall govern the licensing, regulation, and operation of all Class III gaming activity conducted by the Tribe as authorized under this Compact. All provisions in this Compact should be read to apply only to topics directly related to the Tribe's conduct of Class III gaming activities on the Tribe's Indian Lands eligible for Class III gaming under IGRA within the boundaries of the State of Kansas.

(F) Disclaimer. The State, by and through the Governor, by the approval of this Compact, is not waiving its right to withhold approval of any gaming activities on other after acquired lands of the Tribe as provided in IGRA.

Section 3: Authorized Class III Gaming.

(A) Authorized Games. Subject to the terms and conditions of this Compact, the Tribe may conduct or operate any or all of the following Class III games:

(1) Blackjack;

(2) Poker;

(3) All other banking and non-banking card games;

(4) Craps;

(5) All other banking and non-banking dice games;

(6) Roulette;

(7) Baccarat-chemin de fer;

(8) Wheel of Fortune;

(9) Keno;

(10) Games of chance utilizing electronic gaming equipment comparable to that authorized for the Kansas Lottery (K.S.A. 74-8702 and 8710);

(11) Sports Wagering; and

(12) All other Class III games of chance authorized by the State in a compact with any Indian tribe.

(B) Prohibited Games.

(1) The Tribe may not conduct pari-mutuel wagering, off-track betting, club keno, or state-wide lottery gaming.

(2) The Tribe may not conduct any other Class III gaming not expressly enumerated in Subsection 3(A), without amendment of this Compact pursuant to Section 33 of this Compact: provided, however, if the State of Kansas subsequently permits, or is judicially determined to permit any additional game not included in Subsection 3(A), nor specifically excluded in Subsection 3(B)(1), for any purpose by any person, such game(s) shall automatically be included in the games authorized in Subsection 3(A); any entity or entities permitted by the State to engage in or facilitate such gaming shall be authorized to enter into agreements with the Tribe concerning such gaming.

(C) Prohibition of Gaming By Persons Under the Age of Twenty-One. Any person under 21 years of age shall be prohibited from placing any wager, directly or indirectly, in any gaming activity under this Compact.

(D) Tort Remedies for Patrons. Tort claims arising from alleged injuries to patrons of the Tribe's gaming facilities shall be subject to disposition by the Tribe under the Kansas Tort Claims Act, K.S.A. 75-6101, *et seq*., as amended hereafter, adopted by the Tribe as Tribal law, and to the extent such standards are both directly related to and necessary for the licensing and regulation of Class III gaming activity, provided that such Act shall not govern the Tribe's purchase of insurance and provided, further, that portions of the Act inconsistent with the provisions of IGRA and tribal law shall not apply. However, the Tribe shall not be deemed to have waived its sovereign immunity from suit with respect to such claims by virtue of adoption of the Kansas Tort Claims Act or by any other provision of this Compact except to the extent that such sovereign immunity is specifically waived in any liability insurance policies provided by the Tribe pursuant to Subsection 3(E).

(E) Liability for Damage to Persons and Property. During the term of this Compact, the Tribe shall maintain public liability insurance with limits of not less than $500,000 for any one person and $2,000,000 for any one occurrence for personal injury, and $1,000,000 for any one occurrence for property damage. The Tribe's insurance policy shall include an endorsement providing that the insurer may not invoke tribal sovereign immunity up to the limits of the policy set forth above. The Tribe shall indemnify, defend and hold harmless the State, its officers, directors, employees, and agents from and against any claims, damages, losses or expenses asserted against or suffered or incurred by the State or its officers, directors, employees and agents (except as may be the result of their own negligence) based upon or arising out of any bodily injury or property damage resulting or claimed to result in whole or in part from any act or omission of the Tribe relating to the inspection of any gaming-related facilities, or any rectification thereof, pursuant to this Compact or applicable tribal law regarding public health, safety, and welfare.

(F) Gaming Locations.

(1) Subject to Subsection 3(F)(2), all Class III gaming authorized under this Compact shall be conducted at a facility established by the Tribe on its Indian Lands eligible for Class III gaming under IGRA within the

boundaries of the State of Kansas.

(2) Remote sports wagers shall be accepted on a server or other computer equipment at a facility established by the Tribe on its Indian Lands eligible for Class III gaming under IGRA within the boundaries of the State of Kansas. The parties agree (a) that in accordance with and for purposes of State and Tribal law, remote sports wagers originating within the boundaries of the State but outside the Tribe's Indian lands eligible for Class III gaming under IGRA within the boundaries of the State of Kansas within the meaning of the Indian Gaming Regulatory Act ("Indian lands") are sports wagers that take place on, and within the boundaries of, the Tribe's Indian lands where the server accepting remote sports wagers is located, and (b) that the sports wagers described in clause (a) shall be referred to as "Hub-and-Spoke remote sports wagers" and the general model of sports wagering described in clause (a) shall be referred to as the "Hub-and-Spoke Model." The Tribe shall regulate all remote sports wagers pursuant to Tribal law. Notwithstanding any provision of this Compact to the contrary, the Tribe (c) shall not accept any remote sports wager where the player initiating the remote sports wager is located on another Indian tribe's Indian lands or where such remote sports wager is otherwise specifically prohibited by Federal law, and (d) shall not accept any Hub-and-Spoke remote sports wager unless the Hub-and-Spoke Model is expressly found to comply with the Indian Gaming Regulatory Act by any of the United States District Court for the District of Kansas, the United States Court of Appeals for the Tenth Circuit, the United States Court of Appeals for the District of Columbia Circuit, or the United States Supreme Court in a judgment that is final and not appealable; provided, however, that the Tribe shall not accept any Hub-and-Spoke remote sports wager if the Hub-and-Spoke Model is expressly found not to comply with the Indian Gaming Regulatory Act by any federal court of competent jurisdiction in a judgment that has not been reversed, overruled, or superseded. Nothing in this Compact precludes remote sports wagers received and accepted by the Tribe on the Tribe's Indian lands eligible for Class III gaming under IGRA within the boundaries of the State of Kansas

where the player initiating the remote sports wager is also located on the Tribe's Indian lands eligible for Class III gaming under IGRA within the boundaries of the State of Kansas.

(G) **Gaming on Credit**. Gaming on credit shall be limited to checks, wire transfers, bank credit cards, and bank money machine cards. This Subsection shall not prohibit the use of wagering accounts pursuant to the terms of the Tribal Gaming Regulations, where such wagering accounts do not extend or advance funds to the account holder.

Section 4: Definitions Incorporated by Reference.

The Tribe and the State agree that this Compact shall be made subject to all definitions contained in IGRA and all regulations promulgated by the National Indian Gaming Commission or the Department of the Interior pertaining to Class III gaming, which shall govern if any provisions in this Compact conflict with statutory or regulatory terms, as amended from time to time.

Section 5: Definitions.

For the purposes of this Compact, each of the following terms shall have the following meaning unless a different meaning clearly appears from the context:

(A) Class III Gaming. "Class III Gaming" means all forms of gaming that are not Class I or Class II gaming as defined in IGRA.

(B) Club Keno. "Club Keno" means the on-line lotto game conducted by the Kansas Lottery pursuant to state law.

(C) Compact. "Compact" means this Wyandotte Nation - Kansas Gaming Compact, as amended from time to time, which is an intergovernmental agreement executed between the Tribe and State governments under IGRA that establishes between the parties the terms and conditions for the operation and regulation of the Tribe's Class III gaming activities on the Tribe's Indian lands eligible for Class III gaming under IGRA within the boundaries of the State of Kansas, consistent with 25 C.F.R. § 293.2(b).

(D) Board. "Board" or "Board of Directors" means the legislative governing body of the Tribe with jurisdiction to oversee and regulate all gaming on behalf of the Tribe pursuant to this Compact, and to compact with the State for any Class III gaming.

(E) Effective Date. "Effective Date" means the date on which this Compact has been executed by the Tribe and the State, approved by the Secretary of the Interior, and notice of such approval has been published by the Secretary in the Federal Register pursuant to IGRA. This Compact will not be implemented or otherwise govern the Tribe's gaming activity unless and until the Tribe chooses to offer Class III games.

(F) Game, Gaming Activity. "Game" or "Gaming Activity" means the conduct of Class III gaming involving the three required elements of chance, consideration, and prize or reward, consistent with 25 C.F.R. § 293.2.

(G) Gaming Employee. "Gaming Employee" means any natural person 18 years or older employed in the operation or management of each gaming activity or operation, whether employed by or contracted to the Tribe or by any person or enterprise providing on or off-site services to the Tribe within or without the gaming facility regarding any gaming activity or operation, including, but not limited to, gaming operation managers and assistant managers; accounting personnel; surveillance personnel; cashier supervisors; dealers or croupiers; box men; floormen; pit bosses; shift bosses; cage personnel; collection personnel; gaming consultants, management companies, and their principals; and any other natural person whose employment duties require or authorize access to restricted areas of each gaming activity or operation not otherwise opened to the public.

(H) Gaming Facility. "Gaming Facility" means the physical building or structure on the Tribe's Indian Lands eligible for Class III gaming under IGRA within the boundaries of the State of Kansas where the gaming activity occurs, consistent with 25 C.F.R. § 293.2.

(I) Gaming Operation. "Gaming Operation" means each economic entity that is licensed by the Tribe, operates the games, receives the revenues, issues the prizes, and pays the expenses. A gaming operation may be operated by the Tribe directly; by a management contractor; or, under certain conditions, by another person or other entity, consistent with 25 C.F.R. § 502.10.

(J) Gaming Services. "Gaming Services" means any goods or services to the Tribe directly in connection with each Class III gaming activity or operation in a gaming facility, including but not limited to equipment, maintenance or security services for such gaming facility, and concessions.

(K) Indian. "Indian" means any person who is of Indian descent who is an enrolled member of any recognized Indian Tribe under federal jurisdiction at the time of the event under consideration.

(L) Indian Lands. "Indian lands" means land within the limits of the Tribe's Indian reservation; and any lands title to which is either held in trust by the United States for the benefit of the Tribe or individual or held by the Tribe or individual subject to restriction by the United States against alienation and over which the Tribe exercises governmental power, consistent with 25 U.S.C. § 2703(4).

(M) Indian Gaming Commission. "Indian Gaming Commission" means the National Indian Gaming Commission established pursuant to IGRA.

(N) Indian Gaming Regulatory Act or IGRA. "Indian Gaming Regulatory Act" or "IGRA" means the Indian Gaming Regulatory Act, 102 Stat. 2467, 25 U.S.C. § 2701, *et seq*.

(O) Key Employee. "Key Employee" means any person who performs one or more of the following functions for the gaming operation: bingo caller; counting room supervisor; chief of security; floor manager; pit boss; dealer; croupier; approver of credit; custodian of gaming systems as defined in 25 C.F.R. § 547.2 and similar Class III systems, gaming cash or gaming cash equivalents, gaming supplies, or gaming system records; custodian of surveillance systems or surveillance system records; any gaming operation employee authorized by the gaming operation for unescorted access to secured gaming areas designated as secured gaming areas by the Tribe; if not otherwise licensed as a key employee or primary management official, the four persons most highly compensated by the gaming operation; and any other employee of the gaming enterprise as documented by the Tribe as a key employee, where herein the parties document and agree that security personnel, Tribal gaming inspectors as described in Subsection 10(B)(1) of this Compact, and management contractors shall be deemed key employees; consistent with 25 C.F.R. § 502.14.

(P) Lottery. "Lottery" means that game in which the player picks a sequence of integers of a required size, e.g. six integers, from a larger set of integers numbered consecutively, beginning with the number one, e.g. the integers from one through forty-four, from which the set of integers is drawn at random by the lottery operator, and wins a small prize if he has picked three of the selected set, a larger prize if he has picked four of the selected set, a larger prize if he has picked five of the selected set, and the largest prize if he has picked all of the selected set. Lottery shall not include any of the Class III games authorized in Subsection 3(A), or any Class I or II gaming as defined in IGRA.

(Q) Manufacturer-Distributor. "Manufacturer-Distributor" means any individual, sole proprietorship, partnership, or corporation which enters into a contract with the Tribe in the amount of $25,000 or more during any one calendar year to assemble, produce, make, print, or supply Class III gaming equipment or Class III gaming activity supplies for sale, lease, use, or distribution to the Tribe or a licensed gaming operator for a Class III gaming activity conducted pursuant to this compact.

(R) Management Contract. "Management Contract" means any contract, subcontract, or collateral agreement between the Tribe and a contractor or between a contractor and a subcontractor if such contract or agreement provides for the management of all or part of a gaming operation, consistent with 25 C.F.R. § 502.15.

(S) Management Contractor. "Management Contractor" means any individual, sole proprietorship, partnership, corporation, or other entity which manages any Class III gaming activity or operation on behalf of the Tribe pursuant to a management contract approved by the Chairman of the Indian Gaming Commission.

(T) New Manufacturer/Distributor. "New Manufacturer/Distributor" means a Manufacturer-Distributor that has not undergone a background check by the State Gaming Agency within the past 5 years for use by a tribe.

(U) Participate. "Participate" in any gaming activity or operation means manage, operate, direct, own, finance, furnish, supply, or in any way assist in the establishment of, or operation of, any Class III gaming activity or operation, directly or indirectly, whether at the site in person or off the Tribe's Indian Lands eligible for Class III gaming under IGRA within the boundaries of the State of Kansas.

(V) Person. "Person" means any individual, partnership, joint venture, corporation, joint stock company, company, firm, association, trust, estate, club, business trust, municipal corporation, society, receiver, assignee, trustee in bankruptcy, governmental entity, and any owner, director, officer, or employee of any such entity, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise.

(W) Primary Management Official. "Primary Management Official" means any person having management responsibility for a management contract; any person who has authority to hire and fire employees of the gaming operation or to establish policy for the gaming operation; the chief financial officer or a position with duties similar to the chief financial officer; the general manager or a position with duties similar to a general manager; and any other employed management official of the gaming enterprise as documented by the Tribe as a primary management official; consistent with 25 C.F.R. § 502.19.

(X) Principal. "Principal" means with respect to any management contractor: (i) each of its officers and directors; (ii) each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer, or general manager; (iii) each of its owners or partners, if it is an unincorporated business; (iv) each of its shareholders who owns more than five percent of the shares of the corporation, if a corporation; and (v) each person other than a banking institution who has provided financing for the enterprise constituting more than ten percent of the total financing of the enterprise.

(Y) Revoke. "Revoke" means to permanently void and recall all rights and privileges to obtain or hold a license.

(Z) Secured Gaming Area. "Secured gaming area," sometimes referred to as "back of the house," means any area where the general public is not permitted or where an escort is required for access that house the primary operational functions of the gaming facility.

(AA) Secretary. "Secretary" means the Secretary of the Interior, consistent with 25 C.F.R. § 502.20.

(BB) Standard Gaming Employee. "Standard Gaming Employee" means any natural person employed in the operation or management of each gaming activity or operation as a gaming employee who is not a primary management official or key employee.

(CC) State. "State" means the State of Kansas.

(DD) State Gaming Agency. "State Gaming Agency" means such agency of the State as the State may designate as the state agency responsible for oversight of Class III gaming conducted pursuant to this Compact.

(EE) Tribal Gaming Commission. "Tribal Gaming Commission" means the entity authorized by Tribal law to regulate gaming conducted pursuant to IGRA, consistent with 25 C.F.R. § 502.26.

(FF) Tribal Gaming Regulations. "Tribal Gaming Regulations" mean those regulations adopted by the Tribe to regulate Class III gaming conducted pursuant to this Compact, as provided in Section 7.

(GG) Tribal Land. "Tribal Land" means Indian land as defined in IGRA within the State of Kansas.

(HH) Tribal Law. "Tribal Law" means the Tribal Gaming Ordinance, Tribal Gaming Regulations, as amended hereafter, and this Compact, as amended hereafter.

(II) Tribal Law Enforcement Agency. "Tribal Law Enforcement Agency" means the police force of the Tribe established and maintained by the Tribe pursuant to the Tribe's powers of self-government to carry out law enforcement.

(JJ) Tribe. "Tribe" means the Wyandotte Nation.

(KK) Sporting Event. "Sporting Event" means any professional or collegiate sport or athletic event, motor race event, or any other special event authorized by the Tribal Gaming Commission that has not occurred at the time wagers are placed on such event.

(LL) Sports Wagering. "Sports Wagering" means placing a wager or bet on one or more Sporting Events, or any portion thereof, or in the individual performance statistics of athletes participating in a Sporting Event, or combination of Sporting Events, by any system of method of wagering, including remote sports wagering originating within the boundaries of the State; provided, however, that "Sports Wagering" does not include a fee to play a fantasy contest or an entry fee to participate in e-sports.

Section 6: Persons Bound.

(A) State. Where the name the "State" is used in this Compact as a part thereof, such name shall be construed to include all the individuals, corporations, partnerships, enterprises, associations, districts, administrative departments, bureaus, political subdivisions, agencies, persons, permittees, and all others using, claiming, or in any manner asserting any right or power under the authority of the State.

(B) Tribe. Where the name the "Tribe" is used in this Compact as a part thereof, such name shall be construed to include all the individuals, corporations, partnerships, enterprises, associations, districts, administrative departments, bureaus, political subdivisions, agencies, persons, permittees, and all others using, claiming or in any manner asserting any right or power under the authority of the Tribe.

Section 7: Tribal Gaming Regulations.

(A) Adoption of Tribal Gaming Regulations.

(1) The Tribal Gaming Commission shall adopt regulations to govern the operation and management of each gaming activity or operation conducted pursuant to this Compact. The regulations shall ensure that the interests of the Tribe and the State relating to Class III gaming are preserved and protected. The regulations shall maintain the integrity of such gaming activity or operation and shall reduce the dangers of unfair and illegal practices in the conduct of Class III gaming.

(2) The initial regulations to govern the operation and management of each tribal gaming activity or operation shall be the standards set forth in Appendix A. The Tribal Gaming Commission shall advise the State Gaming Agency of any intent to revise the standards set forth in Appendix A and shall request the concurrence of the State Gaming Agency of such revisions. State Gaming Agency concurrence shall be deemed granted unless written disagreement within 60 days of submission of the proposed revisions is delivered to the Tribal Gaming Commission. The State Gaming Agency shall concur with the proposed revisions upon request, unless it finds that they would have a material adverse impact on the public interest in the integrity of each gaming activity or operation or are contrary to IGRA, any applicable state law, or the provisions of this Compact. If the State Gaming Agency disagrees with any such proposed revision, it shall set forth with specificity the reasons for such disagreement. Upon a notice of disagreement, the parties shall meet, and in good faith try to resolve the differences. If they are unsuccessful, the matter shall be resolved pursuant to Section 29.

(3) Additional regulations adopted by the Tribal Gaming Commission in accordance with clauses (1) and (2) above for the purpose of regulating the operation and management of sports wagering shall include, at a minimum, regulations addressing the topics set forth in Appendix B.

(B) Additional Operational Requirements Applicable to Class III Gaming. The following additional requirements shall apply to each gaming activity or operation conducted by the Tribe:

(1) The Tribe shall maintain the following logs as written or computerized records which shall be available for inspection by the State gaming agency in accordance with Subsection 12(B) of this Compact: a surveillance log recording all surveillance activities in each monitoring room of the gaming facility; a security

log recording all unusual occurrences for which the assignment of a security department employee is made; a cashier's cage log recording all exchanges of gaming chips for cash by persons who cannot reasonably be thought to have been gaming; a machine entry log recording all occasions on which electronic gaming equipment is opened by any mechanic or attendant, except to the extent that such entries may be automatically recorded by a computer system activated by each entry; and a machine location log, recording the location and each movement of any electronic gaming equipment within the gaming facility.

(2) The Tribal Gaming Commission shall establish a list of persons barred from the gaming facility because their criminal history or association with career offenders or career offender organizations poses a threat to the integrity of gaming activities of the Tribe. The Tribal Gaming Commission shall employ its best efforts to exclude persons on such list from entry into such gaming facility. The Tribal Gaming Commission shall send a copy of its list on a weekly basis to the State Gaming Agency. The Tribe shall also exclude persons engaging in disorderly conduct or other conduct jeopardizing public safety in the gaming facility.

(3) The Tribal Gaming Commission shall notify the State Gaming Agency of the rules of each Class III game operated by the Tribe and of any proposed change in such rules. The initial rules shall be the Gaming Rules provided to the State Gaming Agency when the Tribe notifies the State Gaming Agency that it has chosen to begin offering Class III games, and it will provide those rules at least 30 days prior to offering those Class III games. The Tribal Gaming Commission shall notify the State Gaming Agency of any intent to revise the Gaming Rules and shall request the concurrence of the State Gaming Agency of such revisions. State Gaming Agency concurrence shall be deemed granted unless written disagreement within 30 days of submission of the proposed revisions is delivered to the Tribal Gaming Commission. The State Gaming Agency shall concur with the proposed revisions upon request, unless it finds that they would have a material adverse impact on the public interest in the integrity of Class III gaming or are contrary to IGRA, any applicable state law, or the provisions of this Compact. If the State Gaming Agency disagrees with any such proposed revision, it shall set forth with specificity the reasons for such disagreement.

Upon a notice of disagreement, the parties shall meet, and in good faith try to resolve the differences. If they are unsuccessful, the matter shall be resolved pursuant to Section 29.

(4) Summaries of the rules of each game relevant to the method of play and odds paid to winning bets shall be visibly displayed or available in pamphlet form in each gaming location, where electronic availability is sufficient. Betting limits applicable to each gaming table shall be displayed at such gaming table.

(5) For each tribal gaming activity or operation there shall be provided to the Tribal Gaming Commission and the State Gaming Agency a description of its minimum requirements for supervisory staffing for each gaming table operated in the gaming facility, and in the event that either the Tribal Gaming Commission or the State Gaming Agency regards such supervisory staffing as inadequate to protect the integrity of the table games, the Tribal Gaming Commission and State Gaming Agency shall promptly in good faith agree on supervisory staffing requirements. If agreement cannot be reached between the Tribal Gaming Commission and the State Gaming Agency, the matter shall be resolved pursuant to Section 29.

(6) The Tribal Gaming Commission shall require the audit of the gaming activities of the Tribe, not less than annually, by an independent certified public accountant, in accordance with the auditing and accounting standards for audits of casinos of the American Institute of Certified Public Accountants, and the provisions of Section 22.

(7) The Tribe shall maintain a record of all complimentary services provided to patrons of its gaming facilities, including either the full retail price of such service or item if the same service or items is normally offered for sale to patrons in the ordinary course of business at the gaming facility, or the cost of the service or items to the Tribe if not offered for sale to patrons in the ordinary course of business. If the complimentary service or item is provided to a patron by a third party on behalf of the Tribe, such service or item shall be recorded at the actual cost to the Tribe of having the third party provide such service or item. A log recording of all such complimentary services shall be available for inspection by the State gaming agency in accordance with this Compact, but the Tribe may redact player names as trade or business secrets, and under no

circumstances may the State Gaming Agency make copies of such names, with the exception of individual patron information accessed for a criminal investigation under Section 13.

(8) No person shall be permitted to bring firearms of any kind into the gaming facility except for members of any State or federal law enforcement agency and the Tribal law enforcement agency.

(9) The Tribal Gaming Operation shall maintain a closed circuit television system. The Tribal Gaming operation shall make its floor plan and closed circuit television system and any modifications thereof available for review by the state Gaming Agency.

Section 8: Retention of Rights.

Nothing in this Compact shall be construed:

(A) To affect any rights, powers, duties or abilities of the Tribe or those acting by or under its authority, in, over, and to Tribal Land; nor to impair or affect the capacity of the Tribe or those acting by or under its authority to govern its internal economic affairs and the rights and obligations of its citizens except as specifically provided in this Compact;

(B) To subject any property of the Tribe, its agencies, or instrumentalities to taxation by the State or political subdivisions thereof, nor to create any tax obligation on the part of the Tribe, its agencies, or instrumentalities, by reason of the acquisition, construction, or operation of any property or works of whatsoever kind, or to make any payments to the State or political subdivision thereof, State agency, municipality, or entity whatsoever in reimbursement for or charge for loss of taxes, or to create any tax immunities;

(C) To subject any property of the Tribe, its agencies, or instrumentalities, to the laws of the State to any other extent than the extent that such laws apply pursuant to the terms of this Compact or under IGRA.

Section 9: Duration.

This Compact shall remain in full force and effect until one of the following events shall occur:

(A) This Compact is terminated by mutual consent of the parties;

(B) This Compact is determined to be invalid pursuant to a final, nonappealable judgment by a court of competent jurisdiction; or

(C) The Tribe duly adopts a resolution revoking tribal authority to conduct Class III gaming upon the jurisdiction of the Tribe as provided for in IGRA.

Section 10: Tribal Regulation of Class III Gaming.

(A) Tribal Gaming Commission. The Tribal Gaming Commission, appointed pursuant to the Tribal Gaming Ordinance, shall have primary responsibility for enforcing Tribal Law with respect to each tribal gaming activity or operation conducted on the Tribe's Indian Lands eligible for Class III gaming under IGRA within the boundaries of the State of Kansas pursuant to this Compact, including regulation of any management contractors, manufacturer/distributors, and all gaming employees. The Tribal Gaming Commission shall also receive consumer complaints within the gaming facilities and shall assist in seeking voluntary resolution of such complaints. The Tribal Gaming Commission shall have unfettered access to all areas of the gaming facility at all times, and personnel employed by the Tribal Gaming Operation shall for such purposes provide the Tribal Gaming Commission access to locked and secured areas of the gaming facility.

(B) Tribal Gaming Inspectors.

(1) Employment of Inspectors. The Tribal Gaming Commission shall employ inspectors, each of whom shall be independent of each tribal gaming activity or operation and shall be supervised and accountable only to the Tribal Gaming Commission. Inspectors employed by the Tribal Gaming Commission shall be required to obtain a key gaming employee's license pursuant to this Compact.

(2) Reporting of Violations. At least one (1) tribal gaming inspector shall be present in the gaming facility during all hours of gaming operation and shall have immediate access to any and all areas of each gaming activity or operation for the purpose of ensuring compliance with this Compact and applicable law. The tribal gaming inspector shall report any violation of this Compact or of applicable law by any person, whether or not such person is associated with any tribal gaming activity or operation, to the Tribal Gaming Commission, which shall forward such report to the State Gaming Agency within 72 hours after such violation is discovered.

(3) Investigation by Tribal Gaming Commission. The Tribal Gaming Commission shall investigate any reported violation of this Compact and shall require that any such violation be corrected upon such terms and conditions as the Tribal Gaming Commission determines to be necessary. If requested by the Tribal Gaming Commission, the State Gaming Agency shall assist in any investigation initiated by the Tribal Gaming Commission and shall provide other requested services to ensure proper compliance with this Compact and applicable law. The Tribal Gaming Commission shall impose such fines and other sanctions provided in the Tribal Gaming Ordinance as the Tribal Gaming Commission determines to be necessary.

(4) Reporting to State Gaming Agency. The Tribal Gaming Commission shall report any suspected violation of this Compact and applicable law to the State Gaming Agency, and the State Gaming Agency shall report any suspected violation of this Compact and applicable law to the Tribal Gaming Commission. After the Tribal Gaming Commission has completed its investigation and imposition of any fine or other sanction for a violation, the completed investigation report and such disposition shall be forwarded to the State Gaming Agency immediately. If the State Gaming Agency concludes that the disciplinary action undertaken by the Tribal Gaming Commission is inadequate, it shall so notify the Tribal Gaming Commission and, if its response continues to be unsatisfactory, the matter shall be resolved pursuant to Section 29.

(C) Tribe to Regulate Gaming. The Tribal Gaming Commission shall license and regulate all Class III gaming pursuant to this Compact and tribal law, including but not limited to, the licensing of all management contractors, primary management officials, key employees, and standard gaming employees of each Class III gaming activity or operation and any manufacturer/distributor. Any discrepancy in any gaming activity or operation and any violation of this Compact or applicable law shall be corrected immediately by the Tribe and shall be reported immediately to the State Gaming Agency.

(D) Facility Security. The Tribe will prepare a plan for the protection of public safety as well as for the physical security of patrons at the gaming facility, including entering into any jurisdictional agreements under Section 14 or Cross-Deputization Agreements under Section 15 of this Compact. This plan shall be developed in consultation and agreement with the State law enforcement agencies of the Unified Government of Wyandotte County/Kansas City and the City of Park City, setting forth the respective responsibilities of the Tribal law enforcement agency, the security department reporting to the facility manager and any Tribal casino surveillance department, the Tribal Gaming Commission, and the State law enforcement agencies.

Section 11: Tribal-State Quarterly Meetings.

In order to develop and foster a positive and effective relationship in the enforcement of this Compact, representatives of the Tribal Gaming Commission and the State Gaming Agency shall meet, on not less than a quarterly basis, to review past practices and examine methods to improve the regulatory program created by this Compact. Meetings shall take place at a location ultimately selected by the Tribal Gaming Commission and the State Gaming Agency. Prior to or during any such meeting, the Tribal Gaming Commission and the State Gaming Agency shall disclose to each other any concerns, suspected activities, or pending matters reasonably believed to constitute violations of this Compact, provided that such disclosure does not compromise the interest sought to be protected.

Section 12: State Enforcement of Compact.

(A) Monitoring. Pursuant to this Compact, the State Gaming Agency shall have the authority to monitor each tribal gaming activity or operation to ensure that the activity or operation is conducted in compliance with this Compact. In order to monitor tribal gaming activities and operations properly, agents of the State Gaming Agency shall, upon providing proper identification, have free and unrestricted access, and the Tribe may choose to have the gaming operation's security personnel accompany the agent, to all areas of the gaming facility during normal operating hours without giving prior notice, provided, that state monitoring activities shall not interfere with the normal functioning of any tribal gaming activity or operation.

(B) Access to Records. Agents of the State Gaming Agency shall have authority to copy and review all records maintained by each tribal gaming activity or operation during normal business hours, provided, that copying and reviewing records shall be reasonably conducted so as not to interrupt normal business practices of the Tribe. The parties agree that the Tribe's lists of players as well as the financial audit and other proprietary and confidential business information in the Tribe's audit under Section 22 are trade or business secrets not accessible under this provision. Copies of records obtained pursuant to this Subsection by agents of the State Gaming Agency shall remain the property of the Tribe and shall be considered closed information pursuant to K.S.A. 1992 Supp. 45-221(11) and tribal law. Copies of records obtained pursuant to this Subsection shall remain the property of the Tribe and shall be considered closed information pursuant to K.S.A. 1992 supp. 45-221(10) and tribal law. Copies of all records obtained pursuant to this Subsection shall not be voluntarily disclosed pursuant to the Kansas Open Records Act, K.S.A 45-216, *et seq*. In the event that a court action is initiated pursuant to K.S.A. 1992 Supp. 45-222, the Tribe shall be notified and given an opportunity to oppose disclosure. It is agreed by the parties that the records maintained by each tribal gaming activity or operation contain confidential and proprietary financial information and that the intent of this Subsection is to provide information needed by the State Gaming Agency to fulfill its obligations under this Compact. Release of such information to private persons or private or State-owned businesses does not promote that intent and violates the privacy of the Tribe, unless disclosure is required by law. Any copied records will be destroyed or returned to the Tribe in accordance with the State Gaming Agency's policies and procedures.

(C) **Notification to Tribal Gaming Commission.** At the completion of any inspection or investigation by the state Gaming Agency, a copy of the inspection or investigation report shall be forwarded to the Tribal Gaming Commission along with recommendations for appropriate action, provided such disclosure would not compromise an ongoing criminal investigation.

Section 13: Criminal and Civil Enforcement.

(A) Pursuant to 18 U.S.C. § 1166, in enforcing this Compact, the State shall exercise criminal jurisdiction over Indians.

(B) This Compact shall not alter tribal, federal, or state civil adjudicatory or criminal jurisdiction in any way, except as expressly provided herein, and the parties acknowledge the existing jurisdiction of the State under 18 U.S.C. § 3243.

(C) The State Gaming Agency and the Kansas Bureau of Investigation shall collaborate closely with the Tribe, including the Tribal Gaming Commission and the Tribal Police Department, to investigate any suspected criminal activity, including gaining access to any necessary records and premises. Collaboration by the State Gaming Agency or the Kansas Bureau of Investigation is not necessary if the State Gaming Agency or the Kansas Bureau of Investigation believes such collaboration would compromise an ongoing criminal investigation.

(D) The State Gaming Agency and the Kansas Bureau of Investigation shall notify the

Tribal Gaming Commission and the Tribal Police Department immediately when they begin an investigation of alleged criminal activities occurring within the Tribe's territorial jurisdiction, and the entities may enter into a joint investigation and share information accordingly. Notification by the State Gaming Agency or the Kansas Bureau of Investigation is not necessary if the State Gaming Agency or the Kansas Bureau of Investigation believes such notification would compromise an ongoing criminal investigation.

(E) Nothing in this Compact prohibits KSGA from calling on the KBI for assistance in criminal matters, and nothing in this Compact shall be interpreted as any limitation on the existing duties or powers of the Kansas Bureau of Investigation under state law, including K.S.A. 74-9806 or K.S.A. 22-4714.

Section 14: Cross-Deputization Agreement.

To the extent permitted by law, the Tribe and the State agree to enter into such cross-deputization agreements as may be necessary and proper to facilitate cooperation between tribal and state law enforcement personnel.

Section 15: Licensing of Gaming Employees.

(A) **License Required of Gaming Employees**. Every gaming employee and Tribal Gaming Inspector who participates in any Class III gaming pursuant to this Compact must be licensed by the Tribe.

(B) **Background Investigation of Key Employees**. The Tribe, prior to hiring an applicant for a position as a key or standard gaming employee, shall obtain a release, utilizing the privacy notice required by regulations of the Indian Gaming Commission, and, for key employees, other information from the applicant to permit the State to conduct a background investigation upon the applicant. The application and release and, for a key employee, an investigation deposit of costs the parties agree are actual and reasonable, as listed in paragraph 22 of the May 2, 2003 Arbitration agreement between the Iowa Tribe of Kansas and Nebraska and State Gaming Agency, a copy of which is attached hereto as Appendix D, shall be provided to the State Gaming Agency, which shall provide for the conduct of a background investigation for a key employee and provide a written report to the Tribe regarding the applicant as soon as possible after such request but in any event within 90 days of receipt of such request, provided, that the State Gaming Agency and the Kansas Bureau of Investigation shall not be required to reveal sources of information obtained in the course of any such inspection or investigation if such disclosure would compromise an ongoing criminal investigation; the Tribe may issue a temporary license pending completion of the investigation. The Tribe may employ any person as a gaming employee who represents in writing that they meet the licensing standards of Section 21, provided, that any employee found to be in violation of any of such licensing standards during the term of his employment shall be dismissed. The Tribe shall conduct re-licensing and any associated backgrounding. Criminal history data compiled by the Kansas Bureau of Investigation on each such prospective key employee shall, subject to applicable state and federal law, be provided to the Tribe as part of the report regarding such applicant and to the Chief, Division of Law Enforcement Service, Bureau of Indian Affairs who shall maintain a control file of this information, provided, that the State Gaming Agency and the Kansas Bureau of Investigation shall not be required to reveal sources of information obtained in the course of any such background investigation if such disclosure would compromise an ongoing criminal investigation. When the Tribe notifies the State Gaming Agency that it is intending to begin offering Class III games, which it will provide such notice at least 30 days prior to offering Class III games, thereby beginning the implementation of this Compact, the Tribe shall provide the State Gaming Agency information related to any background investigations already conducted on its key employees, the State Gaming Agency shall complete its own background investigations on such key employees (charging the Tribe the actual and reasonable costs), and the Tribe may issue temporary licenses to those key employees pending completion of the State Gaming Agency's background investigations.

(C) Background Investigation Standards. Background investigations conducted pursuant to this Section shall be conducted pursuant to the Background Investigation Standards attached hereto as Appendix C. Notwithstanding and in addition to any other provision of the Compact, background investigations shall be conducted by the State Gaming Agency or the Tribal Gaming Commission upon every person and entity specified in, and to the extent required by, the regulations of the Indian Gaming Commission.

(D) Investigation of Non Gaming Employees. The Tribal Gaming Commission may investigate suspected misconduct of employees of the gaming facility who are not gaming employees but who are employed in ancillary facilities located within the same building as the gaming facility. If the Tribal Gaming Commission determines that the conduct of any employee in the course of employee's employment in such ancillary facilities poses a threat to the effective regulation of gaming or creates or enhances the dangers of unfair or illegal practices, methods, and activities in the conduct of gaming, such employee shall be dismissed by the Tribe from such employment with notification to the State Gaming Agency.

Section 16: Licensing of Primary Management Officials and Manufacturer/Distributors.

(A) Tribal License Required. Every management contractor, and every primary management official thereof, which enters into a contract with the Tribe to manage any Class III gaming, and any manufacturer/distributor, must be licensed by the Tribe.

(B) Background Investigation Prior to Contract. The Tribe, prior to contracting with any management contractor with respect to any Class III gaming, or with any manufacturer/distributor, shall obtain releases, utilizing the privacy notice required by regulations of the Indian Gaming Commission. For primary management officials and new manufacturers/distributors, the Tribe must obtain all other information to permit the state to conduct a background investigation upon any such primary management official or new manufacturer/distributor. The information, together with an investigation deposit of costs the parties agree are actual and reasonable, listed in paragraph 22 of the May 2, 2003 Arbitration agreement between the Iowa Tribe of Kansas and Nebraska and State Gaming Agency, a copy of which is attached hereto as Appendix D, shall be provided in writing to the State Gaming Agency which shall provide for the conduct of the background investigation for a primary management official or new manufacturer/distributor and provide a written report to the Tribe regarding the applicant as soon as possible after such request, but in any event within 90 days of receipt of such request, provided, that the State Gaming Agency and the Kansas Bureau of Investigation shall not be required to reveal sources of information obtained in the course of any such background investigation if such disclosure would compromise an ongoing criminal investigation; the Tribe may issue a temporary license pending completion of the investigation. The Tribe shall not contract with any management contractor, any primary management official or principal thereof or manufacturer/distributor which does not meet the licensing standards set forth in Section 21. The Tribe shall conduct re-licensing and any associated backgrounding. Criminal history data compiled by the Kansas Bureau of Investigation on each such primary management official or new manufacturer/distributor shall, subject to applicable state and federal law, be provided to the Tribe as part of the report regarding such applicant, provided, that the State Gaming Agency and the Kansas Bureau of Investigation shall not be required to reveal sources of information obtained in the course of any such background investigation if such disclosure would compromise an ongoing criminal investigation. When the Tribe notifies the State Gaming Agency that it is intending to begin offering Class III games, which it will provide such notice at least 30 days prior to offering Class III games, thereby beginning the implementation of this Compact, the Tribe shall provide the State Gaming Agency information related to any background investigations already conducted on its primary management officials and new manufacturers/distributors, the State Gaming Agency shall complete its own background investigations on such primary management officials and new manufacturers/distributors (charging the Tribe the action and reasonable costs), and the Tribe may issue temporary licenses to those primary management officials and new manufacturers/distributors pending completion of the State Gaming Agency's background investigations.

Section 17: Relevant Information.

In the case of a background investigation of any applicant for a tribal license, a sworn statement of the applicant shall include:

(1) Full name, other names used (oral or written), social security number(s), birth date, place of birth, citizenship, gender, all languages (spoken or written);

(2) Currently and for the previous 5 years: business and employment positions held, ownership interests in those businesses, business and residence addresses, and drivers license numbers;

(3) The names and current addresses of at least three personal references, including one personal reference who was acquainted with the applicant during each period of residence listed under Subsection (2);

(4) Current business and residence telephone numbers;

(5) A description of any existing and previous business relationships with Indian tribes,

including ownership interests in those businesses;

(6) A description of any existing and previous business relationships with the gaming industry generally, including ownership interests in those businesses;

(7) The name and address of any licensing or regulatory agency with which the person has filed an application for a license or permit related to gaming, whether or not such license or permit was granted;

(8) For each felony for which there is an ongoing prosecution or a conviction, the charge, the name and address of the court involved, and the date and disposition if any;

(9) For each misdemeanor conviction or ongoing misdemeanor prosecution (excluding minor traffic violations) within 10 years of the date of the application, the name and address of the court involved and the date and disposition;

(10) For each criminal charge (excluding minor traffic charges) whether or not there is a conviction, if such criminal charge is within 10 years of the date of the application and is not otherwise listed pursuant to Subsection (8) or (9), the criminal charge, the name and address of the court involved, and the date and disposition;

(11) The name and address of any licensing or regulatory agency with which the person has filed an application for an occupational license or permit, whether or not such license or permit was granted;

(12) A photograph;

(13) The applicant's commitment to provide any other information the Tribe, the Indian Gaming Commission, or, whenever applicable, the state, deems relevant;

(14) Fingerprints consistent with procedures adopted by the Tribe consistent with regulations of the Indian Gaming Commission; and

(15) All requested financial information consistent with IGRA requirements.

Section 18: Identification Cards.

The Tribal Gaming Commission shall require all gaming employees to wear, in plain view, identification cards issued by the Tribal Gaming Commission which include photo, first name and a four-digit minimum identification number unique to the individual, a tribal seal or signature, and a date of expiration.

Section 19: Management Contract.

The Tribe may enter into a management contract for the operation and management of each Class III gaming activity or operation pursuant to the requirements and provisions of IGRA. The Tribe shall provide the Tribal Gaming Commission and the State Gaming Agency with copies of the proposed management contract as submitted to the Indian Gaming Commission, and all correspondence and other documentation submitted to the Indian Gaming Commission in connection with the management contract at the time such management contract is submitted to the Indian Gaming Commission, and shall provide the Tribal Gaming Commission and the State Gaming Agency with copies of the statement of approval or disapproval of the management contract from the Chairman of the Indian Gaming Commission upon its receipt.

Section 20: Denial of License Application for Cause.

The Tribe shall deny a license to any applicant whenever the applicant or any person with a 5% or more ownership interest therein:

(A) Has withheld pertinent information or has made false statements on the gaming license application;

(B) Has attempted to bribe a Board member, Tribal Gaming Commission member, or any other person in an attempt to avoid or circumvent tribal law or any other applicable law;

(C) Has offered something of value or accepted a loan, financing, or other thing of value from a Tribal Gaming Commission member, a subordinate employee, or any person participating in any gaming activity;

(D) Has knowingly promoted, played, or participated in any gaming activity operated in violation of tribal law;

(E) Has been knowingly involved in the falsification of books or records which relate to a transaction connected with the operation of gaming activity;

(F) Has been convicted of, or has entered a plea of nolo contendre to, any crime involving gaming or embezzlement;

(G) Has been determined by the Tribal Gaming Commission, the Indian Gaming Commission, or the State Gaming Agency to have present or prior activities, criminal record, if any, or reputation, habits, and associations which pose a threat to the public interest or to the effective regulation of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices in the conduct of gaming, provided, that any conviction more than five years before the commencement of employment by the Tribe shall not be considered under this Subsection.

(H) Has denied the Tribe or the state access to any place at which gaming required to be licensed under this Compact is being conducted or has failed to produce for inspection or audit any book, record, document, or other item required by this Compact or any regulations promulgated pursuant to this Compact;

(I) Has failed to pay any tribal taxes and additions to taxes, including penalties and interest;

(J) Has been found guilty of any violation or attempt or conspiracy to violate any law, rule, or regulation pertaining to gaming in any jurisdiction for which suspension or termination of employment or a license might be imposed in such jurisdiction; or

(K) Has had a license to conduct gaming in another jurisdiction cancelled or revoked for any reason.

If the Tribe declines to deny a license as required herein, the State may seek resolution of the matter pursuant to Section 29.

Section 21: Revocation or Suspension of License for Cause.

The Tribe shall revoke or suspend a license of any licensee whenever the licensee or any person with a five percent or more interest therein, in applying for or after issuance of such license:

(A) Has withheld pertinent information or has made false statements on the gaming license application;

(B) Has attempted to bribe a Board member, Tribal Gaming Commission member, or any other person in an attempt to avoid or circumvent this tribal law or any other applicable law;

(C) Has offered something of value or provided a loan, financing, or other thing of value to a Tribal Gaming Commission Member, a subordinate employee, or any other person participating in any tribal gaming activity.

(D) Has knowingly promoted, played, or participated in any gaming activity operated in violation of tribal law;

(E) Has been knowingly involved in the falsification of books or records which relate to a transaction connected with the operation of gaming activity;

(F) Has violated any provision of the applicable Tribal Gaming Ordinance;

(G) Has been convicted of, or has entered a plea of nolo contendre to, any crime involving gaming or embezzlement;

(H) Has been determined by the Tribal Gaming Commission, the Indian Gaming Commission, or the State Gaming Agency to have present or prior activities, criminal record, if any, or reputation, habits, and associations which pose a threat to the public interest or to the effective regulation of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices in the conduct of gaming, provided that any conviction more than five years before the commencement of employment by the Tribe shall not be considered under this Subsection.

(I) Has denied the Tribe or the State access to any place at which gaming required to be licensed under this Compact is being conducted or has failed to produce for inspection or audit any book, record, document, or other item required by this Compact or any regulations promulgated pursuant to this Compact;

(J) Has failed to pay any tribal taxes and additions to taxes, including penalties and interest; or

(K) Has had a license to conduct gaming in another jurisdiction cancelled or revoked for any reason.

Section 22: Accounting and Audit Procedures.

As required by IGRA, the Tribe shall engage an independent certified public accountant to audit the books and records of all gaming conducted pursuant to this Compact and, as required by IGRA, shall provide audits to the Indian Gaming Commission. The Tribe shall make available to the State Gaming Agency upon request a copy of the gaming compliance portion of the audit examining whether the Tribe's gaming activities are in compliance with the Compact, the Tribal Gaming Regulations, and associated legal requirements (often called the "agreed upon procedures" audit), including any findings and responses, but the Tribe shall redact as trade or business secrets all proprietary and confidential business information not necessary for the State Gaming Agency's review of the Tribe's compliance with those legal requirements. The Tribe is not required to provide the State Gaming Agency portions of the audit related to its financial statements (often called the "financial" audit). The Tribe shall engage a different independent certified public accountant to serve as lead auditor every three years to conduct the audit, but such lead auditor may be embedded within the same auditing firm.

Section 23: Tribal Records.

In addition to the records required to be created/maintained by Subsection7(B), the

Tribe shall maintain for three years the following listed records. All accounting records shall be kept on a double entry system of accounting, thereby maintaining detailed, supporting, subsidiary records. Records shall include:

(A) Revenues, expenses, assets, liabilities, and equity for the facility at which any component of each gaming activity or operation is conducted;

(B) Daily cash transactions for each game at the facility at which any gaming activity or operation is conducted, including but not limited to transactions relating to each gaming table bank, game drop box, and gaming room bank;

(C) Individual and statistical game records to reflect statistical drop, statistical win, statistical drop by table for each game, and individual and statistical game records reflecting similar information for all other games;

(D) For electronic gaming equipment, analytic reports which, by each machine, compare actual hold percentages to theoretical hold percentages;

(E) Records of all tribal enforcement activities;

(F) All audits prepared by or on behalf of the Tribe;

(G) All returned checks, hold checks, or other similar credit instruments;

(H) Personnel information on all principals and gaming employees of any gaming activity or operation, including rotation sheets, hours worked, employee profiles, and background checks.

Section 24: State Assessment for Costs of Oversight.

(A) Imposition of Assessment for State Regulatory Expenditures. The State shall annually make an assessment sufficient to compensate the State for the actual, reasonable, and necessary costs of regulating Class III gaming pursuant to this Compact. Reimbursable regulatory expenses under this Section shall include all necessary regulatory costs of the State Gaming Agency. The State must provide the Tribe with documentation that reflects actual and reasonable expenses prior to any obligation to pay such expenses arising under this Compact.

(B) Procedure for Assessments. On or before August 1st, annually, the State shall render to the Tribe a verified, detailed statement of expenses with supporting documentation of the total cost of regulation for the preceding fiscal year ending June 30, together with proposed assessments for the forthcoming fiscal year based on the preceding fiscal year's cost, except that in the first year of implementation of this Compact the assessment shall be prospective and based upon a pro rata allocation of costs if this Compact becomes operative and implemented in the course of a fiscal year, and shall be established after consultation with the Tribe. On September 1st, annually, the State, after receiving any objections to the proposed assessments and making such changes or adjustments as may be indicated, shall assess the Tribe for the costs of regulation. The Tribe shall thereafter make a payment representing one-third of the assessment within a 20-day period, and shall make payments thereafter on January 1st and April 1st annually.

(C) **Procedure for Appeal of Assessments**. If the State or the Tribe is aggrieved because of any assessment levied pursuant to this Compact, it may, within 31 days from the time provided for the payment of such assessment, elect to resolve the matter pursuant to Section 29.

(D) **Adjustment of Excess Assessments**. In the event the arbitrators find that the total assessment paid by the Tribe during any fiscal year to the State is less than or exceeds the actual, reasonable and necessary costs of regulating gaming operations pursuant to this Compact during such fiscal year, then the State shall adjust the assessment for the succeeding fiscal year in the amount necessary to offset such shortage or excess assessment. If the State or the Tribe is aggrieved because of any failure by the State to make such an adjustment or because of the Tribe's failure to pay the adjusted amount, any claim for such adjustment shall be presented in the appeal of the assessment as provided in Section 29.

(E) **Adjustment for Termination of Regulatory Oversight**. If the State ends regulatory oversight during the course of a fiscal year in accordance with the terms of this Compact, then there shall be a pro rata adjustment to the assessment made by the State in accordance with Subsections 24(A) and (D).

Section 25: Public Health and Safety.

(A) **Compliance**. The construction, maintenance, and operation of the tribal gaming facility shall comply with the then most recent edition of the following, to the extent adopted by Tribal law and to the extent such standards are both directly related to and necessary for the licensing and regulation of gaming activity because they are applicable to areas in the Tribe's facilities where gaming or gaming related activities occur.

(1) The Uniform Building Code;

(2) The Uniform Mechanical Code;

(3) The Uniform Plumbing Code;

(4) The Uniform Fire Code;

(5) The National Electric Code;

(6) The Americans With Disabilities Act; and

(7) Other applicable local building codes and standards that are applicable to areas of the Tribe's facility where gaming or gaming-related activities occur.

(B) Emergency Service Accessibility. The Tribal Gaming Commission shall make provisions for adequate emergency accessibility and service.

(C) Alcoholic and Cereal Malt Beverages. Sale, possession, and consumption of alcoholic and cereal malt beverages in the gaming facility shall be regulated in conformity with state law as provided in 18 U.S.C. § 1161.

(D) Unemployment Compensation; Workers Compensation. All key employees, standard gaming employees, and non-gaming employees shall be covered by Unemployment Compensation and Workers Compensation benefits equivalent to that provided by state law.

(E) Consultation With Local Authorities. The Tribe shall consult with appropriate state and county officials concerning maintenance and safety of roads, bridges, and other infrastructure made necessary by implementation of this Compact.

Section 26: Use of Net Revenues.

Net revenues from each Class III gaming activity or operation conducted pursuant to this Compact shall be used only for the following purposes:

(A) To fund tribal government operations or programs;

(B) To provide for the general welfare of the Tribe and its members;

(C) To promote tribal economic development;

(D) To donate to charitable organizations;

(E) To help fund operations of local government agencies; or

(F) Any other purposes permitted under IGRA.

Section 27: Tribal Authority in the Event that the State Declines to Exercise Jurisdiction.

(A) Default Authority of Tribal Gaming Commission. In the event that the State fails to designate a State Gaming Agency or declines to exercise any portion of the authority vested in the state Gaming Agency pursuant to this Compact, then the

Tribal Gaming Commission shall exercise such authority and carry out the responsibilities set forth therein until and unless the State advises the Tribe in writing that it has designated such a State Gaming Agency and is prepared to exercise such authority. Upon such written notice, all responsibility of the State provided for in this Compact shall automatically vest exclusively in such State Gaming Agency.

(B) Default Authority of Tribal Law Enforcement Agency. In the event that the State declines to exercise any law enforcement responsibilities vested in it pursuant to this Compact, then the Tribe, in conjunction with the federal government, shall carry out such responsibility until and unless the State advises the Tribe in writing that it agrees to exercise such responsibility. Upon such written notice, all such law enforcement responsibility of the State provided for in this Compact shall automatically vest exclusively in the State.

Section 28: Notices.

Unless otherwise indicated differently, all notices, payments, requests, reports, information, or demand which either party hereto may desire or may be required to give to the other, shall be in writing and shall be personally delivered or sent by first class certified or registered United States Mail, postage prepaid, return receipt requested, and sent to the other party at its address appearing below or such other address as any party shall hereinafter inform the other party hereto by written notice given as aforesaid:

Notice to the Tribe shall be sent to:

Wyandotte Nation
8 Turtle Drive
Wyandotte, OK 74370; and

Chairman of the Wyandotte Gaming Commission
8 Turtle Drive
Wyandotte, OK 74370

Notice to the State shall be sent to:

Governor's Office
2nd Floor
State Capitol Building
300 Southwest 10th Avenue
Topeka, Kansas 66612; and,

Attorney General

2nd Floor
120 SW 10th Avenue
Topeka Kansas 66612-1597

Provided, that notice to the State shall be sent instead to the State Gaming Agency after the Tribe is notified to do so in writing either by the Governor or by the Attorney General. Every notice, payment, request, report, information, or demand so given shall be deemed effective upon receipt, or if mailed, upon receipt or the expiration of the third day following the day of mailing, whichever occurs first, except that any notice of change of address shall be effective only upon receipt by the party to whom said notice is addressed.

Section 29: Dispute Resolution.

(A) General. Each party warrants that it will use its best efforts to negotiate an amicable resolution of any dispute between the Tribe and the State arising from this Compact whether as to the construction or operation thereof or the respective rights and liabilities of the Tribe and the State thereunder. If the Tribe and the State are unable to negotiate an amicable resolution of a dispute within a reasonable period of time deemed to be not less than 14 days, either party may refer the matter to arbitration under this Section.

(B) Arbitration. Arbitration may be initiated by written notice pursuant to Section 28 hereof. Within seven days thereafter, each party shall notify the other party of its nominee for an arbitrator. If the Tribe and the State can agree upon the nomination of a single arbitrator for the dispute, such person shall serve as sole arbitrator of the dispute. If the Tribe and the State do not agree upon the nomination of a single arbitrator, each party's nominee shall serve as arbitrator upon a panel of three, and those two arbitrators shall nominate the third to serve with them. In the event the two arbitrators fail for any reason to name the third arbitrator within two weeks after the nomination of the last nominated one of them, either nominee shall be entitled to ask the American Arbitration Society to name the third arbitrator. The arbitrators shall commence proceedings within 30 days after their appointment, and hold proceedings providing each party a fair opportunity to present its side of the dispute, together with any documents or other evidence relevant to resolution of the dispute. The arbitration decision shall be signed by the arbitrators and shall be made within 30 days after all evidence relevant to resolution of the dispute has been received by the arbitrators, but no later than 45 days after proceedings are commenced. The arbitration decision shall be final and binding upon the Tribe and the State unless, during or following completion of the arbitration proceedings, the Tribe and the State have met and arrived at a different settlement of the dispute.

(C) **Enforcement**. If enforcement of a settlement or arbitration decision becomes necessary by reason of failure of one or both parties to implement its terms voluntarily, or if one of the parties refuses to participate in arbitration as provided in this Section and the other party seeks enforcement of any provision of this Compact, the Tribe and the State agree that the matter may be resolved by judicial resolution and enforcement and that venue for judicial resolution and enforcement shall be in the United States District Court for Kansas pursuant to the specific provisions of this Section.

(D) **Expenses of Dispute Resolution or Judicial Enforcement Between the Tribe and the State**. The reasonable expenses of dispute resolution by arbitration or judicial enforcement between the Tribe and the State under this Section shall be paid by the losing party unless the parties agree otherwise.

(E) **Limited Waiver of Sovereign Immunity By the Tribe and Rights to Tribal Remedies**. The Tribe hereby waives its sovereign immunity, its right to require exhaustion of tribal remedies, and its right to seek tribal remedies with respect to any dispute over this Compact, effective only if the Tribe fails to implement the terms of a settlement or arbitration voluntarily or refuses to participate in arbitration, and subject to the following specific limitations:

(1) **Limitation of Claims**. The waiver granted herein shall encompass only claims for equitable remedies, state assessments for costs of oversight provided in Section 24, and reasonable expenses of dispute resolution by arbitration or judicial enforcement provided in this Section, but shall not otherwise encompass claims which seek monetary relief, including but not limited to damages, penalties or attorneys fees.

(2) **Time Period**. The waiver granted herein shall commence as of the Effective Date of this Compact and shall continue until the date of its termination or cancellation, except that the waivers shall remain effective for any proceedings then pending, and all appeals therefrom.

(3) **Recipient of Waiver**. The waiver of sovereign immunity is limited to the State.

(4) **Federal Question**. The Tribe and the State agree that judicial resolution and enforcement of any dispute between the Tribe and the State regarding this

Compact, or a settlement or arbitration decision with respect thereto, involves questions of federal law.

(5) **Applicable Law**. The law governing any such suit shall be limited to applicable federal law, the common law of the United States, any State law made applicable by IGRA, and tribal law as interpreted by the Tribal Courts.

(6) **Service of Process**. In any such suit, service on the Tribe shall be effective if made by certified mail, return receipt requested, to the Chief of the Tribe at the address set forth in Section 28.

(7) **Enforcement**. The Tribe agrees to waive its sovereign immunity from a judgment or order which is final because either the time for appeal thereof has expired or the judgment or order is issued by a court having final appellate jurisdiction over the matter. The Tribe agrees to accept and be bound by any order or judgment of the United States District Court for Kansas or any other court having appellate jurisdiction over such court. Further, the Tribe waives its sovereign immunity as to enforcement in any federal court of any such final judgment against the Tribe.

(F) Property and Funds Pledged and Assigned By the Tribe to Satisfy Enforcement Proceedings; Limitation Upon Enforcement.

(1) **Property and Funds Specifically Pledged and Assigned**. Property and funds specifically pledged and assigned to satisfy any dispute resolution by arbitration or enforcement proceedings pursuant to this Section shall comprise only the following:

(a) All assets of any enterprise established by the Tribe to operate any Class III gaming activity in the State of Kansas or operation pursuant to this Compact;

(b) The distributable share of Net Profit of the Tribe from any such enterprise, any other Class III gaming activity or operation of the kind contemplated hereunder and any future Class III gaming activity or operation of the kind contemplated hereunder which is operated by or for the Tribe; provided that none of the above shall include any property held in trust for the Tribe by the United States.

(2) **Limitation Upon Enforcement Against the Tribe**. Any award against the Tribe shall be satisfied solely from assets specified in Subsection 29(F)(1) and shall not constitute a lien upon or be collectable from any other income or assets

of the Tribe, except with the Tribe's consent. Specifically, except as provided above, no award for damages, interest, attorneys fees or costs may ever be satisfied pursuant to this partial waiver of sovereign immunity against any other assets of the Tribe, its subordinate entities or officials, including money or real and personal property of every kind or description, whether on or off tribal land, derived from any source whatever other than any Class III gaming activity or operation which is operated by or for the Tribe pursuant to this Compact.

(G) Guarantee of Tribe Not To Revoke Waiver of Sovereign Immunity. The Tribe agrees not to revoke its waiver of sovereign immunity contained in this Section. In the event of any such revocation, the State may, at its option, declare this Compact terminated for breach by the Tribe.

(H) Credit of the Tribe. Except as provided in this Section, this waiver of sovereign immunity shall not implicate or in any way involve the credit of the Tribe.

(I) Waiver of Sovereign Immunity By the State. The State hereby waives its sovereign immunity to the same extent as the Tribe, effective only if the State fails to implement the terms of a settlement or arbitration voluntarily or refuses to participate in arbitration pursuant to this Compact, and subject to the specific limitations provided in Subsection 29(E)(1), (2) and (3).

Section 30: Reservation of Rights under the Indian Gaming Regulatory Act.

(A) Tribal Right to Additional Compacts. The Tribe and the State agree that by entering into this Compact, the Tribe shall not be deemed to have waived its right to initiate and pursue the procedures provided by IGRA if the State should refuse to enter into another Compact with respect to other forms of Class III gaming, and neither the Tribe nor the State shall be deemed to have waived any rights, arguments, or defenses applicable to such a procedure.

(B) Status of Class II Gaming. Nothing in this Compact shall be deemed to affect the operation by the Tribe of any Class II gaming activity or operation as defined in IGRA, whether conducted within or without the gaming facility, or to confer upon the State any jurisdiction over such Class II gaming activity or operation conducted by the Tribe on its respective jurisdiction, including the use of electronic, computer, or other technologic aids used in connection with Class II gaming, as authorized by IGRA and regulations of the Indian Gaming Commission.

(C) Taxation by the State. Nothing in this Compact shall be deemed to authorize the

State to impose any tax, fee, charge, or assessment upon the Tribe, any management contractor, or any gaming activity or operation except for the reimbursement of expenses expressly authorized pursuant to Section 24 of this Compact, nor to diminish the State's right to tax as provided by applicable federal and state law. However, to the extent that the Tribe is required under federal law to withhold federal income tax from gaming winnings, the Tribe agrees to withhold state individual income tax from Class III gaming winnings of non-Indians in the amounts set forth in applicable Kansas law as requested by the patron and to furnish the State with copies of all reports of Class III gaming winnings which the Tribe is required by federal law to furnish to the Internal Revenue service.

(D) **Preservation of Tribal Self-Government**. Nothing in this Compact shall be deemed to authorize the State to regulate in any manner the government of the Tribe, including the Tribal Gaming Commission, or to interfere in any manner with the Tribe's selection of governmental officers including members of the Tribal Gaming Commission.

Section 31: Entire Agreement.

This Compact is the entire agreement between the parties and supersedes all prior agreements whether written or oral, with respect to the subject matter hereof. Neither this Compact nor any provision herein may be changed, waived, discharged, or terminated orally, but only by an instrument in writing.

Section 32: No Assignment.

Neither the State nor the Tribe may assign any of its rights, title, or interest in this Compact, nor may either delegate any of its respective obligations and duties except as expressly provided herein. Any attempted assignment or delegation in contravention of the foregoing shall be void.

Section 33: Amendment.

The Tribe and the State, through the Governor or the Legislature by concurrent resolution, may request negotiations to amend, modify, or replace this Compact. In the event either wishes to do so, such party shall notify the other of provisions which it believes require amendment. In the event of such a request, this Compact shall remain in effect until amended, modified, or replaced. Such notice shall be in writing and shall be sent by certified mail to the Chief of the Tribe, the Director of the State Gaming Agency, or any other appropriate governmental official of either. Upon receipt of such notice, the parties shall engage in good faith efforts to resolve the issues identified in the notice. The parties shall have 180 days to negotiate amendments and all further procedures and remedies available under IGRA shall apply. The State and the Tribe may agree to extend the 180-day period without prejudice to the rights of either party.

Section 34: Singular and Plural.

Wherever referred to herein, terms designated by the singular shall include the plural and the plural shall include the singular.

Section 35: Date of Laws Adopted Herein.

Except as provided otherwise in Section 4 and Subsections 3(D) laws adopted herein are adopted as of the Effective Date of this Compact.

Section 36: Consistency With State Statutes.

Notwithstanding any provision of statutes of the State, and consistent with IGRA and this Compact, no person or entity which engages in any gaming in accordance with this Compact and IGRA shall be in violation of any state gaming statute, criminal or civil.

Section 37: Severability.

Each provision, section, and subsection of this Compact shall stand separate and independent of every other provision, section, or subsection. In the event that a court of competent jurisdiction shall find any provision, section, or subsection of this Compact to be invalid, the remaining provisions, sections, and subsections of the Compact shall remain in full force and effect.

Section 38: Authority to Execute.

Each of the undersigned represents that he is duly authorized and has the authority to execute this Compact on behalf of the party for whom he is signing.

IN WITNESS WHEREOF, the parties hereto have caused this Compact to be executed as indicated below.

Wyandotte Nation	State of Kansas
Billy Friend	Laura Kelly
Chief Billy Friend	Governor Laura Kelly
Date: 3/31/26	Date: March 31, 2026
By:______________	

Assistant Secretary- Indian Affairs

Date:______________

Wyandotte Nation Gaming

Tribal Internal Control Standards

06-16-2014

Table of Contents

Definitions

The definitions in this section apply to all sections of this part unless otherwise noted.

***Accountability**.* All financial instruments, receivables, and patron deposits constituting the total amount for which the bankroll custodian is responsible at a given time. 543

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. Account access cards are not “smart cards.”542

Accountability means all items of cash, chips, coins, tokens, plaques, receivables, and customer deposits constituting the total amount for which the bankroll custodian is responsible at a given time. 542

Accumulated credit *payout* means credit earned in a gaming machine that is paid to a customer manually in lieu of a machine payout. 542

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. 542

***Agent**.* A person authorized by the gaming operation, as approved by the TGRA, to make decisions or perform assigned tasks or actions on behalf of the gaming operation. 543

Ante means a player's initial wager or predetermined contribution to the pot before the dealing of the first hand. 542

***Automated payout**.* Payment issued by a machine. 543

Betting station means the area designated in a pari-mutuel area that accepts wagers and pays winning bets. 542

Betting ticket means a printed, serially numbered form used to record the event upon which a wager is made, the amount and date of the wager, and sometimes the line or spread (odds). 542

Bill acceptor means the device that accepts and reads cash by denomination in order to accurately register customer credits. 542

Bill acceptor canister means the box attached to the bill acceptor used to contain cash received by bill acceptors. 542

Bill ***acceptor canister release key*** means the key used to release the bill acceptor canister from the bill acceptor device. 542

Bill acceptor canister storage rack key means the key used to access the storage rack where bill acceptor canisters are secured. 542

Bill acceptor drop means cash contained in bill acceptor canisters. 542

Bill-in meter means a meter included on a gaming machine accepting cash that tracks the number of bills put in the machine. 542

Boxperson means the first-level supervisor who is responsible for directly participating in and supervising the operation and conduct of a craps game. 542

Breakage means the difference between actual bet amounts paid out by a racetrack to bettors and amounts won due to bet payments being rounded up or down. For example, a winning bet that should pay $4.25 may be actually paid at $4.20 due to rounding. 542

Cage*.* A secure work area within the gaming operation for cashiers, which may include a storage area for the gaming operation bankroll. 543

Cage accountability form means an itemized list of the components that make up the cage accountability. 542

Cage credit means advances in the form of cash or gaming chips made to customers at the cage. Documented by the players signing an IOU or a marker similar to a counter check. 542

Cage marker form means a document, signed by the customer, evidencing an extension of credit at the cage to the customer by the gaming operation. 542

Calibration module means the section of a weigh scale used to set the scale to a specific amount or number of coins to be counted. 542

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. 542

Card game means a game in which the gaming operation is not party to wagers and from which the gaming operation 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. 542

Card room bank means the operating fund assigned to the card room or main card room bank. 542

Cash equivalents*.* Documents, financial instruments other than cash, or anything else of representative value to which the gaming operation has assigned a monetary value. A cash equivalent includes, but is not limited to, tokens, chips, coupons, vouchers, payout slips and tickets, and other items to which a gaming operation has assigned an exchange value. 543

Cashless system. A system that performs cashless transactions and maintains records of those cashless transactions. 543

Cashless transaction. A movement of funds electronically from one component to another, such as to or from a patron deposit account. 543

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. 542

Chair. The Chair of the National Indian Gaming Commission. 543

Chips means cash substitutes, in various denominations, issued by a gaming operation and used for wagering. 542

Class II gaming. Class II gaming has the same meaning as defined in 25 U.S.C. 2703(7) (A). 543

Class II gaming system. All components, whether or not technologic aids in electronic, computer, mechanical, or other technologic form, that function together to aid the play of one or more Class II games, including accounting functions mandated by these regulations or part 547 of this chapter. 543

Coin-in meter means the meter that displays the total amount wagered in a gaming machine that includes coins-in and credits played. 542

Coin meter count machine means a device used in a coin room to count coin. 542

Coin room means an area where coins and tokens are stored. 542

Coin room inventory means coins and tokens stored in the coin room that are generally used for gaming machine department operation. 542

Commission. The National Indian Gaming Commission, established by the Indian Gaming Regulatory Act, 25 U.S.C. 2701 *et seq. 542/*543

Complimentary services and items. Services and items provided to a patron at the discretion of an agent on behalf of the gaming operation or by a third party on behalf of the gaming operation. Services and items may include, but are not limited to, travel, lodging, food, beverages, or entertainment expenses. 543

Count. The act of counting and recording the drop and/or other funds. Also, the total funds counted for a particular game, player interface, shift, or other period. 542/543

Count room. A secured room where the count is performed in which the cash and cash equivalents are counted. 542/543

Count team means personnel that perform either the count of the gaming machine drop and/or the table game drop. 542

Counter check means a form provided by the gaming operation for the customer to use in lieu of a personal check. 542

Counter Game means a game in which the gaming operation is a party to wagers and wherein the gaming operation documents all wagering activity. The term includes, but is not limited to, bingo, keno, and pari-mutuel race books. The term does not include table games, card games and gaming machines. 542

Coupon*.* A financial instrument of fixed wagering value, that can only be used to acquire non-cashable credits through interaction with a voucher system. This does not include instruments such as printed advertising material that cannot be validated directly by a voucher system. 543

Credit means the right granted by a gaming operation to a customer to defer payment of debt or to incur debt and defer its payment. 542

Credit limit means the maximum dollar amount of credit assigned to a customer by the gaming operation. 542

Credit slip means a form used to record either:

(1) The return of chips from a gaming table to the cage; or

(2) The transfer of IOUs, markers, or negotiable checks from a gaming table to a cage or bankroll. 542

Currency cassette*.* A compartment that contains a specified denomination of currency. Currency cassettes are inserted into kiosks, allowing them to dispense currency. 543

Customer deposits means the amounts placed with a cage cashier by customers for the customers' use at a future time. 542

Deal means a specific pull tab game that has a specific serial number associated with each game. 542

Dealer means an employee who operates a game, individually or as a part of a crew, administering house rules and making payoffs. 542

Dedicated camera*.* A video camera that continuously records a specific activity. 542/543

Deskman means a person who authorizes payment of winning tickets and verifies payouts for keno games. 542

Draw ticket means a blank keno ticket whose numbers are punched out when balls are drawn for the game. Used to verify winning tickets. 542

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. 542

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. 542

Drop box. A locked container in which cash or cash equivalents are placed at the time of a transaction, typically used in card games. It is affixed to the gaming table into which the drop is placed. The game type, table number, and shift are indicated on the box. 542/543

Drop box contents keys means the key used to open drop boxes. 542

Drop box release keys means the key used to release drop boxes from tables. 542

Drop box storage rack keys means the key used to access the storage rack where drop boxes are secured. 542

Drop proceeds. The total amount of financial instruments removed from drop boxes and financial instrument storage components. 543

Drop bucket means a container located in the drop cabinet (or in a secured portion of the gaming machine in coinless/cashless configurations) for the purpose of collecting coins, tokens, cash-out tickets, and coupons from the gaming machine. 542

Drop cabinet means the wooden or metal base of the gaming machine that contains the gaming machine drop bucket. 542

Drop period means the period of time that occurs between sequential drops.542

Earned and unearned take means race bets taken on present and future race events. Earned take means bets received on current or present events. Unearned take means bets taken on future race events. 542

EPROM means erasable programmable read-only memory or other equivalent game software media. 542

Exception report. A listing of occurrences, transactions or items that fall outside a predetermined range of acceptability. 543

Fill means a transaction whereby a supply of chips, coins, or tokens is transferred from a bankroll to a table game or gaming machine.

Fill slip means a document evidencing a fill.

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:

(1) Name of the game;

(2) Manufacturer name or manufacturer's logo;

(3) Ticket count; and

(4) Prize structure, which shall include the number of winning pull tabs by denomination, with their respective winning symbols, numbers, or both. 542

Financial ***instrument****.* Any tangible item of value tendered in Class II game play, including, but not limited to bills, coins, vouchers, and coupons. 543

Financial instrument storage component*.* Any component that stores financial instruments, such as a drop box, but typically used in connection with player interfaces. 543

Future wager, means bets on races to be run in the future (e.g., Kentucky Derby). 542

Game server means an electronic selection device, utilizing a random number generator. 542

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. 542

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. 542

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. 542

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. 542

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. 542

Gaming operation accounts receivable *(for gaming operation credit)* means credit extended to gaming operation customers in the form of markers, returned checks, or other credit instruments that have not been repaid. 542

Gaming promotion. Any promotional activity or award that requires game play as a condition of eligibility. 543

Generally Accepted Accounting Principles *(**GAAP**).* A widely accepted set of rules, conventions, standards, and procedures for reporting financial information, as established by the Financial Accounting Standards Board (FASB), including, but not limited to, the standards for casino accounting published by the American Institute of Certified Public Accountants (AICPA). 543

Generally Accepted Auditing Standards *(**GAAS**).* A widely accepted set of standards that provide a measure of audit quality and the objectives to be achieved in an audit, as established by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA). 543

Governmental Accounting Standards Board *(**GASB**).* Generally accepted accounting principles used by state and local governments. 543

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. 542

Hold means the relationship of win to coin-in for gaming machines and win to drop for table games. 542

Hub means the person or entity that is licensed to provide the operator of a pari-mutuel wagering operation information related to horse racing that is used to determine winners of races or payoffs on wagers accepted by the pari-mutuel wagering operation. 542

Independent. The separation of functions to ensure that the agent or process monitoring, reviewing, or authorizing the controlled activity, function, or transaction is separate from the agents or process performing the controlled activity, function, or transaction. 543

Internal audit means persons who perform an audit function of a gaming operation 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 operation. Internal audit activities should be conducted in a manner that permits objective evaluation of areas examined. Internal audit personnel may provide audit coverage to more than one operation within a Tribe's gaming operation holdings. 542

Issue slip means a copy of a credit instrument that is retained for numerical sequence control purposes. 542

Kiosk*.* A device capable of redeeming vouchers and/or wagering credits or initiating electronic transfers of money to or from a patron deposit account. 543

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. 542

Lines of credit*.* 543 The privilege granted by a gaming operation to a patron to:

(1) Defer payment of debt; or

(2) Incur debt and defer its payment under specific terms and conditions.

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. 542

Main card room bank means a fund of cash, coin, and chips used primarily for poker and pan card game areas. Used to make even cash transfers between various games as needed. May be used similarly in other areas of the gaming operation. 542

Manual payout*.* Any non-automated payout.

Marker means a document, signed by the customer, evidencing an extension of credit to him by the gaming operation. 542/543

Marker credit play means that players are allowed to purchase chips using credit in the form of a marker. 542

Marker inventory form means a form maintained at table games or in the gaming operation pit that are used to track marker inventories at the individual table or pit. 542

Marker transfer form means a form used to document transfers of markers from the pit to the cage. 542

Master credit record means a form to record the date, time, shift, game, table, amount of credit given, and the signatures or initials of the persons extending the credit. 542

Master game program number means the game program number listed on a gaming machine EPROM. 542

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. 542

Mechanical coin counter means a device used to count coins that may be used in addition to or in lieu of a coin weigh scale. 542

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. 542

MICS. Minimum internal control standards in this part. 543

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. 542

Multi-game machine means a gaming machine that includes more than one type of game option. 542

Multi-race ticket means a keno ticket that is played in multiple games. 542

Network communication equipment. A device or collection of devices that controls data communication in a system including, but not limited to, cables, switches, hubs, routers, wireless access points, landline telephones and cellular telephones. 543

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. 542

Order for credit means a form that is used to request the transfer of chips or markers from a table to the cage. The order precedes the actual transfer transaction that is documented on a credit slip. 542

Outstation means areas other than the main keno area where bets may be placed and tickets paid. 542

Par percentage means the percentage of each dollar wagered that the house wins (i.e., gaming operation advantage). 542

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. 542

Pari-mutuel wagering means a system of wagering on horse races, jai-alai, greyhound, and harness racing, where the winners divide the total amount wagered, net of commissions and operating expenses, proportionate to the individual amount wagered. 542

Patron. A person who is a customer or guest of the gaming operation and may interact with a Class II game. Also may be referred to as a “player.” 543

Patron deposit account. An account maintained on behalf of a patron, for the deposit and withdrawal of funds for the primary purpose of interacting with a gaming activity. 543

Payment slip means that part of a marker form on which customer payments are recorded. 542

Payout means a transaction associated with a winning event. 542

PIN means the personal identification number used to access a player's account. 542

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. 542

Pit supervisor means the employee who supervises all games in a pit. 542

Player interface*.* Any component(s) of a Class II gaming system, including an electronic or technologic aid (not limited to terminals, player stations, handhelds, fixed units, etc.), that directly enables player interaction in a Class II game. 543

Player tracking system means a system typically used in gaming machine departments that can record the gaming machine play of individual customers. 542

Post time means the time when a pari-mutuel track stops accepting bets in accordance with rules and regulations of the applicable jurisdiction. 542

Primary and secondary jackpots means promotional pools offered at certain card games that can be won in addition to the primary pot. 542

Prize payout*.* Payment to a player associated with a winning or qualifying event. 543

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. 542

Progressive jackpot means deferred payout from a progressive gaming machine. 542

Progressive table game means table games that offer progressive jackpots. 542

Promotional payout means merchandise or awards given to players by the gaming operation based on a wagering activity. 542

Promotional progressive pots and/or pools*.* Funds contributed to a game by and for the benefit of players that are distributed to players based on a predetermined event. 542/543

Rabbit ears means a device, generally V-shaped, that holds the numbered balls selected during a keno or bingo game so that the numbers are visible to players and employees. 542

Rake means a commission charged by the house for maintaining or dealing a game such as poker. 542

Rake circle means the area of a table where rake is placed. 542

Random number generator means a device that generates numbers in the absence of a pattern. May be used to determine numbers selected in various games such as keno and bingo. Also commonly used in gaming machines to generate game outcome. 542

Reel symbols means symbols listed on reel strips of gaming machines. 542

Rim credit means extensions of credit that are not evidenced by the immediate preparation of a marker and does not include call bets. 542

Runner means a gaming employee who transports chips/cash to or from a gaming table and a cashier. 542

SAM means a screen-automated machine used to accept pari-mutuel wagers. SAM's also pay winning tickets in the form of a voucher, which is redeemable for cash. 542

Series number 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. 542

Shift*.* A time period, unless otherwise approved by the Tribal Gaming Regulatory Authority, not to exceed 24 hours. 542/543

Shill*.* An agent financed by the gaming operation and acting as a player. 542/543

Short pay means a payoff from a gaming machine that is less than the listed amount. 542

Soft count means the count of the contents in a drop box or a bill acceptor canister. 542

Smart card*.* A card with embedded integrated circuits that possesses the means to electronically store or retrieve account data. 543

Statistical drop means total amount of money, chips and tokens contained in the drop boxes, plus pit credit issued, minus pit credit payments in cash in the pit. 542

Statistical win means closing bankroll, plus credit slips for cash, chips or tokens returned to the cage, plus drop, minus opening bankroll, minus fills to the table, plus marker credits. 542

Sufficient clarity*.* The capacity of a surveillance system to record images at a minimum of 20 frames per second or equivalent recording speed and at a resolution sufficient to clearly identify the intended activity, person, object, or location. 542/543

Surveillance operation room(s)*.* The secured area(s) where surveillance takes place and/or where active surveillance equipment is located. 542/543

Surveillance system*.* A system of video cameras, monitors, recorders, video printers, switches, selectors, and other equipment used for surveillance. 542/543

SICS *(**System of Internal Control Standards**).* An overall operational framework for a gaming operation that incorporates principles of independence and segregation of function, and is comprised of written policies, procedures, and standard practices based on overarching regulatory standards specifically designed to create a system of checks and balances to safeguard the integrity of a gaming operation and protect its assets from unauthorized access, misappropriation, forgery, theft, or fraud. 543

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. 542

Table inventory means the total coins, chips, and markers at a table. 542

Table inventory form means the form used by gaming operation supervisory personnel to document the inventory of chips, coins, and tokens on a table at the beginning and ending of a shift. 542

Table tray means the container located on gaming tables where chips, coins, or cash are stored that are used in the game. 542

Take means the same as earned and unearned take. 542

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. 542

542**- **Tier A means gaming operations with annual gross gaming revenues of more than $1 million but not more than $5 million.

542**- **Tier B means gaming operations with annual gross gaming revenues of more than $5 million but not more than $15 million.

*542- **Tier C*** means gaming operations with annual gross gaming revenues of more than $15 million.

***543- Tier A**.* Gaming operations with annual gross gaming revenues of more than $3 million but not more than $8 million.

***543**- **Tier B**.* Gaming operations with annual gross gaming revenues of more than $8 million but not more than $15 million.

***543- Tier C**.* Gaming operations with annual gross gaming revenues of more than $15 million.

***TGRA**.* Tribal Gaming Regulatory Authority, which is the entity authorized by tribal law to regulate gaming conducted pursuant to the Indian Gaming Regulatory Act. 543

***TICS**.* Tribal Internal Control Standards established by the TGRA that are at least as stringent as the standards set forth in this part. 543

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. 542

Tokens means a coin-like cash substitute, in various denominations, used for gambling transactions. 542

***Vault**.* A secure area where cash and cash equivalents are stored. 542/543

***Voucher**.* A financial instrument of fixed wagering value, usually paper, that can be used only to acquire an equivalent value of cashable credits or cash through interaction with a voucher system. 543

***Voucher system**.* A system that securely maintains records of vouchers and coupons; validates payment of vouchers; records successful or failed payments of vouchers and coupons; and controls the purging of expired vouchers and coupons. 543

Weigh/count means the value of coins and tokens counted by a weigh machine. 542

Weigh scale calibration module means the device used to adjust a coin weigh scale. 542

Weigh scale interface means a communication device between the weigh scale used to calculate the amount of funds included in drop buckets and the computer system used to record the weigh data. 542

Weigh tape means the tape where weighed coin is recorded. 542

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. 542

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. 542

Win-to-write hold percentage means win divided by write to determine hold percentage. 542

Wrap means the method of storing coins after the count process has been completed, including, but not limited to, wrapping, racking, or bagging. May also refer to the total amount or value of the counted and stored coins. 542

Write means the total amount wagered in keno, bingo, pull tabs, and pari-mutuel operations. 542

Writer means an employee who writes keno, bingo, pull tabs, or pari-mutuel tickets. A keno writer usually also makes payouts. 542

542 - [67 FR 43400, June 27, 2002, as amended at 70 FR 23021, May 4, 2005; 71 FR 27391, May 11, 2006]

543 -[77 FR 58712, Sept. 21, 2012, as amended at 78 FR 63874, Oct. 25, 2013]

Casino Compliance

1. (a) If there is a direct conflict between an internal control standard established in a 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.

(b) If an internal control standard in a 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.

(c) If an internal control standard or a requirement set forth in this part provides a level of control that exceeds the level of control under an internal control standard established in a Tribal-State compact, then the internal control standard or requirement set forth in this part shall prevail.

2.(a) Minimum standards. These are minimum standards the TGRA has established and implemented to ensure best industry practices are adhered to adequately account for and protect tribal assets.

(b) TICS. TGRAs is responsible to ensure that TICS are established and implemented that provide an refined level of control that exceeds the applicable standards set forth in the MICS.

(1) Evaluation of existing TICS. Each TGRA must, in accordance with the tribal gaming ordinance, determine whether and to what extent their TICS require revision to ensure compliance.

(2) Compliance date. All changes necessary to ensure compliance at the discretion of the TGRA, will be amended, approved, and provided to the gaming operations for review and comment. Time frames to come into compliance with the TICS will be discussed, agreed upon and documented.

(c) SICS. Each gaming operation must develop a SICS, as approved by the TGRA, to implement the TICS. It is recommended each Class III gaming operations develop SICS to provide clarity how the casino will implement the TICS.

(d) Variances. Where referenced throughout this part, the gaming operation must set a reasonable threshold, approved by the TGRA, for when a variance to compliance must be reviewed to determine the cause, and the results of the review must be documented and maintained and made available upon request to the TGRA.

(e) Computer applications. For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control established by the standards of this part, as approved in writing by the TGRA, will be acceptable.

Required notification to TGRA, as specified throughout this document, will made in writing (email, or other written form).

(f) Determination of tier.

(1) The determination of tier level will be made based upon the annual gross gaming revenues indicated within the gaming operation's audited financial statements.

(2) Gaming operations moving from one tier to another will have nine months from the date of the independent certified public accountant's audit report to achieve compliance with the requirements of the new tier. The TGRA may extend the deadline by an additional six months if written notice is provided to the Commission no later than two weeks before the expiration of the nine month period.

(g) Enforcement of Commission MICS.

(1) Each TGRA is required to establish and implement TICS. Each gaming operation is required to implement the TICS. Class II gaming operations are required to develop a SICS defining how they will implement the TICS. It is a good business practice for Class III gaming operations to follow. Failure for Class II gaming operations to comply with this subsection may subject the tribal operator of the gaming operation, or the management contractor, to penalties under 25 U.S.C. 2713.

Gaming operation may apply to use an alternate minimum standard from those set forth in this part.

TGRA may approve an alternate standard from those required by this part if it has determined that the alternate standard will achieve a level of security and integrity sufficient to accomplish the purpose of the standard it is to replace.

Conflicts of Interest

A NIGC Bulletin 99-3. The NIGC has found that a well-run tribal gaming commission is free to regulate without undue interference from tribal leadership and strongly recommends a separation of duties be maintained.

- **a.** "Ideally, no members of a tribal council would serve on the tribal gaming commission. Tribal council members and tribal gaming commission members may not always agree on matters about which the tribal gaming commission has taken a regulatory position because they may approach these matters from different perspectives." (NIGC Bulletin 99-3)

- **b.** "Actual and perceived independence for a tribal gaming commission is fostered if the roles of council member and gaming commissioner are separate and distinct." (NIGC Bulletin 99-3)

Nepotism. The gaming operation shall develop rules and procedures for the separation of duties among incompatible positions for immediate family members.

(A) Immediate family members shall not participate in gaming activities where a potential for collusion would jeopardize assets.

Any amendments to the TICS require TGRA approval in accordance with the Regulations. The TGRA may approve alternative TICS that accomplish the intended control required by the TICS.

Prior to making any changes in gaming activities, the gaming operation shall notify the TGRA and shall complete appropriate changes to the TICS and casino policies and procedures.

SICS Compliance

A. SICS. Each tribal gaming operation shall develop a System of Internal Controls (SICS) that, at a minimum, complies with these TICS.

1. The SICS shall be approved by the TGRA.

2. Each tribal gaming operation may establish and implement additional controls beyond these minimum standards, as long as they do not conflict with the standards established herein and are approved by TGRA.

CPA Testing

TGRA shall select a certified public accounting firm for compliance testing. An independent certified public accountant (CPA) shall be engaged annually to perform procedures to verify that the Gaming Operation is compliant with these TICS. The procedures may be performed in conjunction with the annual audit. The CPA shall report its finding to the Tribe, the TGRA, with a copy provided to the state as required by Compact agreement by the TGRA, and to the management of the Gaming Operation. The Tribe shall submit 2 copies of the report to the NIGC within 120 days of the Gaming Operation's fiscal year end.

CPA Guidelines. The CPA testing shall be conducted in accordance with the procedures set forth in 25 C.F.R. *§542.3(f).*

Gaming Commission access to records. In order to carry out its regulatory responsibilities, to protect tribal assets, and to maintain the integrity of the operations both perceived and real, the Gaming Commission shall have unrestricted access to all areas of the gaming operations and to all records of the gaming facilities. The Gaming Commission has the right and authority to inspect, examine, and monitor all gaming activities, and will be provided immediate access to review, inspect, examine, photocopy and audit all records of the gaming operations. Any resistance or failure to comply with requests, or attempts to hinder the fulfilling of a request, and/or to performing an audit or investigation may result in actions being taken up to and including the suspension and/or revocation of a gaming license. An agent shall not delay the request for information on the basis of receiving prior approval to release information to the TGRA.

Ethics. No employee of the TGRA or the tribal gaming operation(s) shall use or attempt to use, any actual or apparent authority of their position or office, which places or could reasonably be perceived as placing their financial interests, or the financial interests of a family member, or any other business interest with which they are associated, before the interest of the Tribe.

Insurance Coverage. The tribal gaming operation(s) shall carry at a minimum the following liability limits "limit of liability":

1. Two Hundred Fifty Thousand ($250,000) for any one individual;
2. Two Million Dollars ($2,000,000) for any one occurrence for individual injury; and
3. One Million Dollars ($1,000,000) for any one occurrence for property damage.

Prohibited Discretionary Comps. No Key employee, Primary Management Official, member or agent of the TGRA, nor any person directly related to (spouse, child, parent, or sibling) *or* sharing a residence with such persons, shall be authorized to receive Complimentary items without approval from an independent supervisory agent except:

1. Food and beverages valued at under ten dollars ($10.00); or,

2. The same complimentary items that are offered to all members of the general public if at a public event held at a gaming facility.

Commission Equipment. There shall be no tampering with Gaming Commission equipment used in the regulation of Tribal Gaming without proper TGRA authority.

Keys. Deactivation within the Key monitoring system will be immediately upon agents' separation.

Gaming Operations Back of House System. Access controls to all applicable software applications will be terminated immediately at the time of separation.

Vendors. All gaming vendors must be licensed by the TGRA. Non-gaming vendors doing $25,000 business or more in a year are subject to approval by the TGRA prior to conducting business.

1. An Intent To Do Business form, signed by the General Manager shall be submitted to the TGRA for a new vendor, prior to doing business with the casino.

    a. All management positions within the gaming operations will sign confidentiality statements, nondisclosure statements and submit sole source vendor documentation when applicable.

2. Vendors shall have a current identification badge visibly displayed on the upper portion of their body to be clearly seen by staff and surveillance while on property.

Documentation; Record Retention. Documentation of gaming activities and other proprietary information shall be in accordance with the TICS, Compact, Tribal law, and federal law.

1. All documents and records shall be maintained for no less than five (5) years unless sufficient electronic copies are maintained and verified. Electronic data must be maintained for a period no less than 5 years.

2. The destruction of any financial records or documentation, shall occur after the CPA annual audit report is delivered without exceptions and is done in cooperation and attendance of TGRA.

Rules of General Applicability

1. Restrictions for Gaming Enterprises:

(A) Minimum age for players: Will be established in the casino house rules and approved by TGRA. If any person below the ages specified above plays and otherwise qualifies to win any prize, the prize shall not be paid.

(B)Prohibition on alcohol: no gaming enterprise shall allow to be sold or otherwise make available any beverage containing alcohol, including, but not limited to, beer or liquor at any gaming enterprise location without the specific approval of the same by the TGRA with the approval of the Liquor Control Board.

(C) Prohibition on Firearms: no firearms or air-guns which are capable of discharging dangerous projections or propellants including, but not limited to, “bb’s” or CO2 guns, rifles, shotguns, pistols or revolvers, shall be allowed on the premises except as permitted for security by an employed security force or other city, state, or federal law enforcement officers in the course of their official duties.

2. **Enforcement Provisions.** Tribal gaming operation(s) shall continuously adhere to the minimum requirements set forth by the TICS. Noncompliance with any TICS or control procedures is a violation.

3. Tribal gaming operations shall immediately notify TGRA of any investigation being initiated or performed on or involving any agent of the casino, vendors, or persons doing business with Wyandotte Gaming.

4. Employees/agents licensed by Wyandotte Gaming Commission may not hold a gaming license issued by another gaming facility.

5. Gaming license must be worn and visible by surveillance at all times while on duty or off duty when accessing areas not accessible by the general public.

6. Any contact with law enforcement agencies must be reported to TGRA either in writing or in person with 72 hours of the incident, excluding minor traffic offenses where a citation is issued.

7. Any changes in personal status will be reported to TGRA within 72 hours of the status change, i.e. name change, address change, SSN change,)

8. Any and all contact between local, state, and/or federal law enforcement agencies and the Wyandotte Gaming will be disclosed to TGRA if the information may impact the integrity or reputation of the Wyandotte Gaming.

9. No Managers or Directors shall oversee two departments unless documented by an organization chart created by operations and approved by TGRA.

10. All employee/agents transfers and status changes will be approved by TGRA.

11. Any changes to the footprint of the gaming floor must have TGRA approval before the moves or changes take place.

12. Any construction on the gaming property must be approved by TGRA.

13. The surveillance department reports directly to TGRA.

14. Corrections to information originally recorded by an agent on any documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then writing their initials and gaming license number at the correction.

The TGRA may, at its discretion, opt to conduct an independent investigation on any or all incidents, occurrences and events within the tribal gaming environment.

1. The TGRA will monitor violations of such said laws and rules by written notices to individuals, casinos, and vendors. Under most non-emergency circumstances and based on the severity of offense, prior to the issuance of a fine or penalty, the individual or entity receiving the fine or penalty will probably, but not necessarily, have been issued a written Notice of Concern or Notice of Violation to take immediate actions to resolve the situation.

2. The Notice shall contain:

    1. Citing of regulation and/or policy violated;

    2. Description of the violation;

    3. Dates of prior notifications (if applicable);

    4. Date violation must be corrected;

    5. Proposed imposition of a civil fine and/or other penalty and payment schedule (if applicable); and

    6. Notice of right to a hearing before the Commission (if fine or penalty is assessed).

The TGRA may order a fine and/or other penalty in accordance with the established policies and procedures.

1. In the case of repeated violations, the TGRA may deem each act or omission, or each day an act or omission occurs, as a separate violation for the purpose of imposing a total fine and/or penalty assessment.

The TGRA may adjust the amount of the proposed civil fine and/or penalty assessment based upon the following factors:

1. Loss of revenue;
2. Severity of the violation;
3. Extent which the violation impacts the integrity of Wyandotte Gaming;
4. History of the violation;
5. Degree of negligence in causing the violation; and
6. Degree of good faith in attempting to achieve rapid compliance.

Reconsideration, Reduction or Waiver of Fine or Penalty, and Settlement.

1. The TGRA may reduce or waive a fine and/or penalty proposed in order to achieve a settlement of the fine and/or penalty with the recipient and avoid the final imposition; provided, the TGRA receives a written request by the penalty recipient stating why exceptional factors may be present in a particular case and/or why the proposed fine and/or penalty is unjust.
2. A Petition for reconsideration and reduction or waiver of fine or penalty shall contain a detailed description of the facts supporting a finding that the proposed fine and/or other penalty is unjust.
3. In the event an agreement is reached between the TGRA and penalty recipient, the penalty recipient waives all rights to further review and all terms and conditions of the agreement must be met as outlined in the settlement agreement.
4. In the absence of a settlement, the penalty recipient may contest the proposed fine and/or other penalty before the TGRA in accordance with the hearing procedures of the TGRA.

Final Fine or Penalty Assessment. The TGRA, may take the following factors into consideration:

1. Whether the fine and/or penalty recipient:
   - **A.** Knew or reasonably should have known that the action was a violation of any law, regulation, standard, or procedure or was a condition on the individual's License or Permit;
   - **B.** Has previously been disciplined by the TGRA;

C. Realized a monetary gain from the violation;

D. Substantially deviated from industry standards or customs;

E. Offered any mitigating factors for the conduct or violation; and/or

F. Cooperated with the TGRA during the investigation of the violation.

2. A fine and/or penalty assessment shall become final and subject to execution by the TGRA
upon:

G. Recipient failing to request a hearing;

H. The execution of a settlement agreement between the TGRA and the recipient of the fine and/or other penalty; or

I. The service of an order of the TGRA imposing a fine and/or penalty assessment after a hearing.

License Suspensions.

1. Emergency Suspensions: The TGRA may suspend an individual's License for the following reasons but not limited to:

   A. When an individual's action's pose an immediate threat to the integrity of gaming or the safety of the general public, patrons, or other employees/agents and for which suspension is the only reasonable means to mitigate such threat or individual's; or

   B. When an individual fails to cooperate with the TGRA licensing policy and procedures.

   C. During an investigation to protect the integrity of the investigation.

   D. Upon question of an employee's/agents honesty, integrity, or lack of cooperation with TGRA.

Fine and/or Penalty Hearings.

1. A fine and/or penalty Recipient has Seven (7) calendar days from receipt of penalty to request a hearing before the TGRA.

2. The TGRA Licensing Regulations shall apply to hearings regarding the imposition of any Civil Fine or Penalty Assessment.

Criminal Prosecution.

In addition to the assessment of civil fines and/or penalties, the TGRA may refer to any law enforcement agency any individual under its authority who is believed to have committed a crime as defined by federal or state law.

BSA/AML Compliance

Casino Definition as Financial Institution

Casinos are licensed to do business as casinos and have gross annual gaming revenues (GAGR) in excess of $1,000,000 are financial institutions subject to the requirements of the Bank Secrecy Act, known as Title 31.

Casinos and card clubs on Indian lands with GAGR in excess of $1,000,000 are defined as financial institutions under 31 CFR 1010.100(t)(5) and 31 CFR 1010.100(t)(6).

Casinos and card clubs which have revenues of $1,000,000 or less are instead subject to the requirements of IRC Section 6050I (Title 26). Also see 31 CFR 1010.330.

The main legal requirements for casinos are found in the BSA (P.L. 91- 508, 84 Stat. 1114 (1970)); the Treasury department's implementing legislation at 31 C.F.R., part 103; the Indian Gaming Regulatory Act (IGRA) of 1988; and Section 6050I of the Internal Revenue Code.

(1) The casino must develop and implement a written Risk Assessment Manual which incorporates a BSA (bank secrecy act), anti-money laundering (AML) program (31 CFR 1010.210). The Risk Assessment Manual shall address, but no be limited to, the following items:

(A) Implement a BSA compliance program that adequately addresses the risks posed by its:

(i)Products offered

(ii) services offered

(iii) customer base

(iv) geographical location

(2) To comply with FinCEN requirements for prevention and detection of money laundering and terrorist financing, the casino must establish controls and implement procedures which:

(A) A system of internal controls to assure ongoing compliance with the BSA; must be provide for:

(B) Internal or external independent from the testing for compliance with a scope and frequency commensurate with the risks of money laundering and terrorist financing posed by the products and services provided;

(C) Training of casino personnel, including training in the identification of unusual or suspicious transactions;

(D) An individual or individuals to assure day-to-day compliance with the BSA;

(E) Procedures for using all available information to determine and verify, when required, the name, address, social security or taxpayer identification number, and other identifying information for a person;

(F) Procedures for using all available information (software programs, reports, and data) to determine the occurrence of any transactions or patterns of transactions required to be reported as suspicious;

(G) Procedures for using all available information to determine whether a record required under the BSA must be made and retained; and

(H) For casinos with automated data processing systems, use of the programs to aid in assuring compliance.

(I) Job specific training, approved by TGRA, for Title 31, BSA and AML compliance

(J) A process of checking internal casino computer information, rating cards, general ledgers, and other books and records after the end of the gaming day to find reportable currency transactions is also referred to as "after the fact aggregation."

Minimum Internal Control Standards for Bingo

(A) 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.

(B) Play standards.

(1) The functions of seller and payout verifier shall be segregated.

(2) Agents who sell cards on the floor shall not verify payouts with cards in their possession.

(3) Agents who sell cards on the floor are permitted to announce the serial numbers of winning cards.

(C) Bingo card control standards.

(1) The bingo card inventory shall be controlled so as to assure the integrity of the cards being used as follows:

(i) Purchased paper shall be inventoried and secured by an independent agent of the bingo sales;

(ii) The issue of paper to the cashiers shall be documented and signed for by an agent responsible for inventory control and a cashier. The document log shall include the series number of the bingo paper;

(iii) 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);

(iv) At the end of each month, an agent 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;

(v) A monthly comparison shall be made of the amount of paper sold from the bingo paper control log to the amount of revenue recognized. All variances will be documented and investigated, with the results of the investigation provided to casino management and TGRA.

(vi) A monthly comparison shall be made of theoretical hold percentages against actual hold percentages with variances of 3% or greater investigated with the results of the investigation provided to casino management and TGRA.

(2) Controls must be established and procedures implemented to ensure adequate separation of duties and sufficient audit trails exist for the following:

(i) the placement of orders

(ii) receipt

(iii) storage

(iv) issuance

(v) removal

(vi) cancellation of bingo card inventory

(vii) The bingo card inventory can be accounted for at all times

(viii) Bingo cards have not been marked, altered, or otherwise manipulated

(D) Receipt from supplier.

(1) When bingo card inventory is initially received from the supplier, it must be inspected (without breaking the factory seals, if any), counted, inventoried, and secured by an authorized agent.

(2) Bingo card inventory records must include the date received, quantities received, and the name of the individual conducting the inspection.

(E) Storage.

(1) Bingo cards must be maintained in a secure location, accessible only to authorized agents, and with surveillance coverage adequate to identify persons accessing the storage area.

(F) Issuance and returns of inventory.

(1) Controls must be established for the issuance and return of bingo card inventory. Records signed by the issuer and recipient must be created under the following events:

(i) Issuance of inventory from storage to a staging area;

(ii) Issuance of inventory from a staging area to the cage or sellers;

(iii) Return of inventory from a staging area to storage; and

(iv) Return of inventory from cage or seller to staging area or storage.

(G) Cancellation and removal.

(1) Bingo cards removed from inventory that are deemed out of sequence, flawed, or misprinted and not returned to the supplier must be cancelled to ensure that they are not utilized in the play of a bingo game. Bingo cards that are removed from inventory and returned to the supplier or cancelled must be logged as removed from inventory.

(2) Bingo cards associated with an investigation must be retained intact outside of the established removal and cancellation policy.

(H) Logs.

(1) The inventory of bingo cards must be tracked and logged from receipt until use or permanent removal from inventory.

(2) The bingo card inventory record(s) must include:

(i) Date;

(ii) Shift or session;

(iii) Time;

(iv) Location;

(v) Inventory received, issued, removed, and returned;

(vi) Signature of agent performing transaction;

(vii) Signature of agent performing the reconciliation;

(viii) Any variance;

(ix) Beginning and ending inventory; and

(x) Description of inventory transaction being performed.

(l) Bingo card sales.

(1) Agents who sell bingo cards must not be the sole verifier of bingo cards for prize payouts.

(2) Manual bingo card sales: In order to adequately record, track, and reconcile sales of bingo cards, the following information must be documented:

(i) Date;

(ii) Shift and/or session;

(iii) Number of bingo cards issued, sold, and returned;

(iv) Dollar amount of bingo card sales;

(v) Signature, initials, or identification number of the agent preparing the sales record (if manually documented); and

(vi) Signature, initials, or identification number of an independent agent of sales who verified the bingo cards returned to inventory and dollar amount of bingo card sales.

(3) Bingo card sale voids must be processed in accordance with the rules of the game and established controls that must include the following:

(i) Patron refunds;

(ii) Adjustments to bingo card sales to reflect voids;

(iii) Adjustment to bingo card inventory;

(iv) Documentation of the reason for the void; and

(v) Authorization for all voids.

(vi) Accountability for all voided bingo cards

(4) Class II gaming system bingo card sales. In order to adequately record, track and reconcile sales of bingo cards, the following information must be documented from the server (this is not required if the system does not track the information, but system limitation(s) must be noted):

(i) Date;

(ii) Time;

(iii) Number of bingo cards sold;

(iv) Dollar amount of bingo card sales; and

(v) Amount in, amount out and other associated meter information.

(J) Bingo equipment standards – manual.

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

(2) 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.

(3) Bingo equipment shall be maintained and checked for accuracy at a frequency established by the casino and approved by the TGRA.

(4) Supervision. Supervision must be provided as needed for bingo operations by an agent(s) with authority equal to or greater than those being supervised.

(K) Manual draw.

(1) Controls must be established and procedures implemented to ensure that all eligible objects used in the conduct of the bingo game are available to be drawn and have not been damaged or altered.

(i) Verification of physical objects must be performed by two agents before the start of the first bingo game/session with the identification of agents and the results of the verification logged on a bound log (no loose leaf paper or clip boards).

(ii) At least one of the verifying agents must be a supervisory agent or independent of the bingo games department.

(iii) 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 an agent independent of the bingo caller responsible for calling the speed bingo game.

(iv) 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.

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

(2) Controls must be established and procedures implemented to provide a method of recall of the draw, which includes the order and identity of the objects drawn, for dispute resolution purposes.

(3) Verification and display of draw. Controls must be established and procedures implemented to ensure that:

(i) The identity of each object drawn is accurately recorded and transmitted to the participants. The procedures must identify the method used to ensure the identity of each object drawn.

(ii) For all games offering a prize payout of $1,200 or more, as the objects are drawn, the identity of the objects are immediately recorded and maintained for a minimum of 24 hours.

(L) Electronic equipment.

If the gaming operation utilizes electronic equipment in connection with the play of bingo, the following standards shall also apply.

(1) If the electronic equipment contains a bill acceptor, the following shall apply:

(i) Gaming machine bill acceptor drop standards. (1) A minimum of two agents shall be involved in the removal of the gaming machine drop, at least one of whom is independent of the gaming machine department.

(ii) All bill acceptor canisters shall be removed only at the time previously designated by the gaming operation and reported to the Tribal Gaming Regulatory Authority, except for emergency drops.

(iii) The bill acceptor canisters shall be removed by an agent independent of the gaming machine department 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.

(iv) Security shall be provided over the bill acceptor canisters removed from the gaming machines and awaiting transport to the count room.

(v) The transporting of bill acceptor canisters shall be performed by a minimum of two persons, at least one of whom is independent of the gaming machine department.

(vi) All bill acceptor canisters shall be posted with a number corresponding to a permanent number on the gaming machine.

(2) Count room standards for bingo: The gaming machine bill acceptor count shall be performed in a soft count room or other equivalently secure area with comparable controls.

(i) 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.

(ii) 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.

(iii) The bill 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.

(iv) The count of each canister shall be recorded in ink or other permanent form of recordation.

(v) 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.

(vi) If cash 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 cash at the cash counter, including rejected cash.

(vii) Canisters, when empty, shall be shown to another member of the count team, or to another agent who is observing the count, or to surveillance.

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

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

(x) 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 agent/or an agent 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.

(xi) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or an agent 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.

(3) Access to stored bill acceptor canisters, full or empty, shall be restricted to:

(i) Authorized members of the drop and count teams; and

(ii) Authorized personnel in an emergency for resolution of a problem.

(4) If the electronic equipment uses a bar code or microchip reader, the reader shall be tested periodically by an authorized agent or an agent independent of the bingo department to determine that it is correctly reading the bar code or the microchip.

(5) If the electronic equipment returns a voucher or a payment slip to the player, the following shall apply.

(i)Cash-out tickets. For gaming machines that utilize cash-out tickets, the following standards apply. This standard is not applicable to Tiers A and B. Tier A and B gaming operations shall develop adequate standards governing the security over the issuance of the cash-out paper to the gaming machines and the redemption of cash-out slips.

(ii) In addition to the applicable auditing and accounting standards of this section, 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.

(6) 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 Tribal Gaming Regulatory Authority, or the gaming operation as approved by the Tribal Gaming Regulatory Authority. Cash-out tickets may be redeemed for payment or inserted in another gaming machine and wagered, if applicable, during the specified time period.

(7) The customer shall redeem the cash-out ticket at a change booth or cashiers' cage. Alternatively, if a gaming operation utilizes a remote computer validation system, the gaming operation as approved by the Tribal Gaming Regulatory

Authority, shall develop alternate standards for the maximum amount that can be redeemed, which shall not exceed $2,999.99 per cash-out transaction.

(i) Upon presentation of the cash-out ticket(s) for redemption, the following shall occur:

(ii) Scan the bar code via an optical reader or its equivalent; or

(iii) Input the cash-out ticket validation number into the computer.

(iv) The information 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.

(8) 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.

(9) 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.

(10) 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:

(i) Serial number of the cash-out ticket;

(ii) Date and time;

(iii) Dollar amount;

(iv) Issuing gaming machine number;

(v) Marking ticket “paid”; and

(vi) Ticket shall remain in cashier's bank for reconciliation purposes.

(vii) Any ticket value of $500 or more will be signed by the customer.

(vii) Any ticket value of $1,000 or more will be verified at the machine.

(11) Cash-out tickets shall be validated as expeditiously as possible when the host validation computer system is restored.

(12) The gaming operation as approved by the Tribal Gaming Regulatory Authority, shall establish and shall comply with procedures to control cash-out ticket paper, which shall include procedures that:

(i) Mitigate the risk of counterfeiting of cash-out ticket paper;

(ii) Adequately control the inventory of the cash-out ticket paper; and

(iii) Provide for the destruction of all unused cash-out ticket paper.

(iv) Alternatively, if the gaming operation utilizes a computer validation system, this standard shall not apply.

(13) If the host validation computer system is down for more than four hours (4) hours, the gaming operation shall promptly notify the Tribal Gaming Regulatory Authority or its designated representative. If notification is made via telephone, notification will also be provided in writing.

(14) These gaming machine systems shall comply with all other standards (as applicable) in this part including:

(i) Standards for bill acceptor drop and count;

(ii) Standards for coin drop and count; and

(iii) Standards concerning EPROMS or other equivalent game software media.

(14) If the electronic equipment utilizes patron account access cards for activation of play, then §542.13(o) (as applicable) shall apply. 542.13 (o) states the following:

(M) Standards for linked electronic games.

(1) Management shall ensure that all agreements/contracts entered into after June 27, 2002 to 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.

(2) Host requirements/game information (for linked electronic games).

(i) 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.

(ii) Game data for the preceding seventy-two (72) hours shall be immediately accessible.

(iii) Data required to be maintained for each game played includes:

(a) Date and time game start and game end;

(b) Sales information by location;

(c) Cash distribution by location;

(d) Refund totals by location;

(e) Cards-in-play count by location;

(f) Identification number of winning card(s);

(g) Ordered list of bingo balls drawn; and

(h) Prize amounts at start and end of game.

(3) Host requirements/sales information (for linked electronic games).

(i) 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.

(ii) Sales data for the preceding ten (10) days shall be immediately accessible.

(iii) Summary information must be accessible for at least 120 days.

(iv)) Sales information required shall include:

(a) Daily sales totals by location;

(b) Commissions distribution summary by location;

(c) Game-by-game sales, prizes, refunds, by location; and

(d) Daily network summary, by game by location.

(4) Remote host requirements (for linked electronic games).

(i) 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.

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

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

(5) Standards for player accounts (for proxy play and linked electronic games).

(i) 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:

(ii) Through the use of a point-of-sale (cash register device);

(iii) By assignment through an individual play station; or

(iv) Through the incorporation of a “player tracking” media.

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

(vi) 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.

(vii) 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).

(viii) 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.

(N) Technologic aids to the play of bingo.

Controls must be established and procedures implemented to safeguard the integrity of technologic aids to the play of bingo during installations, operations, modifications, removal and retirements.

(O) System software signature verification.

(1) Procedures must be implemented for system software verifications. These procedures must include comparing signatures generated by the verification programs required by 25 CFR 547.8, to the signatures provided in the independent test laboratory letter for that software version.

(i) 547.8 (f) states: (f) Software signature verification. The manufacturer or developer of the Class II gaming system must provide to the testing laboratory and to the TGRA an industry-standard methodology, acceptable to the TGRA, for verifying the Class II gaming system game software. For example, for game software stored on rewritable media, such methodologies include signature algorithms and hashing formulas such as SHA-1.

(ii) An agent independent of the bingo operation must perform system software signature verification(s) to verify that only approved software is installed.

(iii) Procedures must be implemented for investigating and resolving any software verification variances.

(iv) Internal audits must be conducted as set forth in §543.23, Audit and Accounting. Such audits must be documented.

(P) Installation testing.

(1) Testing must be completed during the installation process to verify that the player interface has been properly installed. This must include testing of the following, as applicable:

(i) Communication with the Class II gaming system;

(ii) Communication with the accounting system;

(iii) Communication with the player tracking system;

(iv) Currency and vouchers to bill acceptor;

(v) Voucher printing;

(vi) Meter incrementation;

(vii) Pay table, for verification;

(viii) Player interface denomination, for verification;

(ix) All buttons, to ensure that all are operational and programmed appropriately;

(x) System components, to ensure that they are safely installed at location; and

(xi) Locks, to ensure that they are secure and functioning.

(Q) Display of rules and necessary disclaimers.

(1) The TGRA or the operation must verify that all game rules and disclaimers are displayed at all times or made readily available to the player upon request, as required by 25 CFR part 547;

(2) TGRA approval of all technologic aids before they are offered for play.

(3) All Class II gaming equipment must comply with 25 CFR part 547, Minimum Technical Standards for Gaming Equipment Used with the Play of Class II Games; and

(4) Dispute resolution.

(R) Prize payout.

(1) Payouts in excess of $1,200 shall require written approval, by an independent agent 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.

(2) A total of payouts shall be computed and recorded by shift or session, if applicable.

(3) Controls must be established and procedures implemented for cash or cash equivalents that address the following:

(i) Identification of the agent authorized (by position) to make a payout;

(ii) Predetermined payout authorization levels (by position); and

(iii) Documentation procedures ensuring separate control of the cash accountability functions.

(4) Verification of validity.

(i) Controls must be established and procedures implemented to verify that the following is valid for the game in play prior to payment of a winning prize:

(a) Winning card(s);

(b) Objects drawn; and

(5) The previously designated arrangement of numbers or designations on such cards, as described in 25 U.S.C. 2703(7)(A). states the following:

(1) The term "class II gaming" means—

(i) the game of chance commonly known as bingo (whether or not electronic, computer, or other technologic aids are used in connection therewith)—

(a) Which is played for prizes, including monetary prizes, with cards bearing numbers or other designations,

(b) In which the holder of the card covers such numbers or designations when objects, similarly numbered or designated, are drawn or electronically determined, and

(c) In which the game is won by the first person covering a previously designated arrangement of numbers or designations on such cards,

(d) Including (if played in the same location) pull-tabs, lotto, punch boards, tip jars, instant bingo, and other games similar to bingo, and

(ii) card games that—

(a) Are explicitly authorized by the laws of the State, or

(b) are not explicitly prohibited by the laws of the State and are played at any location in the State, but only if such card games are played in conformity with those laws and regulations (if any) of the

State regarding hours or periods of operation of such card games or limitations on wagers or pot sizes in such card games.

(iii) The term “class II gaming” does not include—

(a) any banking card games, including baccarat, chemin de fer, or blackjack (21), or

(b) electronic or electromechanical facsimiles of any game of chance or slot machines of any kind.

(c) Notwithstanding any other provision of this paragraph, the term “class II gaming” includes those card games played in the State of Michigan, the State of North Dakota, the State of South Dakota, or the State of Washington, that were actually operated in such State by an Indian tribe on or before May 1, 1988, but only to the extent of the nature and scope of the card games that were actually operated by an Indian tribe in such State on or before such date, as determined by the Chairman.

(d) Notwithstanding any other provision of this paragraph, the term “class II gaming” includes, during the 1-year period beginning on October 17, 1988, any gaming described in subparagraph that was legally operated on Indian lands on or before May 1, 1988, if the Indian tribe having jurisdiction over the lands on which such gaming was operated requests the State, by no later than the date that is 30 days after October 17, 1988, to negotiate a Tribal-State compact under section 2710 (d)(3) of this title.

(e) Notwithstanding any other provision of this paragraph, the term “class II gaming” includes, during the 1-year period beginning on December 17, 1991, any gaming described in subparagraph that was legally operated on Indian lands in the State of Wisconsin on or before May 1, 1988, if the Indian tribe having jurisdiction over the lands on which such gaming was operated requested the State, by no later than November 16, 1988, to negotiate a Tribal-State compact under section 2710 (d)(3) of this title.

(f) If, during the 1-year period described in subparagraph, there is a final judicial determination that the gaming described in subparagraph is not legal as a matter of State law, then such gaming on such Indian land shall cease to operate on the date next following the date of such judicial decision.

(g) The term “class III gaming” means all forms of gaming that are not class I gaming or class II gaming.

(h) The term “net revenues” means gross revenues of an Indian gaming activity less amounts paid out as, or paid for, prizes and total operating expenses, excluding management fees.

(i) The term “Secretary” means the Secretary of the Interior.

(S) Vouchers.

(1) Controls must be established and procedures implemented to:

(i) Verify the authenticity of each voucher redeemed.

(ii) If the voucher is valid, verify that the patron is paid the appropriate amount.

(iii) Document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated such as a mutilated, expired, lost, or stolen voucher.

(iv) Retain payment documentation for reconciliation purposes.

(v) For manual payment of a voucher of $500 or more, require a supervisory agent to verify the validity of the voucher prior to payment.

(2) Vouchers paid during a period while the voucher system is temporarily out of operation must be marked “paid” by an authorized agent.

(3) Vouchers redeemed while the voucher system was temporarily out of operation must be validated as expeditiously as possible upon restored operation of the voucher system.

(4) Paid vouchers must be maintained in the agent’s accountability for reconciliation purposes.

(5) Unredeemed vouchers can only be voided in the voucher system by supervisory agent. The accounting department will maintain the voided voucher, if available.

(6) All relevant controls from §543.20, Information and Technology will apply.

(i) 543.20 states Supervision. Controls must identify the supervisory agent in the department or area responsible for ensuring that the department or area is operating in accordance with established policies and procedures.

(ii) The supervisory agent must be independent of the operation of Class II games.

(iii) Written controls must be established to ensure duties are adequately segregated and monitored to detect procedural errors and to prevent the concealment of fraud. Controls shall include methods used to detect and deter fraudulent activities and timelines for reviewing said activities.

(iv) Information technology agents having access to Class II gaming systems may not have signatory authority over financial instruments and payout forms and must be independent of and restricted from access to:

(a) Financial instruments;

(b) Accounting, audit, and ledger entries; to include but not limited to employee /agents payroll records, customer personal information and

(c) Payout forms.

(v) As used in this section only, a system is any computerized system that is integral to the gaming environment. This includes, but is not limited to, the server and peripherals for Class II gaming system, accounting, surveillance, essential phone system, and door access and warning systems.

(vi) Class II gaming systems' logical and physical controls. Controls must be established and procedures implemented to ensure adequate:

(a) Control of physical and logical access to the information technology environment, including accounting, voucher, cashless and player tracking systems, among others used in conjunction with Class II gaming;

(b) Physical and logical protection of storage media and its contents, including recovery procedures;

(c) Access credential control methods;

(d) Record keeping and audit processes; and

(e) Departmental independence, including, but not limited to, means to restrict agents that have access to information technology from having access to financial instruments.

(vii) Physical security.

(a) The information technology environment and infrastructure must be maintained in a secured physical location such that access is restricted to authorized agents only.

(b) Access devices to the systems' secured physical location, such as keys, cards, or fobs, must be controlled by an independent agent.

(c) Access to the systems' secured physical location must be restricted to agents in accordance with established policies and procedures, which must include maintaining and updating a record of agents granted access privileges.

(viii) Network Communication Equipment must be physically secured from unauthorized access.

(ix) Logical security.

(a) Controls must be established and procedures implemented to protect all systems and to ensure that access to the following is restricted and secured:

(i) Systems' software and application programs;

(ii) Data associated with Class II gaming; and

(iii) Communications facilities, systems, and information transmissions associated with Class II gaming systems.

(b) Unused services and non-essential ports must be disabled whenever possible.

(x) Procedures must be implemented to ensure that all activity performed on systems is restricted and secured from unauthorized access, and logged.

(xi) Communications to and from systems via Network Communication Equipment must be logically secured from unauthorized access.

(xii) User controls.

(a) Systems, including application software, must be secured with passwords or other means for authorizing access.

(b) Management personnel or agents independent of the department being controlled must enroll and control access to system functions.

(c) Access credentials such as passwords, PINs, or cards must be controlled as follows:

(i) Each user must have their own individual access credential;

(ii) Access credentials must be changed at an established interval approved by the TGRA; and

(iii) Access credential records must be maintained either manually or by systems that automatically record access changes and force access credential changes, including the following information for each user:

(a) User's name;

(b) Date the user was given access and/or password change; and

(c) Description of the access rights assigned to user.

(xiii) Lost or compromised access credentials must be deactivated, secured or destroyed immediately.

(xiv) Access credentials of terminated users must be deactivated immediately.

(xv) Only authorized agents may have access to inactive or closed accounts of other users, such as player tracking accounts and terminated user accounts.

(xvi) Installations and/or modifications.

(a) Only TGRA authorized or approved systems and modifications may be installed.

(b) Records must be kept of all new installations and/or modifications to Class II gaming systems. These records must include, at a minimum:

(i) The date of the installation or modification;

(ii) The nature of the installation or change such as new software, server repair, significant configuration modifications;

(iii) Evidence of verification that the installation or the modifications are approved; and the identity of the agent(s) performing the installation/modification.

(xvii) Documentation must be maintained, such as manuals and user guides, describing the systems in use and the operation, including hardware.

(xviii) Remote access. - Agents may be granted remote access for system support, provided that each access session is documented and maintained at the place of authorization. The documentation must include:

(a) Name of agent authorizing the access;

(b) Name of agent accessing the system;

(c) Verification of the agent's authorization;

(d) Reason for remote access;

(e) Description of work to be performed;

(f) Date and time of start of end-user remote access session; and

(g) Date and time of conclusion of end-user remote access session.

(h) All remote access must be performed via a secured method.

(xix) Incident monitoring and reporting - Procedures must be implemented for:

(a) Responding to,

(b) Monitoring,

(c) Investigating,

(d) Resolving,

(e) Documenting, and

(f) Reporting security incidents associated with information technology systems.

(xx) All security incidents must be responded to upon discovery with notification of the incident to casino management and TGRA immediately. Notifications, investigations, and findings, shall formally documented.

(xxi) Data backups. - Controls must include:

(a) adequate backup, including, but not limited to, the following:

(i) Daily data backup of critical information technology systems;

(ii) Data backup of critical programs or the ability to reinstall the exact programs as needed;

(iii) Secured storage of all backup data files and programs, or other adequate protection;

(iv) Mirrored or redundant data source; and

(v) Redundant and/or backup hardware.

(xxii) Controls must include recovery procedures, including, but not limited to, the following:

(a) Data backup restoration;

(b) Program restoration; and

(c) Redundant or backup hardware restoration.

(xxiii) Recovery procedures must be tested on a sample basis at specified intervals at least annually.

(a) Results must be documented.

(xxiv) Backup data files and recovery components must be managed with at least the same level of security and access controls as the system for which they are designed to support.

(xxv) Software downloads. Downloads, either automatic or manual, must be performed in accordance with 25 CFR 547.12 states Downloads:

(a) Downloads are an acceptable means of transporting approved content, including but not limited to software, files, data, and prize schedules.

(b) Downloads of software, games, prize schedules, or other download packages shall be conducted only as authorized by the Tribal Gaming Regulatory Authority.(3) Downloads shall use secure methodologies that will deliver the download data without alteration or modification, in accordance with § 547.15(a).(4) Downloads conducted during operational periods shall be performed in a manner that will not affect game play.(5) Downloads shall not affect the integrity of accounting data.(6) The Class II gaming system or the Tribal Gaming Regulatory Authority shall log each download of any download package. Each log record shall contain as a minimum:(i) The time and date of the initiation of the download;(ii) The time and date of the completion of the download;(iii) The Class II gaming system components to which software was downloaded;(iv) The version(s) of download package and any software downloaded. Logging of the unique software signature will satisfy this requirement;(v) The outcome of any software verification following the download (success or failure); and(vi) The name and identification number, or other unique identifier, of any individual(s) conducting or scheduling a download.

(xxvi) Verifying downloads. Following download of any Class II gaming system software, the Class II gaming system must verify the downloaded software using a software signature verification method. Using any method it deems appropriate, the TGRA must confirm the verification.

(T) Promotional payouts or awards.

(1) If the gaming operation offers promotional payouts or awards, the payout form/documentation shall include, at a minimum, the following information and comply with IRS 1099 reporting requirements:

(i) Date and time;

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

(iii) Type of promotion; and

(iv) Signature of at least one agent authorizing and completing the transaction.

(U) Accountability form.

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

(2) All funds used to operate the bingo department shall be counted independently by at least two agents and reconciled to the recorded amounts at the end of each shift or session.

(i) Unverified transfers of cash and/or cash equivalents are prohibited.

(V) Validation manual payouts.

(1) For manual payouts, at least two agents must determine the validity of the claim prior to the payment of a prize. The system may serve as one of the validators.

(2) For automated payouts, the system may serve as the sole validator of the claim.

(W) Verification manual payouts.

(1) For manual payouts, at least two agents must verify that the winning pattern has been achieved on the winning card prior to the payment of a prize. The system may serve as one of the verifiers.

(2) For automated payouts, the system may serve as the sole verifier that the pattern has been achieved on the winning card.

(3) The total win and write shall be computed and recorded by shift or session.

(X) Authorization and signatures for payouts.

(1) At least two agents must authorize, sign, and witness all manual prize payouts above $1,200, or a lower threshold as authorized by management and approved by the TGRA.

(i) All manual payouts $1,200 or above will comply with Title 31 recording and reporting requirements.

(ii) All payout records of $1,200 or above shall be maintained for 5 years. Electronically archived records are acceptable but information shall be retrievable. Archiving player activity in trip summary form is not acceptable (BSA/AML standards shall apply).

(2) Manual prize payouts above the following threshold (or a lower threshold, as authorized by management and approved by TGRA) must require one of the two signatures and verifications to be a supervisory or management agent independent of the operation of Class II Gaming System bingo:

(i) $5,000 for a Tier A facility;

(ii) $10,000 at a Tier B facility;

(iii) $20,000 for a Tier C facility; or

(iv) $50,000 for a Tier C facility with over $100,000,000 in gross gaming revenues.

(3) The predetermined thresholds, whether set at the MICS level or lower, must be authorized by management, approved by the TGRA, documented, and maintained.

(4) A Class II gaming system may substitute for one authorization/signature verifying, validating or authorizing a winning card, but may not substitute for a supervisory or management authorization/signature.

(5) Payout records, including manual payout records, must include the following information:

(i) Date and time;

(ii) Amount of the payout (alpha & numeric for player interface payouts); and

(iii) Bingo card identifier or player interface identifier.

(iv) Manual payout records must also include the following:

(a) Game name or number;

(b) Description of pattern covered, such as cover-all or four corners;

(c) Signature of all, but not less than two, agents involved in the transaction;

(d) For override transactions, verification by a supervisory or management agent independent of the transaction; and

(e) Any other information necessary to substantiate the payout.

(Y) Cash and cash equivalent controls.

(1) Cash or cash equivalents exchanged between two persons must be counted independently by at least two agents and reconciled to the recorded amounts at the end of each shift or session. Unexplained variances must be investigated, documented, and maintained. Unverified transfers of cash or cash equivalents are prohibited.

(2) Procedures must be implemented to control cash or cash equivalents based on the amount of the transaction. These procedures must include documentation by shift, session, or other relevant time period of the following:

(i) Inventory, including any increases or decreases;

(ii) Transfers;

(iii) Exchanges, including acknowledging signatures or initials; and

(iv) Resulting variances.

(3) Any change to control of accountability, exchange, or transfer requires that the cash or cash equivalents be counted and recorded independently by at least two agents and reconciled to the recorded amount.

(Z) Standards for statistical reports.

(1) Records shall be maintained, which include win, write (card sales), and a win-to-write hold percentage, for:

(i) Each shift or each session;

(ii) Each day;

(iii) Month-to-date; and

(iv) Year-to-date or fiscal year-to-date.

(2) An independent supervisory agent, independent of the bingo department shall review bingo statistical information on at least a monthly basis and investigate any large or unusual statistical fluctuations.

(3) Investigations shall be documented, maintained for inspection, and provided to the Tribal Gaming Regulatory Authority upon request.

(A-A) Shipping and receiving – software/hardware.

(1) A communication procedure must be established between the supplier, the gaming operation, and the TGRA to properly control the shipping and receiving of all software and hardware components. Such procedures must include:

(i) Notification of pending shipments must be provided to the TGRA by the gaming operation;

(ii) Certification in accordance with 25 CFR part 547

(2) Notification from the supplier to the TGRA, or the gaming operation as approved by the TGRA, of the shipping date and expected date of delivery. The shipping notification must include:

(i) Name and address of the supplier;

(ii) Description of shipment;

(iii) For player interfaces: a serial number;

(iv) For software: software version and description of software;

(v) Method of shipment; and

(vi) Expected date of delivery.

(3) Procedures must be implemented for the exchange of Class II gaming system components for maintenance and replacement.

(4) Class II gaming system components must be shipped in a secure manner to deter unauthorized access.

(5) The TGRA, or its designee, must receive all Class II gaming system components and game play software packages, and verify the contents against the shipping notification.

(A-B) Recordkeeping and audit processes

(1). The gaming operation must maintain the following records, as applicable, related to installed game servers and player interfaces:

(i) Date placed into service;

(ii) Date made available for play;

(iii) Supplier;

(iv) Software version;

(v) Serial number;

(vi) Game title;

(vii) Asset and/or location number;

(viii) Seal number; and

(ix) Initial meter reading.

(2) Procedures must be implemented for auditing such records in accordance with §543.23, Audit and Accounting. 543.23 states the following:

(i) Conflicts of standards. When establishing SICS, the gaming operation should review, and consider incorporating, other external standards such as GAAP, GAAS, and standards promulgated by GASB and FASB. In the event of a conflict between the MICS and the incorporated external standards, the external standards prevail.

(ii) Accounting. Controls must be established and procedures implemented to safeguard assets and ensure each gaming operation:

(a) Prepares accurate, complete, legible, and permanent records of all transactions pertaining to gaming revenue and activities for operational accountability.

(b) Prepares general accounting records on a double-entry system of accounting, maintaining detailed, supporting, subsidiary records, and performs the following activities:

(iii) Record gaming activity transactions in an accounting system to identify and track all revenues, expenses, assets, liabilities, and equity;

(a) Record all markers, IOU's, returned checks, held checks, or other similar credit instruments;

(b) Record journal entries prepared by the gaming operation and by any independent accountants used;

(c) Prepare income statements and balance sheets;

(d) Prepare appropriate subsidiary ledgers to support the balance sheet;

(e) Prepare, review, and maintain accurate financial statements;

(f) Prepare transactions in accordance with the appropriate authorization, as provided by management;

(g) Record transactions to facilitate proper recording of gaming revenue and fees, and to maintain accountability of assets;

(h) Compare recorded accountability for assets to actual assets at periodic intervals, and take appropriate action with respect to any variances;

(i) Segregate functions, duties, and responsibilities;

(j) Prepare minimum bankroll calculations annually; and

(k) Maintain and preserve all financial records and relevant supporting documentation.

(A-C) Internal audit.

Controls must be established and procedures implemented to ensure that:

(1) Internal auditor(s) perform audits of each department of a gaming operation, at least annually, to review compliance with MICS, TICS, and SICS (when applicable), which include at least the following areas:

(i) Bingo, including supervision, bingo cards, bingo card sales, draw, prize payout; cash and equivalent controls, technologic aids to the play of bingo, operations, vouchers, and revenue audit procedures, IRS 1099 filings and compliance, Title 31 compliance, BSA/AML compliance;

(ii) Pull tabs, including, supervision, pull tab inventory, pull tab sales, winning pull tabs, pull tab operating funds, statistical records, and revenue audit procedures;

(iii) Card games, including supervision, exchange or transfers, playing cards, shill funds, reconciliation of card room bank, posted rules, and promotional progressive pots and pools, internal/external audit findings for repeat findings and correction, surveillance procedural violation reports for repeat findings, IRS 1099 filings and compliance, Title 31 compliance, BSA/AML compliance;

(iv) Gaming promotions and player tracking procedures, including supervision, gaming promotion rules and player tracking systems access control matrix, exception report monitoring;

(v) Complimentary services or items, including procedures for issuing, authorizing, redeeming, auditing, and reporting complimentary service items to include but not limited to free play, hotel, restaurant comps, IRS 1099 filings and compliance, Title 31 compliance, BSA/AML compliance;

(vi) Patron deposit accounts and cashless systems procedures, including supervision, patron deposit accounts and cashless systems, as well as patron deposits, withdrawals and adjustments Title 31 compliance and BSA/AML compliance;;

(vii) Lines of credit procedures, including establishment of lines of credit policy, Title 31 compliance and BSA/AML compliance;;

(viii) Drop and count standards, including supervision, count room access, count team, card game drop standards, player interface and financial instrument drop standards, card game count standards, player interface financial instrument count standards, and controlled keys, previous audit findings for repeat findings and corrections;

(ix) Cage, vault, cash and cash equivalent procedures, including supervision, cash and cash equivalents, personal checks, cashier's checks, traveler's checks, payroll checks, and

counter checks, cage and vault accountability, kiosks, patron deposited funds, promotional payouts, drawings, and giveaway programs, chip and token standards, and cage and vault access, Title 31 compliance, BSA/AML compliance;

(x) Information technology, including supervision, class II and III gaming systems' logical and physical controls, independence, physical security, logical security, user controls, installations and/or modifications, remote access, incident monitoring and reporting, data back-ups, software downloads, and verifying downloads; and

(xi) Accounting standards, including accounting records, maintenance and preservation of financial records and relevant supporting documentation.

(2) Internal auditor(s) are independent of gaming operations with respect to the departments subject to audit (auditors internal to the operation, officers of the TGRA, or outside CPA firm may perform this function).

(3) Internal auditor(s) report directly to the Tribe, TGRA, audit committee, or other entity designated by the Tribe.

(4) Documentation such as checklists, programs, reports, etc. is prepared to evidence all internal audit work and follow-up performed as it relates to compliance with TICS, SICS, and these MICS, including all instances of noncompliance.

(5) Audit reports are maintained and made available to the Commission upon request and must include the following information:

(i) Audit objectives;

(ii) Audit procedures and scope;

(iii) Findings and conclusions;

(iv) Recommendations, if applicable; and

(v) Management's response.

(6) All material exceptions identified by internal audit work are investigated and resolved and the results are documented. Material is defined as information by its omission, misstatement, or inadequacy could influence the economic decisions of users taken on the basis of the financial statement.

(7) Internal audit findings are reported to management, responded to by management in writing stating corrective measures to be taken with stated timelines, and included in the report delivered to management, the Tribe, TGRA, audit committee, or other entity designated by the Tribe for corrective action.

(8) Follow-up observations and examinations are performed to verify that corrective action has been taken regarding all instances of non-compliance. The verification is performed within six (6) months following the date of notification of non-compliance.

(I) Audit Findings: Controls will be established and procedures implemented to collect, review, and take corrective actions to fix identified noncompliance audit findings. (Audit findings include external audits, external investigation findings, internal surveillance procedural violation report findings, internal audit findings, and internal/external compliance audit findings.)

(A-D) Annual requirements.

(1) Agreed upon procedures. A CPA must be engaged to perform an assessment to verify whether the gaming operation is in compliance with these MICS, and/or the TICS or SICS if they provide at least the same level of controls as the MICS. The assessment must be performed in accordance with agreed upon procedures and the most recent versions of the Statements on Standards for Attestation Engagements and Agreed-Upon Procedures Engagements (collectively "SSAEs"), issued by the American Institute of Certified Public Accountants.

(2) The tribe must submit two copies of the agreed-upon procedures report to the Commission within 120 days of the gaming operation's fiscal year end in conjunction with the submission of the annual financial audit report required pursuant to 25 CFR part: 571.

(A-D) Review of internal audit.

(1) The CPA must determine compliance by the gaming operation with the internal audit requirements in this paragraph by:

(i) Completing the internal audit checklist;

(ii) Ensuring that the internal auditor completed checklists for each gaming department of the operation;

(iii) Verifying that any areas of non-compliance have been identified;

(iv) Ensuring that audit reports are completed and include responses from management; and

(v) Verifying that appropriate follow-up on audit findings has been conducted and necessary corrective measures have been taken to effectively mitigate the noted risks.

(2) If the CPA determines that the internal audit procedures performed during the fiscal year have been properly completed, the CPA may rely on the work of the internal audit for the completion of the MICS checklists as they relate to the standards covered by this part.

(3) Report format. The SSAE's are applicable to agreed-upon procedures engagements required in this part. All noted instances of noncompliance with the MICS and/or the TICS or SICS, if they provide the same level of controls as the MICS, must be documented in the report with a narrative description, the number of exceptions and sample size tested.

(A-E) Revenue Audit standards for bingo.

(1) Supervision. Supervision must be provided as needed for bingo operations by an agent(s) with authority equal to or greater than those being supervised.

(2) Independence. Audits must be performed by agent(s) independent of the transactions being audited.

(3) Documentation. The performance of revenue audit procedures, the exceptions noted, and the follow-up of all revenue audit exceptions must be documented and maintained in accordance with IRS and BSA/AML guidelines.

(4) Controls must be established and procedures implemented to audit of each of the following operational areas:

(5)Bingo.

(i) At the end of each month, verify the accuracy of the ending balance in the bingo control log by reconciling it with the bingo paper inventory. Investigate and document any variance noted.

(ii) Daily, reconcile supporting records and documents to summarized paperwork or electronic records (e.g. total sales and payouts per shift and/or day).

(iii) At least monthly, review variances related to bingo accounting data, which must include, at a minimum, variance(s) noted by the Class II gaming system for cashless transactions in and out, electronic funds transfer in and out, external bonus payouts, vouchers out and coupon promotion out. Investigate and document any variance noted.

(iv) At least monthly, review statistical reports for any deviations from the mathematical expectations exceeding a threshold established by the TGRA. Investigate and document any deviations compared to the mathematical expectations required to be submitted per §547.4.

(v) At least monthly, take a random sample, foot the vouchers redeemed and trace the totals to the totals recorded in the voucher system and to the amount recorded in the applicable cashier's accountability document.

(A-F) Variance

The operation must establish, as approved by the TGRA, the threshold level at which a variance, including deviations from the mathematical expectations required by 25 CFR 547.4, will be reviewed to determine the cause. Any such review must be documented. 547.4 states:

(A-G) Fairness.

(1)No Class II gaming system may cheat or mislead users.

(i) All prizes advertised must be available to win during the game.

(ii) A test laboratory must calculate and/or verify the mathematical expectations of game play, where applicable, in accordance with the manufacturer stated submission.

(iii) The results must be included in the test laboratory's report to the TGRA. At the request of the TGRA, the manufacturer must also submit the mathematical expectations of the game play to the TGRA.

(2) Approved gaming equipment and software only. All gaming equipment and software used with Class II gaming systems must be identical in all respects to a

prototype reviewed and tested by a testing laboratory and approved for use by the TGRA pursuant to § 547.5(a) through (c). states:

> (i) *Grandfathered gaming systems:* Any Class II gaming system manufactured before November 10, 2008, that is not already certified pursuant to this sub-section or compliant with paragraph (c) of this section may be made available for use at any tribal gaming operation if:
>
> > (a) The TGRA submits the Class II gaming system software that affects the play of the Class II game, together with the signature verification required by § 547.8(f) to a testing laboratory recognized pursuant to paragraph (f) of this section within 120 days after October 22, 2012;
>
> (ii) The testing laboratory tests the submission to the standards established by § 547.8(b), § 547.8(f), § 547.14, and any additional technical standards adopted by the TGRA;
>
> (iii) The testing laboratory provides the TGRA with a formal written report setting forth and certifying to the findings and conclusions of the test;
>
> (iv) The TGRA makes a finding, in the form of a certificate provided to the supplier or manufacturer of the Class II gaming system, that the Class II gaming system qualifies for grandfather status under the provisions of this section. A TGRA may make such a finding only upon receipt of a testing laboratory's report that the Class II gaming system is compliant with § 547.8(b), § 547.8(f), § 547.14, and any other technical standards adopted by the TGRA. If the TGRA does not issue the certificate, or if the testing laboratory finds that the Class II gaming system is not compliant with § 547.8(b), § 547.8(f), § 547.14, or any other technical standards adopted by the TGRA, then the gaming system must immediately be removed from play and not be utilized.
>
> (v) The TGRA retains a copy of any testing laboratory's report so long as the Class II gaming system that is the subject of the report remains available to the public for play; and
>
> (vi) The TGRA retains a copy of any certificate of grandfather status so long as the Class II gaming system that is the subject of the certificate remains available to the public for play.
>
> > (i) *Grandfather provisions.* All Class II gaming systems manufactured on or before November 10, 2008, that have been certified pursuant to paragraph (a) of this section, are grandfathered Class II gaming systems for which the following provisions apply:
> >
> > > (a) Grandfathered Class II gaming systems may continue in operation for a period of ten years from November 10, 2008.
> > >
> > > (b) Grandfathered Class II gaming systems may only be used as approved by the TGRA. The TGRA must transmit its

notice of that approval, identifying the grandfathered Class II gaming system and its components, to the Commission.

(c) Remote communications may only be allowed if authorized by the TGRA.

(d) As permitted by the TGRA, individual hardware or software components of a grandfathered Class II gaming system may be repaired or replaced to ensure proper functioning, security, or integrity of the grandfathered Class II gaming system.

(e) All modifications that affect the play of a grandfathered Class II gaming system must be approved pursuant to paragraph (c) of this section, except for the following:

(i) Any software modifications that the TGRA finds will maintain or advance the Class II gaming system's overall compliance with this part or any applicable provisions of part 543 of this chapter, after receiving a new testing laboratory report that the modifications are compliant with the standards established by § 547.4(a), § 547.8(b), § 547.14, and any other standards adopted by the TGRA;

(ii) Any hardware modifications that the TGRA finds will maintain or advance the Class II gaming system's overall compliance with this part or any applicable provisions of part 543 of this chapter; and

(iii) Any other modification to the software of a grandfathered Class II gaming system that the TGRA finds will not detract from, compromise or prejudice:

(3) The proper functioning, security, or integrity of the Class II gaming system, and

(4) The gaming system's overall compliance with the requirements of this part or any applicable provisions of part 543 of this chapter.

(i) No such modification may be implemented without the approval of the TGRA. The TGRA must maintain a record of the modification so long as the Class II gaming system that is the subject of the modification remains available to the public for play and must make the record available to the Commission upon request. The Commission will only make available for public review records or portions of records subject to release under the Freedom of Information Act, 5 U.S.C. 552; the Privacy Act of 1974, 5 U.S.C. 552a; or the Indian Gaming Regulatory Act, 25 U.S.C. 2716(a).

(5) The player interface must exhibit information consistent with § 547.7(d) and any other information required by the TGRA.

(6) If a grandfathered Class II gaming system is approved pursuant to paragraph (c) of this section, it ceases to be a grandfathered system and the restrictions of paragraph (a) and (b) of this section no longer apply.

(i) *Submission, testing, and approval—generally.* Except as provided in paragraphs (b) and (d) of this section, a TGRA may not permit the use of any Class II gaming system, or any associated cashless system or voucher system or any modification thereto, in a tribal gaming operation unless:

(1) The Class II gaming system, cashless system, voucher system, or modification thereto has been submitted to a testing laboratory;

(2) The testing laboratory tests the submission to the standards established by:

(i) This part;

(ii) Any applicable provisions of part 543 of this chapter that are testable by the testing laboratory; and

(iii) The TGRA;

(3) The testing laboratory provides a formal written report to the party making the submission, setting forth and certifying its findings and conclusions, and noting compliance with any standard established by the TGRA pursuant to paragraph (c)(2)(iii) of this section;

(4) The testing laboratory's written report confirms that the operation of a player interface prototype has been certified that it will not be compromised or affected by electrostatic discharge, liquid spills, electromagnetic interference, radio frequency interference, or any other tests required by the TGRA;

(5) Following receipt of the testing laboratory's report, the TGRA makes a finding that the Class II gaming system, cashless system, or voucher system conforms to the standards established by:

(i) This part;

(ii) Any applicable provisions of part 543 of this chapter that are testable by the testing laboratory; and

(iii) The TGRA.

(6) The TGRA retains a copy of the testing laboratory's report required by paragraph (c) of this section for as long as the Class II gaming system, cashless system, voucher system, or modification thereto that is the subject of the report remains available to the public for play in its tribal gaming operation.

(7) Proper functioning. All gaming equipment and software used with Class II gaming systems must perform according to the manufacturer's design and operating specifications.

(A-g) Operations.

(1) Malfunctions. Procedures must be implemented to investigate, document and resolve malfunctions. Such procedures must address the following:

(i) Determination of the event causing the malfunction;

(ii) Review of relevant records, game recall, reports, logs, surveillance records;

(iii) Repair or replacement of the Class II gaming component;

(iv) Verification of the integrity of the Class II gaming component before restoring it to operation; and

(2) Removal, retirement and/or destruction. Procedures must be implemented to retire or remove any or all associated components of a Class II gaming system from operation. Procedures must include the following:

(i) For player interfaces and components that accept cash or cash equivalents:

(ii) Coordinate with the drop team to perform a final drop;

(iii) Collect final accounting information such as meter readings, drop and payouts;

(iv) Remove and/or secure any or all associated equipment such as locks, card reader, or ticket printer from the retired or removed component; and

(v) Document removal, retirement, and/or destruction.

(3) For removal of software components:

(i) Purge and/or return the software to the license holder; and

(ii) Document the removal.

(iii) For other related equipment such as blowers, cards, interface cards:

(4) Remove and/or secure equipment; and

(5) Document the removal or securing of equipment.

(6) For all components:

(i) Verify that unique identifiers, and descriptions of removed/retired components are recorded as part of the retirement documentation; and

(ii) Coordinate with the accounting department to properly retire the component in the system records.

(iii) Where the TGRA authorizes destruction of any Class II gaming system components, procedures must be developed to destroy such components. Such procedures must include the following:

(a) Methods of destruction;

(b) Witness or surveillance of destruction;

(c) Documentation of all components destroyed; and

(d) Signatures of agent(s) destroying components attesting to destruction.

Minimum Internal Control Standards for Gaming Machines

(A) Standards for gaming machines.

The following items will be visible to surveillance:

Machine number

Reel sequence

Jackpot amount

Video screen

(1) 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.

(2) Coins shall include tokens.

(3) For all computerized gaming machine systems, a personnel access listing shall be maintained and reviewed annually by management for propriety, which includes at a minimum:

(i) Employee/agents name or employee/agents identification number (or equivalent); and

(ii) Listing of functions employee/agents can perform or equivalent means of identifying same.

(B) 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.

(C) Standards for drop and count.

Tier C Drop Standards for Slots

Gaming machine bill acceptor drop standards.

(1) A minimum of three agents shall be involved in the removal of the gaming machine drop, at least one of who is independent of the gaming machine department.

(2) All bill acceptor canisters shall be removed only at the time previously designated by the gaming operation and reported to the Tribal Gaming Regulatory Authority, except for emergency drops.

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

(4) The bill acceptor canisters shall be removed by an agent independent of the gaming machine department 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.

(i) Security shall be provided over the bill acceptor canisters removed from the gaming machines and awaiting transport to the count room.

(ii) The transporting of bill acceptor canisters shall be performed by a minimum of two agents, at least one of who is independent of the gaming machine department.

(5) All bill acceptor canisters shall be posted with a number corresponding to a permanent number on the gaming machine.

(D) *Gaming machine bill acceptor count standards.*

(1) The gaming machine bill acceptor count shall be performed in a soft count room or other equivalently secure area with comparable controls.

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

(3) 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. Sufficient clarity will be maintained for surveillance observation and review.

(4) The bill 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.

(i) The count of each canister shall be recorded in ink or other permanent form of recordation.

(ii) 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.

(5) 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.

(6) Canisters, when empty, shall be shown to another member of the count team, or to another agent who is observing the count, or to surveillance, provided that the count is monitored in its entirety by an agent independent of the count.

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

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

(9) 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/agent independent of the revenue generation and the count process for verification. Such agent shall certify by signature as to the accuracy of the drop proceeds delivered and received.

(10) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or an agent 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.

(11) Access to stored bill acceptor canisters, full or empty, shall be restricted to:

(i) Authorized members of the drop and count teams; and

(ii) Authorized personnel in an emergency for the resolution of a problem.

(E) Bill acceptor canister release keys.

(1) The bill acceptor canister release keys shall be maintained by a department independent of the gaming machine department.

(2) Only the agent(s) authorized to remove bill acceptor canisters from the gaming machines shall be allowed access to the release keys.

(3) Agents authorized to remove the bill acceptor canisters shall be precluded from having simultaneous access to the bill acceptor canister contents keys and release keys.

(4) For situations requiring access to a bill acceptor canister at a time other than the scheduled drop, the date, time, and signature of agents signing out/in the release key must be documented.

(F) Bill acceptor canister storage rack keys.

(1) An agent independent of the gaming machine department shall be required to accompany the bill acceptor canister storage rack keys and observe each time canisters are removed from or placed in storage racks.

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

(G) Bill acceptor canister contents keys.

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

(2) Access to the bill acceptor canister contents key at other than scheduled count times shall require the involvement of at least three persons 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 acceptor canister contents keys during the count process.

(H) *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 paragraphs (l), (o), (q) and (s) of this section. 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 agents.

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

(iii) The custody of the keys issued pursuant to this section requires the presence of two agents 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 agents 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.

(l) Jackpot payouts, hand pays, gaming machines fills, short pays and accumulated credit payouts standards.

(1) For jackpot payouts, hand pays and gaming machine fills, documentation shall include the following information:

(i) Date and time;

(ii) Machine number;

(iii) 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;

(iv) 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;

(v) Preprinted or concurrently printed sequential number; and

(vi) Signatures of at least two agents verifying and witnessing the payout or gaming machine fill (except as otherwise noted in this section).

(2) Jackpot payouts, or hand pays over $25,000 .amount shall require the signature and verification of a supervisory or management agent independent of the gaming machine department (in addition to the two signatures required previously in this section). Alternatively, if an on-line accounting system is utilized, only two signatures are required: one agent and one supervisory or management agent independent of the gaming machine department.

(3) With regard to jackpot payouts, hand pays,, the signature of one agent is not authorized.

(4) For short pays, and payouts required for accumulated credits, the payout form shall include the following information:

(i) Date and time;

(ii) Machine number;

(iii) Dollar amount of payout (both alpha and numeric); and

(iv) The signature of at least one (1) agent verifying and witnessing the payout.

(5) Where the payout amount is $50 or more, signatures of at least two (2) agents verifying and witnessing the payout is required

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

i. Slot system exception reports shall be reviewed, filed and maintained monthly and retained for one year and made available to TGRA upon request.

(7) Controls shall be established and procedures implemented establishing Manual Payout forms shall be controlled and routed in a manner that precludes any one person from producing a fraudulent payout by forging signatures through the use of agent signature cards or by altering the amount paid out subsequent to the payout and misappropriating the funds.

(i) The controls shall at a minimum address the following:

(a) Manual payout forms shall be secured and accounted for when not in use.

(b) Paid out transactions over $50 require a supervisory agent witness the transaction.

(J) Promotional payouts or awards.

(1) If a gaming operation offers promotional payouts or awards that are not reflected on the gaming machine pay table, then the payout form/documentation shall include:

(i) Date and time;

(ii) Machine number and denomination;

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

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

(v) Signature of at least one independent agent authorizing and completing the transaction.

(vi) Weekly, promotional payouts or awards will be summarized by prize, dollar amount, and recipient and reviewed by management for propriety and made available to TGRA upon request.

(vii) Form 1099 will be issued and records maintained in accordance with IRS standards as applicable.

(viii) Documentation shall be retained (electronic or hardcopy) for a minimum five years for AML/BSA compliance.

(K) Gaming machine department funds standards.

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

(2) To safeguard funds stored in booth and change bank areas any and all personal items entering change booths and banks shall be transparent for adequate viewing of its contents. Personal items brought into work areas containing chips, checks, currency or money storage areas shall be subject to inspection.

(L) EPROM control standards.

(1) At least annually, procedures shall be performed to insure the integrity of a sample of 10% 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.

(2) The gaming operation subject to the approval of the Tribal Gaming Regulatory Authority, shall develop and implement procedures for the following:

(i) 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;

(ii) Copying one gaming device program to another TGRA approved program;

(iii) Verification of duplicated EPROMs before being offered for play;

(iv) Receipt and destruction of EPROMs, or other equivalent game software media; and

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

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

(4) All gaming machines shall have the game software circuit boards locked or physically sealed. The lock or seal shall necessitate the presence of an agent 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.

(5) Records that document the procedures for software or chip duplication of this section shall include the following information:

(i) Date;

(ii) Machine number (source and destination);

(iii) Manufacturer;

(iv) Program number;

(v) Personnel involved;

(vi) Reason for duplication;

(vii) Disposition of any permanently removed EPROM, or other equivalent game software media;

(viii) Seal numbers, if applicable; and

(ix) Approved testing lab approval numbers, if available.

(6) 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.

(M) Standards for evaluating theoretical and actual hold percentages.

(1) Accurate and current theoretical hold worksheets shall be maintained for each gaming machine.

(i) Current is defined as no more than two days from the date of the transactions being analyzed.

(2) For multi-game/multi-denominational machines, an agent or department independent of the gaming machine department shall:

(i) Weekly, record the total coin-in meter;

(ii) Quarterly, record the coin-in meters for each paytable contained in the machine; and

(iii) 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 paytable.

(3) For those gaming operations that are unable to perform the weighted average calculation as required by this section, the following procedures shall apply:

(i) Justification as to why the weighted average cannot be calculated will be provided to the TGRA prior to years end.

(ii) On at least an annual basis, calculate the actual hold percentage for each gaming machine;

(iii) 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

(iv) The adjusted theoretical hold percentage shall be within the spread between the minimum and maximum theoretical payback percentages.

(4) 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.

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

(6) 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.

(i) When new asset numbers are established, such changes shall not combine, distort or alter historical data.

(7) 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.

(8) 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) Machine meter information shall be tested and verified to be accurate during installs, conversions, upgrades and annual testing.

(9) All gaming machines with bill acceptors shall contain functioning billing meters that record the dollar amounts or number of bills accepted by denomination.

(i) Bill meters shall be tested and verified to be accurate during install, conversions, and upgrades.

(10) 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.

(11) The agent 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 an agent other than the regular in-meter reader.

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

(13) Prior to final preparation of statistical reports, meter readings that do not appear reasonable shall be reviewed with gaming machine department agents 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.

(14) 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.

(15) 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 of this section.

(16) If promotional payouts, free play, 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.

(17) The statistical reports shall be reviewed by both gaming machine department management and management agents independent of the gaming machine department on at least a monthly basis and made available to the TGRA upon request.

(18) For those machines that have experienced at least 100,000 wagering transactions, large variances three percent (3%) 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 Tribal Gaming Regulatory Authority upon request.

(19) 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 agents if sufficient documentation is generated and it is randomly verified on a monthly basis by agents independent of the gaming machine department.

(20) Installation of and updates to the on-line gaming machine monitoring system to reflect additions, deletions, or movements of gaming machines shall be made by an agent or department independent of the gaming machine department.

> (i) Requests for 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.
>
> (ii) Machine testing shall be performed with results documented prior to the machine being put in play, which verifies machine options and machine enrollment into slot tracking computer systems are consistent and accurate.
>
> (iii)Gaming machine installs, moves, or removals shall be done in a manner which will not distort or delete historical data captured by the on-line monitoring system.

(N) Gaming machine hopper contents standards.

(1) When machines are temporarily removed from the floor, gaming machine drop contents shall be removed under surveillance coverage and the presence of two agents, one who must be an independent agent of the gaming machine department to preclude the misappropriation of stored funds.

(2) When machines are permanently removed from the floor, the gaming machine drop contents shall be under surveillance camera, when counted and recorded by at least two agents with appropriate documentation being routed to the accounting department for proper recording and accounting for initial hopper loads.

(O) Player tracking system.

(1) The following standards apply if a player tracking system is utilized:

(i) The player tracking system shall be secured so as to prevent unauthorized access. Controls shall include at a minimum but not limited to the following:

(a) Changing passwords at least quarterly

(b) Monitoring or disabling usb, disc drives or other electronics components not required for daily operations that may be used to download or duplicate customer account information or other sensitive data.

(c) Separation of duties between agents taking request for account changes or account adjustments and the agent performing the change.

(ii) 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 agent if sufficient documentation is generated and it is randomly verified by agents independent of the gaming machine department on at least monthly basis.

(a) Exception and audit reports shall be reviewed monthly by management for impropriety with results documented and maintained for a minimum 6 month period.

(iii) Agents 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 an agent independent of the redemption of points process.

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

(v) All other changes to the player tracking system shall require approval by a supervisory agent and by performed and verified by a second independent agent. Change requests and results will be sufficiently documented to include at a minimum agents involved, requested changes, and verification of said changes.

(P) In-house progressive gaming machine standards.

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

(2) At least once each day, each gaming operation shall record the amount shown on each progressive jackpot meter

(3) 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 operation shall record the jackpot payout number on the sheet or have the number reasonably available; and

(4) Each gaming operation shall record the base amount of each progressive jackpot the gaming operation offers.

(5) The Tribal Gaming Regulatory Authority 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.

(Q) Wide area progressive gaming machine standards.

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

(2) As applicable to participating gaming operations, 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.).

(i) Documentation shall be established and approved by the TGRA clarifying agent not authorized to play progressive machines.

(3) Controls shall be established and procedures implemented and approved by the TGRA for the wide area progressive system that:

(i) Reconcile meters and jackpot payouts;

(ii) Collect/drop gaming machine funds;

(iii) Verify jackpot, payment, and billing to gaming operations on pro-rata basis;

(iv) System maintenance;

(v) System accuracy; and

(vi) System security.

(4) Reports, where applicable, adequately documenting the procedures required stated in this section shall be generated and retained.

(R) Accounting/auditing standards.

(1) Gaming machine accounting/auditing procedures shall be performed by agents independent of the transactions being reviewed.

(2) 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.

(3) For weigh scale and currency interface systems, for at least one drop period per month accounting/auditing agent 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.

(4) 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.

(i) Discrepancies shall be reported to management. Management shall address repetitive discrepancies to minimize or eliminate occurrences.

(5) 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 Tribal Gaming Regulatory Authority upon request.

(6) For each drop period, accounting/auditing agents 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.

(7) 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 more than $25. The follow-up performed and results of the investigation shall be documented, maintained for inspection, and provided to the Tribal Gaming Regulatory Authority upon request.

(8) 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.

(9) Accounting/auditing personnel shall review exception reports for all computerized gaming machine systems on a daily basis for propriety of transactions and unusual occurrences. Exception reports include but are not limited to:

(i) Hold percentage variances

(ii) Meter variances

(iii) Point accumulation variances

(iv) money in variances

(v) money out variances

(10) All gaming machine auditing procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the Tribal Gaming Regulatory Authority upon request.

(11) Audit Findings: Controls will be established and procedures implemented to collect, review, and take corrective actions to fix identified noncompliance audit findings. (Audit findings include external audits, revenue audit, external investigation findings, internal surveillance procedural violation report findings, internal audit findings, and internal/external compliance audit findings.)

(S) Cash-out tickets.

For gaming machines that utilize cash-out tickets, the following standards apply.

(1) In addition to the applicable auditing and accounting standards of this section, 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.

(2) 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 Tribal Gaming Regulatory Authority, or the gaming operation as approved by the Tribal Gaming Regulatory Authority. Cash-out tickets may be redeemed for payment or inserted in another gaming machine and wagered, if applicable, during the specified time period.

(3) The customer shall redeem the cash-out ticket at a Kiosk, change booth or cashiers' cage. Alternatively, if a gaming operation utilizes a remote computer validation system (Kiosk), the gaming operation as approved by the Tribal Gaming Regulatory Authority, shall develop alternate standards for the maximum amount that can be redeemed, which shall not exceed $2,999.99 per cash-out transaction.

(4) Upon presentation of the cash-out ticket(s) for redemption, the following shall occur:

(i) Scan the bar code via an optical reader or its equivalent; or

(ii) Input the cash-out ticket validation number into the computer.

(5) The information contained in 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.

(6) 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.

(7) 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.

(8) 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:

(i) Serial number of the cash-out ticket;

(ii) Date and time;

(iii) Dollar amount;

(iv) Issuing gaming machine number;

(v) Marking ticket “paid”; and

(vi) Ticket shall remain in cashier's bank for reconciliation purposes.

(9) Cash-out tickets shall be validated as expeditiously as possible when the host validation computer system is restored.

(10) The gaming operation shall establish controls as approved by the Tribal Gaming Regulatory Authority, and implement procedures to control cash-out ticket paper, which shall include at a minimum procedures that:

(i) Mitigate the risk of counterfeiting of cash-out ticket paper;

(ii) Adequately control the inventory of the cash-out ticket paper; and

(iii) Provide for the destruction of all unused cash-out ticket paper.

(iv) Alternatively, if the gaming operation utilizes a computer validation system, this standard shall not apply.

(11) If the host validation computer system is down for more than four (4) hours, the gaming operation shall promptly notify the TGRA.

(12) These gaming machine systems shall comply with all other standards (as applicable) in this part including:

(i) Standards for bill acceptor drop and count;

(ii) Standards for coin drop and count; and

(iii) Standards concerning EPROMS or other equivalent game software media.

(T) Account access cards. For gaming machines that utilize account access cards to activate play of the machine, the following standards shall apply:

(1) Equipment.

(i) A central computer, with supporting hardware and software, to coordinate network activities, provide system interface, and store and manage a player/account database;

(ii) 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;

(iii) 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.

(2) Player terminals standards.

(i) The player terminals are connected to a game server;

(ii) 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;

(iii) The game server shall be housed in a game server room or a secure locked cabinet.

(a) Each vendor's server will be secured independently from other vendor servers.

(b) Access logs will be utilized for accessing all server cabinets. Logs shall be a bound log and include the minimum following information:

(i) Name of person accessing server cabinet/room

(ii)Date, time (in and out), and reason for access

(3) Customer account maintenance standards.

(i) A central computer acting as an account server shall provide customer account maintenance and the deposit/withdrawal function of those account balances;

(ii) Customers 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;

(iii) All communications between the player terminal, or bank of player terminals, and the account server shall be encrypted for security reasons.

(4) Customer account generation standards.

(i) A computer file for each customer shall be prepared by an agent, with no incompatible functions, prior to the customer being issued an account access card to be utilized for machine play. The customer will select his/her PIN to be used in conjunction with the account access card in a manner that precludes an agent from knowing the private PIN number.

(ii) For each customer file, an agent shall:

(a) Record the customer'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 customer shall be verified by examination of a valid driver's license or other TGRA approved form of identification.

(iii) The agent shall sign-on with a unique password assigned to them exclusively 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.

(iv) After entering a specified number of incorrect PIN entries at the cage or player terminal, the customer shall be directed to proceed to an agent to obtain a new PIN. If a customer forgets, misplaces or requests a change to their PIN, the customer shall proceed to an agent for assistance.

(v) The customer will enter their new PIN in such a manner that precludes the agent from knowing the private PIN.

(vi) If controls are established that require scanning the customer identification into the computerized account, military ID's are not allowed to be scanned into the system.

(vii) A W-9 form shall not be used as a form of I.D. when filing a W2G form.

(viii) A W-9 form is an acceptable form when used in conjunction with a state or federal issued I.D. when completing a 1099 form.

(U) Prize standards.

(i) Winners at the gaming machines may receive cash, prizes redeemable for cash or merchandise.

(ii) 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.

(a) Prizes, awards, or promotional items will be tracked and reported in a manner to comply with IRS, Title 31, and/or AML/BSA requirements as applicable.

(iii) The redemption period of account access cards, as approved by the Tribal Gaming Regulatory Authority, shall be conspicuously posted in the gaming operation.

Minimum Internal Control Standards for Table Games

(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.

(2) Standards for drop and count. The procedures for the collection of the table game drop and the count thereof shall comply with §543.17, §542.21, §542.31, or §542.41 (as applicable).

§543.17 states the following:

(a) *Supervision.* Supervision must be provided for drop and count as needed by an agent(s) with authority equal to or greater than those being supervised.

(b) *Count room access.* Controls must be established and procedures implemented to limit physical access to the count room to count team agents, designated staff, and other authorized persons. Such controls must include the following:

(i) Count team agents may not exit or enter the count room during the count except for emergencies or scheduled breaks.

(ii) Surveillance must be notified whenever count room agents exit or enter the count room during the count.

(iii) The count team policy, at a minimum, must address the transportation of extraneous items such as personal belongings, tool boxes, beverage containers, etc., into or out of the count room.

(c) *Count team.* Controls must be established and procedures implemented to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud. Such controls must include the following:

(A) For Tier C operations, all counts must be performed by at least three agents.

(1) For Tier C operations, at no time during the count can there be fewer than three count team agents in the count room until the drop proceeds have been accepted into cage/vault accountability.

(2) For Tier C operations, count team agents must be rotated on a routine basis such that the count team is not consistently the same three agents more than four days per week. This standard does not apply to gaming operations that utilize a count team of more than three agents.

(3) Functions performed by count team agents must be rotated on a routine basis.

(4) Count team agents must be independent of the department being counted.

(5) Player interface and financial instrument storage component drop standards.

(i) Surveillance must be notified when the drop is to begin so that surveillance may monitor the activities.

(ii) At least two agents must be involved in the removal of the player interface storage component drop, at least one of whom is independent of the player interface department.

(iii) All financial instrument storage components may be removed only at the time previously designated by the gaming operation and reported to the TGRA. If an emergency drop is required, surveillance must be notified before the drop is conducted and the TGRA must be informed within a timeframe approved by the TGRA.

(6) The financial instrument storage components must be removed by an agent independent of the player interface department, 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.

(i) Security must be provided for the financial instrument storage components removed from player interfaces and awaiting transport to the count room.

(ii) Transportation of financial instrument storage components must be performed by a minimum of two agents, at least one of whom is independent of the player interface department.

(7) All financial instrument storage components must be posted with a number corresponding to a permanent number on the player interface.

(B) **Player interface financial instrument count standards.**

(1) Access to stored full financial instrument storage components must be restricted to:

(i) Authorized members of the drop and count teams; and

(ii) In an emergency, authorized persons for the resolution of a problem.

(2) The player interface financial instrument count must be performed in a count room or other equivalently secure area with comparable controls.

(3) Access to the count room during the count must 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.

(4) If counts from various revenue centers occur simultaneously in the count room, procedures must be in effect that prevent the commingling of funds from different revenue centers.

(5) The count team must not have access to amount-in or bill-in meter amounts until after the count is completed and the drop proceeds are accepted into the cage/vault accountability.

(6) Count equipment and systems must be tested, and the results documented, before the first count begins, to ensure the accuracy of the equipment.

(7) If a currency counter interface is used:

(i) It must be adequately restricted to prevent unauthorized access; and

(ii) The currency drop figures must be transferred via direct communications line or computer storage media to the accounting department.

(8) The financial instrument storage components must be individually emptied and counted so as to prevent the commingling of funds between storage components until the count of the storage component has been recorded.

(i) The count of each storage component must be recorded in ink or other permanent form of recordation.

(ii) Coupons or other promotional items not included in gross revenue may be recorded on a supplemental document by the count team members or accounting personnel. All single-use coupons must be cancelled daily by an authorized agent to prevent improper recirculation.

(9) If currency counters are utilized, a count team member must observe the loading and unloading of all currency at the currency counter, including rejected currency.

(10) Two counts of the currency rejected by the currency counter must be recorded per interface terminal as well as in total. Rejected currency must be posted to the player interface from which it was collected.

(11) Storage components, when empty, must be shown to another member of the count team, to another agent who is observing the count, or to surveillance, provided that the count is monitored in its entirety by an agent independent of the count.

(12) Procedures must be implemented to ensure that any corrections to the count documentation are permanent, identifiable and the original, corrected information remains legible. Corrections must be verified by two count team agents.

(13) The count sheet must be reconciled to the total drop by a count team member who may not function as the sole recorder, and variances must be reconciled and documented. This standard does not apply to vouchers removed from the financial instrument storage components.

(14) All count team agents must sign the report attesting to their participation in the count.

(15) A final verification of the total drop proceeds, before transfer to cage/vault, must be performed by the at least two agents, one of whom is a supervisory count team member and the other a count team agent.

(i) Final verification must include a comparison of currency counted totals against the currency counter/system report, if a counter/system is used.

(ii) Any unresolved variances must be documented and the documentation must remain a part of the final count record forwarded to accounting.

(iii) This verification does not require a complete recount of the drop proceeds but does require a review sufficient to verify the total drop proceeds being transferred.

(iv) The two agents must sign the report attesting to the accuracy of the total drop proceeds verified.

(v) All drop proceeds and cash equivalents that were counted must be turned over to the cage or vault cashier (who must be independent of the count team) or to an agent independent of the revenue generation and the count process for verification. Such cashier or agent must certify, by signature, the amount of the drop proceeds delivered and received. Any unresolved variances must be reconciled, documented, and/or investigated by accounting/revenue audit.

(16) After certification by the agent receiving the funds, the drop proceeds must be transferred to the cage/vault.

(i) The count documentation and records must not be transferred to the cage/vault with the drop proceeds.

(ii) The cage/vault agent must not have knowledge or record of the drop proceeds total before it is verified.

(iii) All count records must be forwarded to accounting secured and accessible only by accounting agents.

(iv) The cage/vault agent receiving the transferred drop proceeds must sign the count sheet attesting to the verification of the total received, and thereby assuming accountability of the drop proceeds, and ending the count.

(v) Any unresolved variances between total drop proceeds recorded on the count room report and the cage/vault final verification during transfer must be documented and investigated.

(17) The count sheet, with all supporting documents, must be delivered to the accounting department by a count team member or agent independent of the cashiers department. Alternatively, it may be adequately secured and accessible only by accounting department.

(C) Controlled keys. Controls must be established and procedures implemented to safeguard the use, access, and security of keys in accordance with the following:

(1) Each of the following requires a separate and unique key lock or alternative secure access method:

(i) Drop cabinet;

(ii) Drop box release;

(iii) Drop box content; and

(iv) Storage racks and carts.

(2) Access to and return of keys or equivalents must be documented with the date, time, and signature or other unique identifier of the agent accessing or returning the key(s).

(3) Documentation of all keys, including duplicates, must be maintained, including:

(i) Unique identifier for each individual key;

(ii) Key storage location;

(iii) Number of keys made, duplicated, and destroyed; and

(iv) Authorization and access.

(4) Custody of all keys involved in the drop and count must be maintained by a department independent of the count and the drop agents as well as those departments being dropped and counted.

(5) Other than the count team, no agent may have access to the drop box content keys while in possession of storage rack keys and/or release keys.

(6) Other than the count team, only agents authorized to remove drop boxes are allowed access to drop box release keys.

(7) Any use of keys at times other than the scheduled drop and count must be properly authorized and documented.

(8) Emergency manual keys, such as an override key, for computerized, electronic, and alternative key systems must be maintained in accordance with the following:

(i) Access to the emergency manual key(s) used to access the box containing the player interface drop and count keys requires the physical involvement of at least three agents from separate departments, including management. The date, time, and reason for access, must be documented with the signatures of all participating persons signing out/in the emergency manual key(s);

(ii) The custody of the emergency manual keys requires the presence of two agents from separate departments from the time of their issuance until the time of their return; and

(iii) Routine physical maintenance that requires access to the emergency manual key(s), and does not involve accessing the player interface drop and count keys, only requires the presence of two agents from separate departments. The date, time, and reason for access must be documented with the signatures of all participating agents signing out/in the emergency manual key(s).

(i) Variances. The operation must establish, as approved by the TGRA, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented and reported to management independent of the department games department and to TGRA.

(D) Fill and credit standards.

(1) 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.

(2) Unissued 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.

(3) 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.

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

(5) At least three parts of each fill slip shall be utilized as follows:

(i) 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;

(ii) One part shall be retained in the cage for reconciliation of the cashier bank; and

(iii) 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.

(6) For Tier C gaming operations, 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).

(7) 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.

(8) All fills shall be carried from the cashier's cage by a person who is independent of the cage or pit.

(9) 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):

(i) Cashier who prepared the fill slip and issued the checks, chips, tokens, or cash equivalent;

(ii) Runner who carried the checks, chips, tokens, or cash equivalents from the cage to the pit;

(iii) Dealer or boxperson who received the checks, chips, tokens, or cash equivalents at the gaming table; and

(iv) Pit supervisory personnel who supervised the fill transaction.

(10) Fills shall be broken down and verified by the dealer or boxperson in public view and under surveillance coverage before the dealer or boxperson places the fill in the table tray.

(11) 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.

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

(13) At least three parts of each credit slip shall be utilized as follows:

(i) 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 checks, chips, tokens, markers, or cash equivalents from the pit to the cage for verification and signature of the cashier.

(ii) For computer systems, one part shall be retained in a secure manner to insure that only authorized agents may gain access to it. For manual systems, one part shall be retained in a secure manner in a continuous unbroken form.

(14) 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.

(15) 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 and under surveillance coverage prior to placing them in racks for transfer to the cage.

(16) All checks, 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 agent who is independent of the cage or pit.

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

(i) Cashier who received the items transferred from the pit and prepared the credit slip;

(ii) Runner who carried the items transferred from the pit to the cage;

(iii) Dealer who had custody of the items prior to transfer to the cage; and

(iv) Pit supervisory personnel who supervised the credit transaction.

(18) The credit slip shall be inserted in the drop box by the dealer.

(19) Checks, 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.

(20) Cross fills (the transfer of checks or chips between table games) and even cash exchanges are prohibited in the pit.

(E) Table inventory forms.

(1) At the close of each shift, for those table banks that were opened during that shift:

(i) The table's checks, chip, token, coin, and marker inventory shall be counted and recorded on a table inventory form; or

(ii) 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.

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

(3) 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.

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

(F) Table games computer generated documentation standards.

(1) 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.).

(2) This documentation shall be restricted to authorized personnel.

(3) The documentation shall include, at a minimum:

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

(ii) Personnel access listing, which includes, at a minimum:

(a) Employee/agent name or employee/agent identification number (if applicable); and

(b) Listing of functions employees/agents can perform or equivalent means of identifying the same.

(G) Standards for playing cards and dice.

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

(2) Used cards and dice shall be maintained in a secure location until marked, scored, or destroyed, in a manner as approved by the Tribal Gaming Regulatory Authority, to prevent unauthorized access and reduce the possibility of tampering.

(i) Used cards and dice must be inspected and cancelled by a department independent of the table games department.

(3) The gaming operation as approved by the Tribal Gaming Regulatory Authority, shall establish and the gaming operation shall comply with a

reasonable time period, which shall not exceed seven (7) days, within which to mark, cancel, or destroy cards and dice from play.

(i) This standard shall not apply where playing cards or dice are retained for an investigation.

(4) 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.

(5) Plastic cards. If a gaming operation 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 Tribal Gaming Regulatory Authority.

(i) Controls must be established and procedures implemented approved by TGRA for the following:

(A) Card Controls: Controls must be established and procedures implemented for:

(B) Inspection of new card containers for correctness

(C)Inspecting cards for completeness and alteration

(6) The recording of two agents ---one of whom must be a supervisory agent-witnessing the card opening and inspection

(7) Replacement of damaged, altered, worn cards

(ii) The following game protection controls will be incorporated into game procedures:

(a) Clearing of hands

(b) Shuffle check on hand dealt games

(c) No Mid Shoe entry rule when appropriate

(d) Procedures protecting shoes and cards during play

(e) Adherence to call out procedures

(f) Breaking down of check, chips, and currency for surveillance observation

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

(i) Analysis of table game performance standards.

(a) Records shall be maintained by day and shift indicating any that were dealt for an entire shift.

(9) 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.

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

(ii) Management referred to in this section shall investigate any unusual fluctuations in hold percentage with pit supervisory personnel.

(iii) The results of such investigations shall be documented, maintained for inspection, and provided to the Tribal Gaming Regulatory Authority upon request.

(H) Accounting/auditing standards for table games.

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

(2) 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.

(3) Accounting/auditing agents shall review exception reports for all computerized table games systems at least monthly for propriety of transactions and unusual occurrences.

(4) All noted improper transactions or unusual occurrences shall be investigated with the results documented and provided to management independent of table games and TGRA at least weekly.

(5) Evidence of table games auditing procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the Tribal Gaming Regulatory Authority upon request.

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

(i) Drop;

(ii) Win; and

(iii) Gross revenue.

(7) Audit Findings: Controls will be established and procedures implemented to collect, review, and take corrective actions to fix identified noncompliance audit findings. (Audit findings include external audits, revenue audit, external investigation findings, internal surveillance procedural violation report findings, internal audit findings, and internal/external compliance audit findings.)

(I) Call bets. The following standards shall apply if call bets are accepted in the pit:

(1) A call bet shall be evidenced by the placement of a lammer button, chips, or other identifiable designation in an amount equal to that of the wager in a specific location on the table;

(2) The placement of the lammer button, chips, or other identifiable designation shall be performed by supervisory/boxperson personnel. The placement may be performed by a dealer only if the supervisor physically observes and gives specific authorization;

(3) The call bet shall be settled at the end of each hand of play by the preparation of a marker, repayment of the credit extended, or the payoff of the winning wager. Call bets extending beyond one hand of play shall be prohibited; and

(4) The removal of the lammer button, chips, or other identifiable designation shall be performed by the dealer/ boxperson upon completion of the call bet transaction.

(J) Rim credit.

The following standards shall apply if rim credit is extended in the pit:

(1) Rim credit shall be evidenced by the issuance of chips to be placed in a neutral zone on the table and then extended to the customer for the customer to wager, or to the dealer to wager for the customer, and by the placement of a lammer button or other identifiable designation in an amount equal to that of the chips extended; and

(2) Rim credit shall be recorded on player cards, or similarly used documents, which shall be:

(i) Pre-numbered or concurrently numbered and accounted for by a department independent of the pit;

(ii) For all extensions and subsequent repayments, evidenced by the initials or signatures of a supervisor and the dealer attesting to the validity of each credit extension and repayment;

(iii) An indication of the settlement method (e.g., serial number of marker issued, chips, cash);

(iv) Settled no later than when the customer leaves the table at which the card is prepared;

(v) Transferred to the accounting department on a daily basis; and

(vi) Reconciled with other forms utilized to control the issuance of pit credit (e.g., master credit records, table cards).

(K) Accounting/auditing standards.

(1) A person independent of the cage, credit, and collection functions shall perform all of the following at least three (3) times per year:

(i) At least monthly, ascertain compliance with credit limits and other established credit issuance procedures;

(ii) Randomly reconcile outstanding balances of both active and inactive accounts on the accounts receivable listing to individual credit records and physical instruments;

(iii) Examine credit records to determine that appropriate collection efforts are being made and payments are being properly recorded; and

(iv) For a minimum of five (5) days per month, partial payment receipts shall be subsequently reconciled to the total payments recorded by the cage for the day and shall be numerically accounted for.

(v) At least monthly, all credit accounts will be reviewed for Title 31, AML/BSA compliance.

(L) Audit Findings: Controls will be established and procedures implemented to collect, review, and take corrective actions to fix identified noncompliance audit findings. (Audit findings include external audits, revenue audit, external investigation findings, internal surveillance procedural violation report findings, internal audit findings, and internal/external compliance audit findings.)

Minimum Internal Control Standards for Marketing, Gaming Promotions, and Player Tracking Systems

(A) Supervision.

(i)Supervision must be provided as needed for gaming promotions and player tracking by an agent(s) with authority equal to or greater than those being supervised.

(B) Gaming promotions.

(1) The rules of the gaming promotion must be displayed or made readily available to patron upon request. Gaming promotions rules require TGRA approval and must include the following:

(i) The rules of play;

(ii) The nature and value of the associated prize(s) or cash award(s);

(iii) Any restrictions or limitations on participant eligibility;

(iv) The date(s), time(s), and location(s) for the associated promotional activity or activities;

(v) Any other restrictions or limitations, including any related to the claim of prizes or cash awards;

(vi) The announcement date(s), time(s), and location(s) for the winning entry or entries; and

(vii) Rules governing promotions offered across multiple gaming operations, third party sponsored promotions, and joint promotions involving third parties.

(viii) Gaming promotion rules must be submitted for approval at least 30 days prior to the start of the promotion to the TGRA for review and approval.

(ix) 30 Day Waiver. If a situation arises in which speed is of the utmost concern to the success of a promotion, the 30 day time requirement may be waived upon request at the discretion of the Gaming Commission Chairman. However, in such situations, every effort needs be made by the requesting party to provide prompt and thorough information to facilitate the promotion approval process.

(x) All promotional items, awards, gifts will be inventoried monthly for accountability. Documentation will be maintained stating beginning inventory, issuance and remaining balance as applicable.

(xi) If available, player tracking systems will be utilized to create promotions and events, track inventory, and account for distribution of promotional items, cash, comps, free play, and rewards.

(xii) All promotional items, rewards, gifts, and cash give a ways will be tracked for IRS 1099 issuance.

(xiii) All event and promotions will comply with BSA/AML regulations.

(ivx) Amendments to promotions must be approved by TGRA

(xv) All promotion cancellations must be communicated to TGRA.

(C) Player tracking systems and gaming promotions.

(1) Changes to the player tracking systems, promotion and external bonusing system parameters, which control features such as the awarding of bonuses, the issuance of cashable credits, non-cashable credits, coupons and vouchers, must be performed under the authority of supervisory agents, independent of the department initiating the change. Alternatively, the changes may be performed by supervisory agents of the department initiating the change if sufficient documentation is generated and the propriety of the changes are randomly verified by supervisory agents independent of the department initiating the change on a monthly basis.

(2) All other changes to the player tracking system must be appropriately documented.

(D) Variances. The operation must establish, as approved by the TGRA, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

(E) Pre and Post Formas shall be created for marketing events;

(1) Expenses will be appropriately accrued for accurate and transparent performance;

(F) Media invoices and purchase orders will provide itemization for transparency (i.e. radio spots purchased, air times, TV spots purchased and air times…);

(G) Three bid process will be followed based on established thresholds;

(H) Sole Source documents will be completed when a Three Bid Process is not utilized;

(I) A Purchase Order process shall be utilized and adhered to as appropriate.

Minimum Internal Control Standards for Complimentary Services or Items

(A) Supervision. Supervision must be provided as needed for approval of complimentary services by an agent(s) with authority equal to or greater than those being supervised.

(B) Complimentary services or items.

(1) Controls must be established and procedures implemented for complimentary services or items that address the following:

(i) A matrix showing agents authorized to approve the issuance of complimentary services or items, including levels of authorization;

(ii) Limits and conditions on the approval and issuance of complimentary services or items;

(iii) Making and documenting changes to conditions or limits on the approval and issuance of complimentary services or items;

(iv) Documenting and recording the authorization, issuance, and redemption of complimentary services or items, including cash and non-cash gifts;

(v) Records must include the following for all complimentary items and services equal to or exceeding an amount established by the gaming operation and approved by the TGRA:

(a) Name of patron who received the complimentary service or item;
(b) Name(s) of issuer(s) 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); and
(e) Date the complimentary service or item was issued.

(2) Complimentary services and items records must be summarized and reviewed monthly for proper authorization and compliance with established authorization thresholds.

(3) A detailed reporting of complimentary services or items transactions that meet an established threshold approved by the TGRA must be prepared at least monthly.

(4) The detailed report must be forwarded to management for review.

(C) Variances.

(1) The operation must establish, as approved by the TGRA, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

Minimum Internal Control Standards for Drop and Count

(A) Supervision.

(1) Supervision must be provided for drop and count as needed by an agent(s) with authority equal to or greater than those being supervised.

(B) Count room access.

(1) Controls must be established and procedures implemented to limit physical access to the count room to count team agents, designated staff, and other authorized persons. Such controls must include the following:

(i) Count team agents may not exit or enter the count room during the count except for emergencies or scheduled breaks.

(ii) Surveillance must be notified whenever count room agents exit or enter the count room during the count.

(iii) The count team policy, at a minimum, must address the transportation of extraneous items such as personal belongings, tool boxes, beverage containers, etc., into or out of the count room

(C) Count team.

(1) Controls must be established and procedures implemented to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud. Such controls must include the following:

(i) For Tier C operations, all counts must be performed by at least three agents.

(ii) For Tier C operations, at no time during the count can there be fewer than three count team agents in the count room until the drop proceeds have been accepted into cage/vault accountability.

(iii) For Tier C operations, count team agents must be rotated on a routine basis such that the count team is not consistently the same three agents more than four days per week. This standard does not apply to gaming operations that utilize a count team of more than three agents.

(2) Functions performed by count team agents must be rotated on a routine basis.

(3) Count team agents must be independent of the department being counted.

(D) Table Games drop standards. Controls must be established and procedures implemented to ensure security of the drop process. Such controls must include the following:

(1) Surveillance must be notified when the drop is to begin so that surveillance may monitor the activities.

(2) At least two agents must be involved in the removal of the drop box, at least one of whom is independent of the card games department.

(3) Once the drop is started, it must continue until finished.

(4) All drop boxes may be removed only at the time previously designated by the gaming operation and reported to the TGRA. If an emergency drop is required, surveillance must be notified before the drop is conducted and the TGRA must be informed within a timeframe approved by the TGRA.

(5) At the end of each shift:

(i) All locked table game drop boxes must be removed from the tables by an agent independent of the table game shift being dropped;

(ii) For any tables opened during the shift, a separate drop box must be placed on each table, or a gaming operation may utilize a single drop box with separate openings and compartments for each shift; and

(iii) Table Game drop boxes must be transported directly to the count room or other equivalently secure area by a minimum of two agents, at least one of whom is independent of the card game shift being dropped, until the count takes place.

(6) All tables that were not open during a shift and therefore not part of the drop must be documented.

(7) All table game drop boxes must be posted with a number corresponding to a permanent number on the gaming table and marked to indicate game, table number, and shift, if applicable.

(E) Player interface and financial instrument storage component drop standards.

(1) Surveillance must be notified when the drop is to begin so that surveillance may monitor the activities.

(2) At least two agents must be involved in the removal of the player interface storage component drop, at least one of whom is independent of the player interface department.

(3) All financial instrument storage components may be removed only at the time previously designated by the gaming operation and reported to the TGRA. If an emergency drop is required, surveillance must be notified before the drop is conducted and the TGRA must be informed within a timeframe approved by the TGRA.

(4) The financial instrument storage components must be removed by an agent independent of the player interface department, 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.

(i) Security must be provided for the financial instrument storage components removed from player interfaces and awaiting transport to the count room.

(ii) Transportation of financial instrument storage components must be performed by a minimum of two agents, at least one of whom is independent of the player interface department.

(iii) All drop routes and schedules will be submitted and approved by TGRA prior to changes being made.

(5) All financial instrument storage components must be posted with a number corresponding to a permanent number on the player interface.

(F) Player interface financial instrument count standards.

(1) Access to stored full financial instrument storage components must be restricted to:

(i) Authorized members of the drop and count teams; and

(ii) In an emergency, authorized persons for the resolution of a problem.

(2) The player interface financial instrument count must be performed in a count room or other equivalently secure area with comparable controls.

(3) Access to the count room during the count must be restricted to members of the drop and count teams, with the exception of TGRA authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.

(4) If counts from various revenue centers occur simultaneously in the count room, procedures must be in effect that prevent the commingling of funds from different revenue centers.

(5) The count team must not have access to amount-in or bill-in meter amounts until after the count is completed and the drop proceeds are accepted into the cage/vault accountability.

(6) Count equipment and systems must be tested, and the results documented, before the first count begins, to ensure the accuracy of the equipment.

(7) If a currency counter interface is used:

(i) It must be adequately restricted to prevent unauthorized access; and

(ii) The currency drop figures must be transferred via direct communications line or computer storage media to the accounting department.

(8) The financial instrument storage components must be individually emptied and counted so as to prevent the commingling of funds between storage components until the count of the storage component has been recorded.

(i) The count of each storage component must be recorded in ink or other permanent form of recordation.

(ii) Coupons or other promotional items not included in gross revenue may be recorded on a supplemental document by the count team members or accounting personnel. All single-use coupons must be cancelled daily by an authorized agent to prevent improper recirculation.

(9) If currency counters are utilized, a count team member must observe the loading and unloading of all currency at the currency counter, including rejected currency.

(10) Two counts of the currency rejected by the currency counter must be recorded per interface terminal as well as in total. Rejected currency must be posted to the player interface from which it was collected.

(11) Storage components, when empty, must be shown to another member of the count team, to another agent who is observing the count, or to surveillance, provided that the count is monitored in its entirety by an agent independent of the count.

(12) Procedures must be implemented to ensure that any corrections to the count documentation are permanent, identifiable and the original, corrected information remains legible. Corrections shall be made by one line through the error and the correction signed with the agent(s) initials and gaming license number and must be verified by two count team agents.

(13) The count sheet must be reconciled to the total drop by a count team member who may not function as the sole recorder, and variances must be reconciled and documented. This standard does not apply to vouchers removed from the financial instrument storage components.

(14) All count team agents must sign the report attesting to their participation in the count.

(15) A final verification of the total drop proceeds, before transfer to cage/vault, must be performed by the at least two agents, one of whom is a supervisory count team member and the other a count team agent.

(i) Final verification must include a comparison of currency counted totals against the currency counter/system report, if a counter/system is used.

(ii) Any unresolved variances must be documented and the documentation must remain a part of the final count record forwarded to accounting.

(iii) This verification does not require a complete recount of the drop proceeds but does require a review sufficient to verify the total drop proceeds being transferred.

(iv) The two agents must sign the report attesting to the accuracy of the total drop proceeds verified.

(v) All drop proceeds and cash equivalents that were counted must be turned over to the cage or vault cashier (who must be independent of the count team) or to an agent independent of the revenue generation and the count process for verification. Such cashier or agent must certify, by signature, the amount of the drop proceeds delivered and received. Any unresolved variances must be reconciled, documented, and/or investigated by accounting/revenue audit.

(16) After certification by the agent receiving the funds, the drop proceeds must be transferred to the cage/vault.

(i) The count documentation and records must not be transferred to the cage/vault with the drop proceeds.

(ii) The cage/vault agent must not have knowledge or record of the drop proceeds total before it is verified.

(iii) All count records must be forwarded to accounting secured and accessible only by accounting agents.

(iv) The cage/vault agent receiving the transferred drop proceeds must sign the count sheet attesting to the verification of the total received, and thereby assuming accountability of the drop proceeds, and ending the count.

(v) Any unresolved variances between total drop proceeds recorded on the count room report and the cage/vault final verification during transfer must be documented and investigated.

(17) The count sheet, with all supporting documents, must be delivered to the accounting department by a count team member or agent independent of the cashiers department. Alternatively, it may be adequately secured and accessible only by accounting department.

(G) Collecting currency cassettes and financial instrument storage components from kiosks.

(1) Controls must be established and procedures implemented to ensure that currency cassettes and financial instrument storage components are securely removed from kiosks. Such controls must include the following:

(2) Surveillance must be notified prior to the financial instrument storage components or currency cassettes being accessed in a kiosk.

(3) At least two agents must be involved in the collection of currency cassettes and/or financial instrument storage components from kiosks and at least one agent should be independent of kiosk accountability.

(4) Currency cassettes and financial instrument storage components must be secured in a manner that restricts access to only authorized agents.

(5) Redeemed vouchers and pull tabs (if applicable) collected from the kiosk must be secured and delivered to the appropriate department (cage or accounting) for reconciliation.

(6) Controls must be established and procedures implemented to ensure that currency cassettes contain the correct denominations and have been properly installed.

(H) Kiosk count standards.

(1) Access to stored full kiosk financial instrument storage components and currency cassettes must be restricted to:

(i) Authorized agents; and

(ii) In an emergency, authorized persons for the resolution of a problem.

(2) The kiosk count must be performed in a secure area, such as the cage or count room.

(3) If counts from various revenue centers and kiosks occur simultaneously in the count room, procedures must be in effect that prevent the commingling of funds from the kiosks with any revenue centers.

(4) The kiosk financial instrument storage components and currency cassettes must be individually emptied and counted so as to prevent the commingling of funds between kiosks until the count of the kiosk contents has been recorded.

(i) The count of must be recorded in ink or other permanent form of recordation.

(ii) Coupons or other promotional items not included in gross revenue (if any) may be recorded on a supplemental document. All single-use coupons must be cancelled daily by an authorized agent to prevent improper recirculation.

(5) Procedures must be implemented to ensure that any corrections to the count documentation are permanent, identifiable, and the original, corrected information remains legible. Corrections must be verified by two agents.

(I) Controlled keys.

(1) Controls must be established and procedures implemented to safeguard the use, access, and security of keys for kiosks.

(J) Variances. The operation must establish, as approved by the TGRA, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

Minimum Internal Control Standards for The Cage, Vault, Kiosk, Cash and Cash Equivalents

(A) Supervision.

(1) Supervision must be provided as needed for cage, vault, kiosk, and other operations using cash or cash equivalents by an agent(s) with authority equal to or greater than those being supervised.

(2) Title 31 and BSA/AML training and testing will be job specific based on services offered through the cage.

(3) BSA/AML Compliance: Controls must be established and procedures implemented for the following:

(a) The casinos is required to file with FinCEN a CTR-C for any transaction over $10,000 in currency, including multiple transactions occurring during the course of the same day.

(b) Reports of Foreign Bank and Financial Accounts (FBARs): The casino is required to file reports of foreign bank and financial accounts if the aggregate value of the accounts exceeds $10,000.

(c) Reports of Currency or Monetary Instruments (CMIRs): Casinos must report any transportation of more than $10,000 in currency or monetary instruments into or outside of the U.S. on a Report of International Transportation of Currency or Monetary Instruments form.

(d) . Records of Funds Transfers: The casino must keep records of funds transfers of $3000 or more (such as wire transfers), including certain related information (such as name, address, account number of client, date and amount of wire, payment instructions, name of recipient institution, and name and account information of wire payment recipient).

(B) Check cashing.

(1) If checks are cashed at the cage, the controls must provide for security and integrity. For each check cashing transaction, the agent(s) conducting the transaction must:

(i) Verify the patron's identity;

(ii) Examine the check to ensure it includes the patron's name, current address, and signature;

(iii) For personal checks, verify the patron's check cashing authority and record the source and results in accordance with management policy; however

(iv) If a check guarantee service is used to guarantee the transaction and the procedures required by the check guarantee service are followed, then the above requirements do not apply.

(v) Check guarantee service providers must annually provide to the casino a letter stating they are AML/BSA compliant.

(vi) Controls must be established and procedures implemented for BSA/AML compliance for the following:

(a) Customer cards maintained showing check cashing history

(b) Posted fee schedule/general conditions for check cashing

(c) Average daily cash balance maintained for check cashing

(d) Establish insurance coverage for cash on hand

(e) Records maintained of cashed checks showing Name of banks – where located –account numbers, and type of account

(f) Written procedure for preparing deposits

(2) When counter checks are issued, the following must be included on the check:

(i) The patron's name and signature;

(ii) The dollar amount of the counter check;

(iii) Patron's bank name, bank routing, and account numbers;

(iv) Date of issuance; and

(v) Signature of the agent approving the counter check transaction.

(3) Checks that are not deposited in the normal course of business, as established by management, (held checks) are subject to §543.15 lines of credit standards.

(i) At least quarterly, a comparison shall be made against check deposit dates and internal logs receiving checks to ensure deposits are made in a timely manner. Results shall be documented and maintained for a minimum one year.

(4) When traveler's checks or other guaranteed drafts, such as cashier's checks, are presented, the cashier must comply with the examination and documentation procedures as required by the issuer. Examination and documentation requirements must be incorporated into casino controls and meet AML/BSA requirements.

(5) If a third party check cashing or guarantee service is used, the examination and documentation procedures required by the service provider apply, unless otherwise provided by tribal law or regulation.

(C) Cage and vault accountability.

(1) All transactions that flow through the cage must be summarized for each work shift of the cage and must be supported by documentation.

(2) Increases and decreases to the total cage inventory must be verified, supported by documentation, and recorded. Documentation must include the date and shift, the purpose of the increase/decrease, the agent(s) completing the transaction, and the person or department receiving the cage funds (for decreases only).

(3) The cage and vault inventories (including coin rooms) must be counted independently by at least two agents, attested to by signature, and recorded in ink or other permanent form at the end of each shift during which the activity took place. These agents must make individual counts to compare for accuracy and maintain individual accountability. All variances must be documented and investigated.

(4) The gaming operation must establish and comply with a minimum bankroll formula to ensure the gaming operation maintains cash or cash equivalents (on hand and in the bank, if readily accessible) in an amount sufficient to satisfy obligations to the gaming operation's patrons as they are incurred.

(D) Kiosks.

(1) Kiosks must be maintained on the cage accountability and must be counted independently by at least two agents, documented, and reconciled for each increase or decrease to the kiosk inventory.

(2) Currency cassettes must be counted and filled by an agent and verified independently by at least one agent, all of whom must sign each cassette.

(3) Currency cassettes must be secured with a lock or tamper resistant seal and, if not placed inside a kiosk, must be stored in a secured area of the cage/vault.

(4) The gaming operation, subject to the approval of the TGRA, must develop and implement physical security controls over the kiosks. Controls should address the following: forced entry, evidence of any entry, and protection of circuit boards containing programs.

(5) With regard to cashless systems, the TGRA or the gaming operation, subject to the approval of the TGRA, must develop and implement procedures to ensure that communications between the kiosk and system are secure and functioning.

(6) The following reconciliation reports must be available upon demand for each day, shift, and drop cycle (this is not required if the system does not track the information, but system limitation(s) must be noted):

(i) Starting balance dollar amount per financial instrument;

(ii) Starting balance number of items per financial instrument;

(iii) Dollar amount per financial instrument issued;

(iv) Number of items per financial instrument issued;

(v) Dollar amount per financial instrument issued;

(vi) Number of items per financial instrument redeemed;

(vii) Dollar amount per financial instrument increases;

(viii) Number of items per financial instrument increases;

(ix) Dollar amount per financial instrument decreases;

(x) Number of items per financial instrument decreases;

(xi) Ending balance dollar amount per financial instrument; and

(xii) Ending balance number of items per financial instrument.

Minimum Internal Control Standards for Information Technology and Information Technology Data

(A) Supervision.

(1) Controls must identify the supervisory agent in the department or area responsible for ensuring that the department or area is operating in accordance with established policies and procedures.

(2) The supervisory agent must be independent of the operation of Class II games.

(3) Controls must ensure that duties are adequately segregated and monitored to detect procedural errors and to prevent the concealment of fraud.

(i) An administrative password must be established with the authority to override all IT personnel. Such password must be maintained by a department independent of the IT department.

(4) Information technology agents having access to Class II gaming systems may not have signatory authority over financial instruments and payout forms and must be independent of and restricted from access to:

(i) Financial instruments;

(ii) Accounting, audit, and ledger entries, employee/agent payroll; and

(iii) Payout forms.

(iv) Access to employee/agents and customer personal information and/or account information shall be restricted. If access to personal information is necessary, sufficient controls shall include monitoring access and a review of changes made.

(5) As used in this section only, a system is any computerized system that is integral to the gaming environment. This includes, but is not limited to, the server and peripherals for Class II gaming system, accounting, surveillance, essential phone system, and door access and warning systems.

(B) Class II gaming systems' logical and physical controls.

(1) Controls must be established and procedures implemented to ensure adequate:

(i) Control of physical and logical access to the information technology environment, including accounting, voucher, cashless and player tracking systems, among others used in conjunction with Class II gaming;

(ii) Physical and logical protection of storage media and its contents, including recovery procedures;

(iii) Access credential control methods;

(a) access logs shall be manual and/or electronic. When manual logs are used, log books shall be bound logs (not loose leaf) to maintain accountability.

(iv) Record keeping and audit processes; and

(v) Departmental independence, including, but not limited to, means to restrict agents that have access to information technology from having access to financial instruments.

(C) Physical security.

(1) The information technology environment and infrastructure must be maintained in a secured physical location such that access is restricted to authorized agents only.

(2) Access devices to the systems' secured physical location, such as keys, cards, or fobs, must be controlled by an independent agent.

(3) Access to the systems' secured physical location must be restricted to agents in accordance with established policies and procedures, which must include maintaining and updating a record of agents granted access privileges.

(4) Network Communication Equipment must be physically secured from unauthorized access.

(D) Logical security.

(1) Controls must be established and procedures implemented to protect all systems and to ensure that access to the following is restricted and secured:

(i) Systems' software and application programs;

(ii) Data associated with Class II gaming; and

(iii) Communications facilities, systems, and information transmissions associated with Class II gaming systems.

(2) Unused services and non-essential ports must be disabled whenever possible.

(3) Procedures must be implemented to ensure that all activity performed on systems is restricted and secured from unauthorized access, and logged.

(4) Communications to and from systems via Network Communication Equipment must be logically secured from unauthorized access.

(E) User controls.

(1) Systems, including application software, must be secured with passwords or other means for authorizing access.

(2) Management personnel or agents independent of the department being controlled must assign and control access to system functions.

(3) Access credentials such as passwords, PINs, or cards must be controlled as follows:

(i) Each user must have his or her own individual access credential;

(ii) Access credentials must be changed at an established interval approved by the TGRA; and

(iii) Access credential records must be maintained either manually or by systems that automatically record access changes and force access credential changes, including the following information for each user:

(a) User's name;

(b) Date the user was given access and/or password change; and

(c) Description of the access rights assigned to user.

(4) Lost or compromised access credentials must be deactivated, secured or destroyed within an established time period approved by the TGRA.

(5) Access credentials of terminated users must be deactivated immediately. Exceptions to established time periods will be recorded and made available to TGRA upon request.

(6) Only authorized agents may have access to inactive or closed accounts of other users, such as player tracking accounts and terminated user accounts.

(F) Installations and/or modifications.

(1) Only TGRA authorized or approved systems and modifications may be installed.

(2) Records must be kept of all new installations and/or modifications to Class II gaming systems. These records must include, at a minimum:

(i) The date of the installation or modification;

(ii) The nature of the installation or change such as new software, server repair, significant configuration modifications;

(iii) Evidence of verification that the installation or the modifications are approved; and

(iv) The identity of the agent(s) performing the installation/modification.

(3) Documentation must be maintained, such as manuals and user guides, describing the systems in use and the operation, including hardware.

(G) Remote access.

(1) Agents may be granted remote access for system support, provided that each access session is documented and maintained at the place of authorization. The documentation must include:

(i) Name of agent authorizing the access;

(ii) Name of agent accessing the system;

(iii) Verification of the agent's authorization;

(iv) Reason for remote access;

(v) Description of work to be performed;

(vi) Date and time of start of end-user remote access session; and

(vii) Date and time of conclusion of end-user remote access session.

(2) All remote access must be performed via a secured method and provide adequate verification.

(H) Incident monitoring and reporting.

(1) Procedures must be implemented for responding to, monitoring, investigating, resolving, documenting, and reporting security incidents associated with information technology systems.

(2) All security incidents must be responded to within an established time period approved by the TGRA and formally documented.

(I) Data backups.

(1) Controls must include adequate backup, including, but not limited to, the following:

(2) Controls must include recovery procedures, including, but not limited to, the following:

(i) Data backup restoration;

(ii) Program restoration; and

(iii) Redundant or backup hardware restoration.

(3) Recovery procedures must be tested on a sample basis at specified intervals at least annually. Results must be documented.

(4) Backup data files and recovery components must be managed with at least the same level of security and access controls as the system for which they are designed to support.

(J) Software downloads.

(1) Downloads, either automatic or manual, must be performed in accordance with 25 CFR 547.12.

(K) Verifying downloads.

(1) Following download of any Class II gaming system software, the Class II gaming system must verify the downloaded software using a software signature verification method. Using any method it deems appropriate, and approved by the TGRA. The Operational Compliance Officer must confirm the verification.

<u>Technical Standards for Class II Gaming Systems and Equipment</u>

For the purposes of this part, the following definitions apply:

Account access component. A component within a Class II gaming system that reads or recognizes account access media and gives a patron the ability to interact with an account.

Account access medium. A magnetic stripe card or any other medium inserted into, or otherwise made to interact with, an account access component in order to give a patron the ability to interact with an account.

Advertised top prize. The highest single prize available based on information contained in the prize schedule and help screens.

Agent. A person authorized by the tribal gaming operation, as approved by the TGRA, to make decisions or to perform tasks or actions on behalf of the tribal gaming operation.

Audit mode. The mode in which it is possible to view Class II gaming system accounting functions and statistics and perform non-player-related functions.

Cancel credit. An action initiated by the Class II gaming system by which some or all of a player's credits are removed by an attendant and paid to the player.

Cashless system. A system that performs cashless transactions and maintains records of those cashless transactions.

Cashless transaction. A movement of funds electronically from one component to another.

CD-ROM. Compact Disc—Read Only Memory.

Chair. The Chair of the National Indian Gaming Commission.

Class II gaming. Class II gaming has the same meaning as defined in 25 U.S.C. 2703(7)(A).

Class II gaming system. All components, whether or not technologic aids in electronic, computer, mechanical, or other technologic form, that function together to aid the play of one or more Class II games, including accounting functions mandated by these regulations.

Commission. The National Indian Gaming Commission established by the Indian Gaming Regulatory Act, 25 U.S.C. 2701 *et seq.*

Coupon. A financial instrument of fixed wagering value that can only be used to acquire non-cashable credits through interaction with a voucher system. This does not include instruments such as printed advertising material that cannot be validated directly by a voucher system.

Critical memory. Memory locations storing data essential to the functionality of the Class II gaming system.

DLL. A Dynamic-Link Library file.

Download package. Approved data sent to a component of a Class II gaming system for such purposes as changing the component software.

DVD. Digital Video Disk or Digital Versatile Disk.

Electromagnetic interference. The disruption of operation of an electronic device when it is in the vicinity of an electromagnetic field in the radio frequency spectrum that is caused by another electronic device.

Electrostatic discharge. A single event, rapid transfer of electrostatic charge between two objects, usually resulting when two objects at different potentials come into direct contact with each other.

Enroll. The process by which a Class II gaming system identifies and establishes communications with an additional system component to allow for live gaming activity to take place on that component.

EPROM. Erasable Programmable Read Only Memory—a non-volatile storage chip or device that may be filled with data and information, that, once written, is not modifiable, and that is retained even if there is no power applied to the system.

Fault. An event that, when detected by a Class II gaming system, causes a discontinuance of game play or other component functions.

Financial instrument. Any tangible item of value tendered in Class II game play, including, but not limited to, bills, coins, vouchers and coupons.

Financial instrument acceptor. Any component that accepts financial instruments, such as a bill validator.

Financial instrument dispenser. Any component that dispenses financial instruments, such as a ticket printer.

Financial instrument storage component. Any component that stores financial instruments, such as a drop box.

Flash memory. Non-volatile memory that retains its data when the power is turned off and that can be electronically erased and reprogrammed without being removed from the circuit board.

Game software. The operational program or programs that govern the play, display of results, and/or awarding of prizes or credits for Class II games.

Gaming equipment. All electronic, electro-mechanical, mechanical, or other physical components utilized in the play of Class II games.

Hardware. Gaming equipment.

Interruption. Any form of mis-operation, component failure, or interference to the Class II gaming equipment.

Modification. A revision to any hardware or software used in a Class II gaming system.

Non-cashable credit. Credits given by an operator to a patron; placed on a Class II gaming system through a coupon, cashless transaction or other approved means; and capable of activating play but not being converted to cash.

Patron. A person who is a customer or guest of the tribal gaming operation and may interact with a Class II game. Also may be referred to as a “player”.

Patron deposit account. An account maintained on behalf of a patron, for the purpose of depositing and withdrawing cashable funds for the primary purpose of interacting with a gaming activity.

Player interface. Any component(s) of a Class II gaming system, including an electronic or technologic aid (not limited to terminals, player stations, handhelds, fixed units, etc.), that directly enables player interaction in a Class II game.

Prize schedule. The set of prizes available to players for achieving pre-designated patterns in a Class II game.

Program storage media. An electronic data storage component, such as a CD-ROM, EPROM, hard disk, or flash memory on which software is stored and from which software is read.

Progressive prize. A prize that increases by a selectable or predefined amount based on play of a Class II game.

Random number generator (RNG). A software module, hardware component or combination of these designed to produce outputs that are effectively random.

Reflexive software. Any software that has the ability to manipulate and/or replace a randomly generated outcome for the purpose of changing the results of a Class II game.

Removable/rewritable storage media. Program or data storage components that can be removed from gaming equipment and be written to, or rewritten by, the gaming equipment or by other equipment designed for that purpose.

Server. A computer that controls one or more applications or environments within a Class II gaming system.

Test/diagnostics mode. A mode on a component that allows various tests to be performed on the Class II gaming system hardware and software.

Testing laboratory. An organization recognized by a TGRA pursuant to § 547.5(f).

TGRA. Tribal Gaming Regulatory Authority, which is the entity authorized by tribal law to regulate gaming conducted pursuant to the Indian Gaming Regulatory Act.

Unenroll. The process by which a Class II gaming system disconnects an enrolled system component, disallowing any live gaming activity to take place on that component.

Voucher. A financial instrument of fixed wagering value, usually paper, that can be used only to acquire an equivalent value of cashable credits or cash through interaction with a voucher system.

Voucher system. A component of the Class II gaming system that securely maintains records of vouchers and coupons; validates payment of vouchers; records successful or failed payments of vouchers and coupons; and controls the purging of expired vouchers and coupons.

Standards

(A) *Fairness.* No Class II gaming system may cheat or mislead users. All prizes advertised must be available to win during the game. A test laboratory must calculate and/or verify the mathematical expectations of game play, where applicable, in accordance with the manufacturer stated submission. The results must be included in the test laboratory's report to the TGRA. At the request of the TGRA, the manufacturer must also submit the mathematical expectations of the game play to the TGRA.

(B) *Approved gaming equipment and software only.* All gaming equipment and software used with Class II gaming systems must be identical in all respects to a prototype reviewed and tested by a testing laboratory and approved for use by the TGRA pursuant to § 547.5(a) through (c).

Compliance

(A) *Grandfathered gaming systems:* Any Class II gaming system manufactured before November 10, 2008, that is not already certified pursuant to this sub-section or compliant with paragraph (c) of this section may be made available for use at any tribal gaming operation if:

> (1) The TGRA submits the Class II gaming system software that affects the play of the Class II game, together with the signature verification required by § 547.8(f) to a testing laboratory recognized pursuant to paragraph (f) of this section within 120 days after October 22, 2012;
>
> (2) The testing laboratory tests the submission to the standards established by § 547.8(b), § 547.8(f), § 547.14, and any additional technical standards adopted by the TGRA;
>
> (3) The testing laboratory provides the TGRA with a formal written report setting forth and certifying to the findings and conclusions of the test;
>
> (4) The TGRA makes a finding, in the form of a certificate provided to the supplier or manufacturer of the Class II gaming system, that the Class II gaming system qualifies for grandfather status under the provisions of this section. A TGRA may make such a finding only upon receipt of a testing laboratory's report that the Class II gaming system is compliant with § 547.8(b), § 547.8(f), § 547.14, and any other technical standards adopted by the TGRA. If the TGRA does not issue the certificate, or if the testing laboratory finds that the Class II gaming system is not compliant with § 547.8(b), § 547.8(f), § 547.14, or any other technical standards adopted by the TGRA, then the gaming system must immediately be removed from play and not be utilized.
>
> (5) The TGRA retains a copy of any testing laboratory's report so long as the Class II gaming system that is the subject of the report remains available to the public for play; and
>
> (6) The TGRA retains a copy of any certificate of grandfather status so long as the Class II gaming system that is the subject of the certificate remains available to the public for play.

(B) Grandfather provisions. All Class II gaming systems manufactured on or before November 10, 2008, that have been certified pursuant to paragraph (a) of this section, are grandfathered Class II gaming systems for which the following provisions apply:

(1) Grandfathered Class II gaming systems may continue in operation for a period of ten years from November 10, 2008.

(2) Grandfathered Class II gaming systems may only be used as approved by the TGRA. The TGRA must transmit its notice of that approval, identifying the grandfathered Class II gaming system and its components, to the Commission.

(3) Remote communications may only be allowed if authorized by the TGRA.

(4) As permitted by the TGRA, individual hardware or software components of a grandfathered Class II gaming system may be repaired or replaced to ensure proper functioning, security, or integrity of the grandfathered Class II gaming system.

(5) All modifications that affect the play of a grandfathered Class II gaming system must be approved pursuant to paragraph (c) of this section, except for the following:

(i) Any software modifications that the TGRA finds will maintain or advance the Class II gaming system's overall compliance with this part or any applicable provisions of part 543 of this chapter, after receiving a new testing laboratory report that the modifications are compliant with the standards established by § 547.4(a), § 547.8(b), § 547.14, and any other standards adopted by the TGRA;

(ii) Any hardware modifications that the TGRA finds will maintain or advance the Class II gaming system's overall compliance with this part or any applicable provisions of part 543 of this chapter; and

(iii) Any other modification to the software of a grandfathered Class II gaming system that the TGRA finds will not detract from, compromise or prejudice:

(A) The proper functioning, security, or integrity of the Class II gaming system, and

(B) The gaming system's overall compliance with the requirements of this part or any applicable provisions of part 543 of this chapter.

(iv) No such modification may be implemented without the approval of the TGRA. The TGRA must maintain a record of the modification so long as the Class II gaming system that is the subject of the modification remains available to the public for play and must make the record available to the Commission upon request. The Commission will only make available for public review records or portions of records subject to release under the Freedom of Information Act, 5 U.S.C. 552; the Privacy Act of 1974, 5 U.S.C. 552a; or the Indian Gaming Regulatory Act, 25 U.S.C. 2716(a).

(6) The player interface must exhibit information consistent with § 547.7(d) and any other information required by the TGRA.

(7) If a grandfathered Class II gaming system is approved pursuant to paragraph (c) of this section, it ceases to be a grandfathered system and the restrictions of paragraph (a) and (b) of this section no longer apply.

(C) Submission, testing, and approval—generally. Except as provided in paragraphs (b) and (d) of this section, a TGRA may not permit the use of any Class II gaming system, or any associated cashless system or voucher system or any modification thereto, in a tribal gaming operation unless:

(1) The Class II gaming system, cashless system, voucher system, or modification thereto has been submitted to a testing laboratory;

(2) The testing laboratory tests the submission to the standards established by:

(i) This part;

(ii) Any applicable provisions of part 543 of this chapter that are testable by the testing laboratory; and

(iii) The TGRA;

(3) The testing laboratory provides a formal written report to the party making the submission, setting forth and certifying its findings and conclusions, and noting compliance with any standard established by the TGRA pursuant to paragraph (c)(2)(iii) of this section;

(4) The testing laboratory's written report confirms that the operation of a player interface prototype has been certified that it will not be compromised or affected by electrostatic discharge, liquid spills, electromagnetic interference, radio frequency interference, or any other tests required by the TGRA;

(5) Following receipt of the testing laboratory's report, the TGRA makes a finding that the Class II gaming system, cashless system, or voucher system conforms to the standards established by:

(i) This part;

(ii) Any applicable provisions of part 543 of this chapter that are testable by the testing laboratory; and

(iii) The TGRA.

(6) The TGRA retains a copy of the testing laboratory's report required by paragraph (c) of this section for as long as the Class II gaming system, cashless system, voucher system, or modification thereto that is the subject of the report remains available to the public for play in its tribal gaming operation.

(D) Emergency hardware and software modifications.

(1) A TGRA, in its discretion, may permit the modification of previously approved hardware or software to be made available for play without prior laboratory testing or review if the modified hardware or software is:

(i) Necessary to correct a problem affecting the fairness, security, or integrity of a game or accounting system or any cashless system, or voucher system; or

(ii) Unrelated to game play, an accounting system, a cashless system, or a voucher system.

(2) If a TGRA authorizes modified software or hardware to be made available for play or use without prior testing laboratory review, the TGRA must thereafter require the hardware or software manufacturer to:

(i) Immediately advise other users of the same hardware or software of the importance and availability of the update;

(ii) Immediately submit the new or modified hardware or software to a testing laboratory for testing and verification of compliance with this part and any applicable provisions of part 543 of this chapter that are testable by the testing laboratory; and

(iii) Immediately provide the TGRA with a software signature verification tool meeting the requirements of § 547.8(f) for any new or modified software.

(3) If a TGRA authorizes a software or hardware modification under this paragraph, it must maintain a record of the modification and a copy of the testing laboratory report so long as the Class II gaming system that is the subject of the modification remains available to the public for play and must make the record available to the Commission upon request. The Commission will only make available for public review records or portions of records subject to release under the Freedom of Information Act, 5 U.S.C. 552; the Privacy Act of 1974, 5 U.S.C. 552a; or the Indian Gaming Regulatory Act, 25 U.S.C. 2716(a).

(E) Compliance by charitable gaming operations. This part does not apply to charitable gaming operations, provided that:

(1) The tribal government determines that the organization sponsoring the gaming operation is a charitable organization;

(2) All proceeds of the charitable gaming operation are for the benefit of the charitable organization;

(3) The TGRA permits the charitable organization to be exempt from this part;

(4) The charitable gaming operation is operated wholly by the charitable organization's employees/agents or volunteers; and

(5) The annual gross gaming revenue of the charitable gaming operation does not exceed $1,000,000.

(**F) Testing laboratories**.

(1) A testing laboratory may provide the examination, testing, evaluating and reporting functions required by this section provided that:

(i) It demonstrates its integrity, independence and financial stability to the TGRA.

(ii) It demonstrates its technical skill and capability to the TGRA.

(iii) If the testing laboratory is owned or operated by, or affiliated with, a tribe, it must be independent from the manufacturer and gaming operator for whom it is providing the testing, evaluating, and reporting functions required by this section.

(iv) The TGRA:

(A) Makes a suitability determination of the testing laboratory based upon standards no less stringent than those set out in § 533.6(b)(1)(ii) through (v) of this chapter and based upon no less information than that required by § 537.1 of this chapter, or

(B) Accepts, in its discretion, a determination of suitability for the testing laboratory made by any other gaming regulatory authority in the United States.

(v) After reviewing the suitability determination and the information provided by the testing laboratory, the TGRA determines that the testing laboratory is qualified to test and evaluate Class II gaming systems.

(2) The TGRA must:

(i) Maintain a record of all determinations made pursuant to paragraphs (f)(1)(iii) and (f)(1)(iv) of this section for a minimum of three years and must make the records available to the Commission upon request. The Commission will only make available for public review records or portions of records subject to release under the Freedom of Information Act, 5 U.S.C. 552; the Privacy Act of 1974, 5 U.S.C. 552a; or the Indian Gaming Regulatory Act, 25 U.S.C. 2716(a).

(ii) Place the testing laboratory under a continuing obligation to notify it of any adverse regulatory action in any jurisdiction where the testing laboratory conducts business.

(iii) Require the testing laboratory to provide notice of any material changes to the information provided to the TGRA.

<u>Technical standards for enrolling and enabling Class II gaming system components</u>

(A) *General requirements.* Class II gaming systems must provide a method to:

(1) Enroll and unenroll Class II gaming system components;

(2) Enable and disable specific Class II gaming system components.

(B) *Specific requirements.* Class II gaming systems must:

(1) Ensure that only enrolled and enabled Class II gaming system components participate in gaming; and

(2) Ensure that the default condition for components must be unenrolled and disabled.

Technical hardware standards for Class II gaming systems

(A) *Printed circuit boards.*

(1) Printed circuit boards that have the potential to affect the outcome or integrity of the game, and are specially manufactured or proprietary and not off-the-shelf,

must display a unique identifier such as a part number and/or revision number, which must be updated to reflect new revisions or modifications of the board.

(2) Switches or jumpers on all circuit boards that have the potential to affect the outcome or integrity of any game, progressive award, financial instrument, cashless transaction, voucher transaction, or accounting records must be capable of being sealed.

(B) *Electrostatic discharge.* Class II gaming system components accessible to the public must be constructed so that they exhibit immunity to human body electrostatic discharges on areas exposed to contact. Static discharges of ±15 kV for air discharges and ±7.5 kV for contact discharges must not cause damage or inhibit operation or integrity of the Class II gaming system.

(C) *Physical enclosures.* Physical enclosures must be of a robust construction designed to resist determined illegal entry. All protuberances and attachments such as buttons, identification plates, and labels must be sufficiently robust to avoid unauthorized removal.

(D) *Player interface.* The player interface must exhibit a serial number and date of manufacture and include a method or means to:

(1) Display information to a player; and

(2) Allow the player to interact with the Class II gaming system.

(E) *Account access components.* A Class II gaming system component that reads account access media must be located within a secure and locked area, cabinet, or housing that is of a robust construction designed to resist determined illegal entry and to protect internal components. In addition, the account access component:

(1) Must be constructed so that physical tampering leaves evidence of such tampering; and

(2) Must provide a method to enable the Class II gaming system to interpret and act upon valid or invalid input or error condition.

(F) *Financial instrument storage components.* Any financial instrument storage components managed by Class II gaming system software must be located within a secure and locked area, cabinet, or housing that is of a robust construction designed to resist determined illegal entry and to protect internal components.

(G) *Financial instrument acceptors.* (1) Any Class II gaming system components that handle financial instruments and that are not operated under the direct control of an agent must:

(i) Be located within a secure and locked area, cabinet, or housing that is of a robust construction designed to resist determined illegal entry and to protect internal components;

(ii) Be able to detect the entry of valid or invalid financial instruments and to provide a method to enable the Class II gaming system to interpret and act upon valid or invalid input or error condition; and

(iii) Be constructed to permit communication with the Class II gaming system of the accounting information required by § 547.9(a) and by applicable provisions of any Commission and TGRA regulations governing minimum internal control standards.

(2) Prior to completion of a valid financial instrument transaction by the Class II gaming system, no monetary amount related to that instrument may be available for play. For example, credits may not be available for play until a financial instrument inserted into an acceptor is secured in the storage component.

(3) The monetary amount related to all valid financial instrument transactions by the Class II gaming system must be recorded as required by § 547.9(a) and the applicable provisions of any Commission and TGRA regulations governing minimum internal control standards.

(H) *Financial instrument dispensers.*

(1) Any Class II gaming system components that dispense financial instruments and that are not operated under the direct control of a tribal gaming operation agent must:

(i) Be located within a secure, locked and tamper-evident area or in a locked cabinet or housing that is of a robust construction designed to resist determined illegal entry and to protect internal components;

(ii) Provide a method to enable the Class II gaming system to interpret and act upon valid or invalid input or error condition; and

(iii) Be constructed to permit communication with the Class II gaming system of the accounting information required by § 547.9(a) and by applicable provisions of any Commission and TGRA regulations governing minimum internal control standards.

(2) The monetary amount related to all valid financial instrument transactions by the Class II gaming system must be recorded as required by § 547.9(a), the applicable provisions of part 543 of this chapter, and any TGRA regulations governing minimum internal control standards.

(i) *Game Outcome Determination Components.* Any Class II gaming system logic components that affect the game outcome and that are not operated under the direct control of a tribal gaming operation agent must be located within a secure, locked and tamper-evident area or in a locked cabinet or housing that is of a robust construction designed to resist determined illegal entry and to protect internal components. DIP switches or jumpers that can affect the integrity of the Class II gaming system must be capable of being sealed by the TGRA.

(I) *Door access detection.* All components of the Class II gaming system that are locked in order to meet the requirements of this part must include a sensor or other methods to monitor an open door. A door open sensor, and its components or cables, must be secure against attempts to disable them or interfere with their normal mode of operation.

(J) *Separation of functions/no limitations on technology.* Nothing herein prohibits the account access component, financial instrument storage component, financial instrument acceptor, and financial instrument dispenser from being included within the same component or being separated into individual components.

Technical software standards for Class II gaming systems

(A) *Player interface displays.*

(1) If not otherwise provided to the player, the player interface must display the following:

(i) The purchase or wager amount;

(ii) Game results; and

(iii) Any player credit balance.

(2) Between plays of any game and until the start of the next play, or until the player selects a new game option such as purchase or wager amount or card selection, whichever is earlier, if not otherwise provided to the player, the player interface must display:

(i) The total purchase or wager amount and all prizes and total credits won for the last game played;

(ii) The final results for the last game played; and

(iii) Any default purchase or wager amount for the next play.

(B) *Game initiation and play.*

(1) Each game played on the Class II gaming system must follow and not deviate from a constant set of rules for each game provided to players pursuant to § 547.16. There must be no undisclosed changes of rules.

(2) The Class II gaming system may not alter or allow to be altered the card permutations used for play of a Class II game unless specifically chosen by the player prior to commitment to participate in the game. No duplicate cards may be sold for any common draw.

(3) No game play may commence, and no financial instrument or credit may be accepted on the affected player interface, in the presence of any fault condition that affects the outcome of the game, or while in test, audit, or lock-up mode.

(4) Each player must initiate his or her participation in the play of a game.

(C) *Audit mode.*

(1) If an audit mode is provided, the Class II gaming system must, for those components actively involved in the audit:

(i) Provide all accounting functions required by § 547.9, by applicable provisions of any Commission regulations governing minimum internal control standards, and by any internal controls adopted by the tribe or TGRA;

(ii) Display player interface identification; and

(iii) Display software version or game identification.

(2) Audit mode must be accessible by a secure method such as an agent PIN, key, or other auditable access control.

(3) Accounting function data must be accessible by an agent at any time, except during a payout, during a handpay, or during play.

(4) The Class II gaming system must disable financial instrument acceptance on the affected player interface while in audit mode, except during financial instrument acceptance testing.

(D) *Last game recall.* The last game recall function must:

(1) Be retrievable at all times, other than when the recall component is involved in the play of a game, upon the operation of an external key-switch, entry of an audit card, or a similar method;

(2) Display the results of recalled games as originally displayed or in text representation so as to enable the TGRA or operator to clearly identify the sequences and results that occurred;

(3) Allow the Class II gaming system component providing game recall, upon return to normal game play mode, to restore any affected display to the positions, forms and values displayed before access to the game recall information; and

(4) Provide the following information for the current and previous four games played and must display:

(i) Play start time, end time, and date;

(ii) The total number of credits at the start of play;

(iii) The purchase or wager amount;

(iv) The total number of credits at the end of play;

(v) The total number of credits won as a result of the game recalled, and the value in dollars and cents for progressive prizes, if different;

(vi) For bingo games and games similar to bingo, also display:

(A) The card(s) used by the player;

(B) The identifier of the bingo game played;

(C) The numbers or other designations drawn, in the order that they were drawn;

(D) The numbers or other designations and prize patterns covered on each card;

(E) All prizes won by the player, including winning patterns, if any; and

(F) The unique identifier of the card on which prizes were won;

(vii) For pull-tab games only, also display:

(A) The result(s) of each pull-tab, displayed in the same pattern as on the tangible pull-tab;

(B) All prizes won by the player;

(C) The unique identifier of each pull tab; and

(D) Any other information necessary to fully reconstruct the current and four previous plays.

(E) *Voucher and credit transfer recall.* Notwithstanding the requirements of any other section in this part, a Class II gaming system must have the capacity to:

(1) Display the information specified in § 547.11(b)(5)(ii) through (vi) for the last five vouchers or coupons printed and the last five vouchers or coupons accepted; and

(2) Display a complete transaction history for the last five cashless transactions made and the last five cashless transactions accepted.

(F) *Software signature verification.* The manufacturer or developer of the Class II gaming system must provide to the testing laboratory and to the TGRA an industry-standard methodology, acceptable to the TGRA, for verifying the Class II gaming system game software. For example, for game software stored on rewritable media, such methodologies include signature algorithms and hashing formulas such as SHA-1.

(G) *Test, diagnostic, and demonstration modes.* If test, diagnostic, and/or demonstration modes are provided, the Class II gaming system must, for those components actively involved in the test, diagnostic, or demonstration mode:

(1) Clearly indicate when that component is in the test, diagnostic, or demonstration mode;

(2) Not alter financial data on that component other than temporary data;

(3) Only be available after entering a specific mode;

(4) Disable credit acceptance and payment unless credit acceptance or payment is being tested; and

(5) Terminate all mode-specific functions upon exiting a mode.

(H) *Multigame.* If multiple games are offered for player selection at the player interface, the player interface must:

(1) Provide a display of available games;

(2) Provide the means of selecting among them;

(3) Display the full amount of the player's credit balance;

(4) Identify the game selected or being played; and

(5) Not force the play of a game after its selection.

(i) *Program interruption and resumption.* The Class II gaming system software must be designed so that upon resumption following any interruption, the system:

(1) Is able to return to a known state;

(2) Must check for any fault condition;

(3) Must verify the integrity of data stored in critical memory;

(4) Must return the purchase or wager amount to the player in accordance with the rules of the game; and

(5) Must detect any change or corruption in the Class II gaming system software.

(J) *Class II gaming system components acting as progressive controllers.* This paragraph applies to progressive controllers and components acting as progressive controllers in Class II gaming systems.

(1) Modification of progressive parameters must be conducted in a secure manner approved by the TGRA. Such parameters may include:

(i) Increment value;

(ii) Secondary pool increment(s);

(iii) Reset amount(s);

(iv) Maximum value(s); and

(v) Identity of participating player interfaces.

(2) The Class II gaming system component or other progressive controller must provide a means of creating a progressive balancing report for each progressive link it controls. At a minimum, that report must provide balancing of the changes of the progressive amount, including progressive prizes won, for all participating player interfaces versus current progressive amount(s), plus progressive prizes. In addition, the report must account for, and not be made inaccurate by, unusual events such as:

(i) Class II gaming system critical memory clears;

(ii) Modification, alteration, or deletion of progressive prizes;

(iii) Offline equipment; or

(iv) Multiple site progressive prizes.

(K) *Critical memory.*

(1) Critical memory may be located anywhere within the Class II gaming system. Critical memory is any memory that maintains any of the following data:

(i) Accounting data;

(ii) Current credits;

(iii) Configuration data;

(iv) Last game play recall information required by paragraph (d) of this section;

(v) Game play recall information for the current game play, if incomplete;

(vi) Software state (the last normal state software was in before interruption);

(vii) RNG seed(s), if necessary for maintaining integrity;

(viii) Encryption keys, if necessary for maintaining integrity;

(ix) Progressive prize parameters and current values;

(x) The five most recent financial instruments accepted by type, excluding coins and tokens;

(xi) The five most recent financial instruments dispensed by type, excluding coins and tokens; and

(xii) The five most recent cashless transactions paid and the five most recent cashless transactions accepted.

(2) Critical memory must be maintained using a methodology that enables errors to be identified and acted upon. All accounting and recall functions must be verified as necessary to ensure their ongoing integrity.

(3) The validity of affected data stored in critical memory must be checked after each of the following events:

(i) Every restart;

(ii) Each attendant paid win;

(iii) Each attendant paid progressive win;

(iv) Each sensored door closure; and

(v) Every reconfiguration, download, or change of prize schedule or denomination requiring operator intervention or action.

(L) *Secured access.* Class II gaming systems that use a logon or other means of secured access must include a user account lockout after a predetermined number of consecutive failed attempts to access the Class II gaming system.

Technical standards for Class II gaming system accounting functions

(a) *Required accounting data.* The following minimum accounting data, however named, must be maintained by the Class II gaming system:

(1) Amount In: The total value of all financial instruments and cashless transactions accepted by the Class II gaming system. Each type of financial instrument accepted by the Class II gaming system must be tracked independently per financial instrument acceptor, and as required by applicable requirements of TGRA regulations that meet or exceed the minimum internal control standards at 25 CFR part 543.

(2) Amount Out: The total value of all financial instruments and cashless transactions paid by the Class II gaming system, plus the total value of attendant pay. Each type of financial instrument paid by the Class II Gaming System must be tracked independently per financial instrument dispenser, and as required by applicable requirements of TGRA regulations that meet or exceed the minimum internal control standards at 25 CFR part 543.

(b) *Accounting data storage.* If the Class II gaming system electronically maintains accounting data:

(1) Accounting data must be stored with at least eight decimal digits.

(2) Credit balances must have sufficient digits to accommodate the design of the game.

(3) Accounting data displayed to the player may be incremented or decremented using visual effects, but the internal storage of this data must be immediately updated in full.

(4) Accounting data must be updated upon the occurrence of the relevant accounting event.

(5) Modifications to accounting data must be recorded, including the identity of the person(s) making the modifications, and be reportable by the Class II gaming system.

(c) *Rollover.* Accounting data that rolls over to zero must not corrupt data.

(d) *Credit balance display and function.*

(1) Any credit balance maintained at the player interface must be prominently displayed at all times except:

(i) In audit, configuration, recall and test modes; or

(ii) Temporarily, during entertaining displays of game results.

(2) Progressive prizes may be added to the player's credit balance provided that:

(i) The player credit balance is maintained in dollars and cents;

(ii) The progressive accounting data is incremented in number of credits; or

(iii) The prize in dollars and cents is converted to player credits or transferred to the player's credit balance in a manner that does not mislead the player or cause accounting imbalances.

(3) If the player credit balance displays in credits, but the actual balance includes fractional credits, the Class II gaming system must display the fractional credit when the player credit balance drops below one credit.

Standards for Class II gaming system critical events

(a) *Fault events.* (1) The following are fault events that must be capable of being recorded by the Class II gaming system: **Event**	**Definition and action to be taken**
(i) Component fault	Reported when a fault on a component is detected. When possible, this event message should indicate what the nature of the fault is.
(ii) Financial storage component full	Reported when a financial instrument acceptor or dispenser includes storage, and it becomes full. This event message must indicate what financial storage component is full.
(iii) Financial output component empty	Reported when a financial instrument dispenser is empty. The event message must indicate which financial output component is affected, and whether it is empty.
(iv) Financial component fault	Reported when an occurrence on a financial component results in a known fault state.
(v) Critical memory error	Some critical memory error has occurred. When a non-correctable critical memory error has occurred, the data on the Class II gaming system component can no longer be

Minimum Internal Control Standards for Surveillance

(A) Supervision. Supervision must be provided as needed for surveillance by an agent(s) with authority equal to or greater than those being supervised.

(1) Surveillance agents may not transfer to a casino position for 1 year from the date of separation.

(B) Surveillance equipment and control room(s).

Controls must be established and procedures implemented that include the following:

(1) The surveillance system must be maintained and operated from a staffed surveillance operation room(s).

(2) The surveillance operation room(s) must be secured to prevent unauthorized entry.

(3) Access to the surveillance operation room(s) must be limited to surveillance agents and other TGRA authorized persons.

(4) Surveillance operation room(s) access logs must be maintained. All visitors to the surveillance room will log in and out on a bound log (not loose leaf paper).

(5) Surveillance operation room equipment must have total override capability over all other satellite surveillance equipment.

(C) Power loss to the surveillance system:

(1) In the event of power loss to the surveillance system, an auxiliary or backup power source must be available and capable of providing immediate restoration of power to the surveillance system to ensure that surveillance agents can observe all areas covered by dedicated cameras.

(2) The surveillance system must record an accurate date and time stamp on recorded events. The displayed date and time must not significantly obstruct the recorded view.

(3) All surveillance agents must be trained in the use of the equipment, games, and house rules.

(4) Each camera required by the standards in this section must be installed in a manner that will prevent it from being readily obstructed, tampered with, or disabled.

(5) The surveillance system must:

(i) Have the capability to display all camera views on a monitor;

(ii) A sufficient numbers of recording devices to record the views of all cameras required by this section;

(iii) Record all camera views; and

(iv) There must be a sufficient numbers of monitors to simultaneously display gaming and count room activities.

(6) A periodic inspection of the surveillance systems must be conducted. When a malfunction of the surveillance system is discovered, the malfunction and necessary repairs must be documented and repairs initiated within seventy-two (72) hours.

(i) If a dedicated camera malfunctions, alternative security procedures, such as additional supervisory or security agents, must be implemented immediately.

(ii) The TGRA must be notified of any surveillance system and/or camera(s) that have malfunctioned for more than twenty-four (24) hours and the alternative security measures being implemented.

(D) Additional surveillance requirements.

With regard to the following functions, controls must also include:

(1) Surveillance of the progressive prize meters for Class II gaming systems at the following thresholds:

(i) Wide area progressives with a reset amount of $1 million; and

(ii) In-house progressives with a reset amount of $250,000.

(E) Cage and vault:

(1) The surveillance system must monitor and record a general overview of activities occurring in each cage and vault area with sufficient clarity to identify individuals within the cage and patrons and staff members at the counter areas and to confirm the amount of each cash transaction;

(2) Each cashier station must be equipped with a minimum one (1) dedicated overhead camera covering the transaction area; and

(3) The cage or vault area in which exchange and transfer transactions occur must 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 exchange and transfer documentation. Controls provided by a computerized exchange and transfer system constitute an adequate alternative to viewing the amounts on the exchange and transfer documentation.

(F) Count rooms:

(1) The surveillance system must monitor and record with sufficient clarity a general overview of all areas where cash or cash equivalents may be stored or counted; and

(2) The surveillance system must provide coverage of count equipment with sufficient clarity to view any attempted manipulation of the recorded data.

(G) Kiosks:

(1) The surveillance system must monitor and record a general overview of activities occurring at each kiosk with sufficient clarity to identify the activity and the individuals performing it, including maintenance, drops or fills, and redemption of wagering vouchers or credits.

(H) Reporting requirements.

(1) TGRA-approved procedures must be implemented for reporting suspected crimes and suspicious activity.

(I) Recording retention.

(1) Controls must be established and procedures implemented that include the following:

(i) All recordings required by this section must be retained for a minimum of seven days; and

(ii) Suspected crimes, suspicious activity, or detentions by security agents discovered within the initial retention period must be copied and retained for a time period, not less than one year.

(J) Logs.

Logs must be maintained and demonstrate the following:

(1) Compliance with the storage, identification, and retention standards required in this section;

(2) Each malfunction and repair of the surveillance system as defined in this section; and

(3) Activities performed by surveillance agents as required by the controls in this section.

Minimum Internal Control Standards for Audit and Accounting

(A) Conflicts of standards.

When establishing SICS, the gaming operation should review, and consider incorporating, other external standards such as GAAP, GAAS, and standards promulgated by GASB and FASB. In the event of a conflict between the MICS and the incorporated external standards, the external standards prevail.

(B) Accounting.

Controls must be established and procedures implemented to safeguard assets and ensure each gaming operation:

(1) Prepares accurate, complete, legible, and permanent records of all transactions pertaining to gaming revenue and activities for operational accountability.

(i) Financial analytics will provide sufficient transparency (e.g. paid revenues, in-house, revenues, comp revenues, free play) as applicable so not to distort revenue sources.

(ii) Business analytics will be established to show department efficiency and transparency.

(2) Prepares general accounting records on a double-entry system of accounting, maintaining detailed, supporting, subsidiary records, and performs the following activities:

(i) Record gaming activity transactions in an accounting system to identify and track all revenues, expenses, assets, liabilities, and equity;

(ii) Record all markers, IOU's, returned checks, held checks, or other similar credit instruments;

(iii) Record journal entries prepared by the gaming operation and by any independent accountants used;

(iv) Prepare income statements and balance sheets;

(v) Prepare appropriate subsidiary ledgers to support the balance sheet;

(vi) Prepare, review, and maintain accurate financial statements;

(vii) Prepare transactions in accordance with the appropriate authorization, as provided by management;

(viii) Record transactions to facilitate proper recording of gaming revenue and fees, and to maintain accountability of assets;

(ix) Compare recorded accountability for assets to actual assets at periodic intervals, and take appropriate action with respect to any variances;

(x) Segregate functions, duties, and responsibilities;

(xi) Prepare minimum bankroll calculations; and

(xii) Maintain and preserve all financial records and relevant supporting documentation.

(C) Internal audit.

Controls must be established and procedures implemented to ensure that:

(1) Internal auditor(s) perform audits of each department of a gaming operation, at least annually, to review compliance with TICS, SICS, and these MICS, which include at least the following areas:

(i) Bingo, including supervision, bingo cards, bingo card sales, draw, prize payout; cash and equivalent controls, technologic aids to the play of bingo, operations, exception and variance reporting and investigating, vouchers, and revenue audit procedures;

(ii) Pull tabs, including, supervision, pull tab inventory, pull tab sales, winning pull tabs, pull tab operating funds, statistical records, and revenue audit procedures;

(iii) Card games, including supervision, exchange or transfers, playing cards, shill funds, reconciliation of card room bank, posted rules, and promotional progressive pots and pools;

(iv) Gaming promotions and player tracking procedures, including supervision, gaming promotion rules and player tracking systems to include but not limited to:

(a) Acess controls

(b) Exception report viewing and investigating (e.g. pin changes, account adjustments, account merges, points adjustments);

(v) Complimentary services or items, including procedures for issuing, authorizing, redeeming, and reporting complimentary service items, and the reviewing of exception reporting by management;

(vi) Patron deposit accounts and cashless systems procedures, including supervision, patron deposit accounts and cashless systems, as well as patron deposits, withdrawals and adjustments;

(vii) Lines of credit procedures, including establishment of lines of credit policy;

(viii) Drop and count standards, including supervision, count room access, count team, card game drop standards, player interface and financial instrument drop standards, card game count standards, player interface financial instrument count standards, and controlled keys;

(ix) Cage, vault, cash and cash equivalent procedures, including supervision, cash and cash equivalents, personal checks, cashier's checks, traveler's checks, payroll checks, and counter checks, cage and vault accountability, kiosks, patron deposited funds, promotional payouts, drawings, and giveaway programs, chip and token standards, and cage and vault access;

(x) Information technology, including supervision, class II gaming systems' logical and physical controls, independence, physical security, logical security, user controls, installations and/or modifications, remote access, incident monitoring and reporting, data back-ups, software downloads, and verifying downloads; and

(xi) Accounting standards, including accounting records, maintenance and preservation of financial records and relevant supporting documentation.

(2) Internal auditor(s) are independent of gaming operations with respect to the departments subject to audit (auditors internal to the operation, officers of the TGRA, or outside CPA firm may perform this function).

(3) Internal auditor(s) report directly to the Tribe, TGRA, audit committee, or other entity designated by the Tribe.

(4) Documentation such as checklists, programs, reports, etc. is prepared to evidence all internal audit work and follow-up performed as it relates to compliance with TICS, SICS, and these MICS, including all instances of noncompliance.

(5) Audit reports are maintained and made available to the Commission upon request and must include the following information:

(i) Audit objectives;

(ii) Audit procedures and scope;

(iii) Findings and conclusions;

(iv) Recommendations, if applicable; and

(v) Management's response.

(6) All material exceptions identified by internal audit work are investigated and resolved and the results are documented. (Material exceptions are in part defined in each TICS section by established variance threshold.)

(7) Internal audit findings are reported to management, responded to by management stating corrective measures to be taken, and included in the report delivered to management, the Tribe, TGRA, audit committee, or other entity designated by the Tribe for corrective action.

(8) Follow-up observations and examinations is performed to verify that corrective action has been taken regarding all instances of non-compliance. The verification is performed within six (6) months following the date of notification of non-compliance.

(D) Annual requirements.

(1) Agreed upon procedures. A CPA must be engaged to perform an assessment to verify whether the gaming operation is in compliance with these MICS, and/or the TICS or SICS if they provide at least the same level of controls as the MICS. The assessment must be performed in accordance with agreed upon procedures and the most recent versions of the Statements on Standards for Attestation Engagements and Agreed-Upon Procedures Engagements (collectively “SSAEs”), issued by the American Institute of Certified Public Accountants.

(2) The tribe must submit two copies of the agreed-upon procedures report to the Commission within 120 days of the gaming operation's fiscal year end in conjunction with the submission of the annual financial audit report required pursuant to 25 CFR part 571.

(E) Review of internal audit.

(1) The CPA must determine compliance by the gaming operation with the internal audit requirements in this paragraph by:

(2) Completing the internal audit checklist;

(3) Ensuring that the internal auditor completed checklists for each gaming department of the operation;

(4) Verifying that any areas of non-compliance have been identified;

(5) Ensuring that audit reports are completed and include responses from management; and

(6) Verifying that appropriate follow-up on audit findings has been conducted and necessary corrective measures have been taken to effectively mitigate the noted risks.

(ii) If the CPA determines that the internal audit procedures performed during the fiscal year have been properly completed, the CPA may rely on the work of the internal audit for the completion of the MICS checklists as they relate to the standards covered by this part.

(F) Report format.

The SSAEs are applicable to agreed-upon procedures engagements required in this part. All noted instances of noncompliance with the MICS and/or the TICS or SICS, if they provide the same level of controls as the MICS, must be documented in the report with a narrative description, the number of exceptions and sample size tested.

Minimum Internal Control Standards for Auditing Revenue

(A) Supervision.

Supervision must be provided as needed for bingo operations by an agent(s) with authority equal to or greater than those being supervised.

(B) Independence.

(1) Audits must be performed by agent(s) independent of the transactions being audited.

(i) Revenue audit agents will document and report unusual or suspicious activities or findings to management for review and/or investigation.

(C) Documentation.

The performance of revenue audit procedures, the exceptions noted, and the follow-up of all revenue audit exceptions must be reported to management, documented and maintained.

(1) Audit controls. Must be established and procedures implemented to audit of each of the following operational areas:

(D) Gaming promotions and player tracking.

(1) At least monthly, review promotional payments, drawings, and giveaway programs to verify payout accuracy and proper accounting treatment in accordance with the rules provided to patrons.

(2) At least monthly, for computerized player tracking systems, perform the following procedures:

(i) Review authorization documentation for all manual point additions/deletions for propriety;

(ii) Review exception reports, including transfers between accounts; and

(iii) Review documentation related to access to inactive and closed accounts.

(3) At least annually, all computerized player tracking systems must be reviewed by agent(s) independent of the individuals that set up or make changes to the system parameters. The review must be performed to determine that the

configuration parameters are accurate and have not been altered without appropriate management authorization Document and maintain the test results.

(E) Complimentary services or items.

(1) At least monthly, review reports identifying complimentary variances to determine the cause of the variance. These reports must be made available to those entities authorized by the TGRA or by tribal law or ordinance;

(F) Drop and count.

(1) At least quarterly, unannounced currency counter and currency counter interface (if applicable) tests must be performed, and the test results documented and maintained. All denominations of currency and all types of cash out tickets counted by the currency counter must be tested. This test may be performed by internal audit or the TGRA. The result of these tests must be documented and signed by the agent(s) performing the test.

(2) At least quarterly, unannounced weigh scale and weigh scale interface (if applicable) tests must be performed, and the test results documented and maintained. This test may be performed by internal audit or the TGRA. The result of these tests must be documented and signed by the agent(s) performing the test.

(3) For computerized key security systems controlling access to drop and count keys, perform the following procedures:

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

(5) At least quarterly, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual drop and count key removals or key returns occurred; and

(6) At least quarterly, review a sample of users that are assigned access to the drop and count keys to determine that their access to the assigned keys is appropriate relative to their job position.

(7) At least quarterly, an inventory of all controlled keys must be performed and reconciled to records of keys made, issued, and destroyed. Investigations must be performed for all keys unaccounted for, and the investigation documented.

(G) Cage, vault, cash, and cash equivalents.

(1) At least monthly, the cage accountability must be reconciled to the general ledger.

(2) At least monthly, trace the amount of cage deposits to the amounts indicated in the bank statements.

(3) Twice annually, a count must be performed of all funds in all gaming areas (i.e. cages, vaults, and booths (including reserve areas), kiosks, cash-out ticket redemption machines, and change machines. Count all chips and tokens by denomination and type. Count individual straps, bags, and imprest banks on a sample basis. Reconcile all amounts counted to the amounts recorded on the corresponding accountability forms to ensure that the proper amounts are recorded. Maintain documentation evidencing the amount counted for each area and the subsequent comparison to the corresponding accountability form. The count must be completed within the same gaming day for all areas.

(4) Counts must be observed by an individual independent of the department being counted. It is permissible for the individual responsible for the funds to perform the actual count while being observed.

(5) Internal audit may perform and/or observe the two counts.

(6) At least annually, select a sample of invoices for chips and tokens purchased, and trace the dollar amount from the purchase invoice to the accountability document that indicates the increase to the chip or token inventory to ensure that the proper dollar amount has been recorded.

(7) At each business year end, create and maintain documentation evidencing the amount of the chip/token liability, the change in the liability from the previous year, and explanations for adjustments to the liability account including any adjustments for chip/token float.

(8) At least monthly, review a sample of returned checks to determine that the required information was recorded by cage agent(s) when the check was cashed.

(9) At least monthly, review exception reports for all computerized cage systems for propriety of transactions and unusual occurrences. The review must include, but is not limited to, voided authorizations. All noted improper transactions or unusual occurrences identified must be investigated and the results documented.

(10) Daily, reconcile all parts of forms used to document increases/decreases to the total cage inventory, investigate any variances noted, and document the results of such investigations.

(H) Inventory.

(1) At least monthly, verify receipt, issuance, and use of controlled inventory, including, but not limited to, playing cards, keys.

(2) Periodically perform minimum bankroll calculations to ensure that the gaming operation maintains cash in an amount sufficient to satisfy the gaming operation.

APPENDIX C
MANDATORY REGULATORY TOPICS FOR SPORTS WAGERING

1. Licensee will take reasonable measures to prohibit athletes, coaches, referees, team owners, player and referee union personnel, or employees of a sports governing body or its member teams, from placing wagers on any sporting event overseen by such sports governing body.
2. Licensee will take reasonable measures to prohibit any person with access to nonpublic confidential information regarding a sporting event or wager in the possession of a licensee from placing wagers on such sporting event with such licensee.
3. Licensee will take reasonable measures to prohibit persons from placing sports wagers as agents or proxies for other persons.
4. Licensee will take reasonable measures to prohibit any person convicted of any felony or misdemeanor offense involving sports wagering, including, but not limited to, the use of funds derived from illegal activity, the use of other individuals to place sports wagers as part of any wagering scheme to circumvent any provision of applicable Tribal, federal or state law and the use of false identification to facilitate the placement of any sports wager or the collection of any prize in violation of applicable Tribal, federal, or state law, from placing sports wagers.
5. Requirements for maintaining the security of sports wagering data, sports wagering customer data and other confidential information from unauthorized access and dissemination, provided that nothing in such regulations shall preclude the use of internet or cloud-based hosting of such data and information or disclosure as required by court order of applicable Tribal, state or federal law.
6. Requirements that upon request by an individual, such individual shall be restricted from placing sports wagers with a license and that such licensee shall take reasonable measures to prevent such individual from placing sports wagers.
7. Prohibition on sports wagers on any sporting or athletic event where a majority of the participants are less than 18 years of age.
8. To the extent applicable, initial technical standards with respect to sports wagering shall be based upon Gaming Laboratories International GLI-33, Standards for Event Wagering Systems, Version 1.1, Dated May 14, 2019.

APPENDIX C

BACKGROUND INVESTIGATION STANDARDS

Category 1 Applicants	Investigation Standards: Category 1 Applicants
Stockholders (5% or more) Owners Directors Officers Chief Operation Officer (Manager) Controller/Accountant/Audit or Director of Security Director of Surveillance Games Managers Manufacturers Vendors Distributors Tribal Gaming Inspectors Executive Officers Surveillance Employees	Applicant Interview Confirm All Information on Disclosure Form Full Financial: Tax Returns, Credit History, Financial Records (Banks, Loans, Etc.) Criminal History Record Information (Local, State, Federal, Interpol) Civil Court Records (State and Federal) Driving Record Interview References Interview Past Employers Medical Records (Alcohol and Drug Abuse) Regulatory Agencies (Professional Licenses) Neighborhood Checks Education Associates

Category 2 Applicants	Investigation Standards: Category 2 Applicants
Gaming Facility Supervisors Floor Persons Food & Beveral Director Cage Cashiers Security Supervisors & Employees Slot Technicians Dealers Count Room Employees	Applicant Interview Confirm Information on Disclosure Form Criminal History Record Information/Driving Record Financial Responsibility (Credit History) Gaming Control Board (Other States) Past Employment Fingerprint for Identification

Category 3 Applicants	Investigation Standards: Category 3 Applicants
Accounting Clerks Administrative Employees Attendants Alcohol Servers Food Service Kitchen Employees Retail Sales Maintenance Employees (Janitors) Host/Hostess Wait Persons Change Person (Non-Gaming)	Credit History Criminal History Record Information/NCIC Driving Record Fingerprint for Identification

COPY

PROCEEDINGS IN ARBITRATION
Pursuant to the Tribal State Company
between the Iowa Tribe of Kansas and Nebraska
and the State of Kansas

IOWA TRIBE OF KANSAS AND NEBRASKA,	)
v.	)
KANSAS STATE GAMING AGENCY.	)

DECISION AND AWARD

NOW on this 2nd day of May, 2003, comes on for hearing the above-described arbitration proceeding. The Iowa Tribe of Kansas and Nebraska (the "Tribe") appears by and through Stephen D. McGiffert of the firm of Payne & Jones, Chartered. The Kansas State Gaming Agency (the "Agency") appears by and through James Glackin, Assistant Attorney General for the State of Kansas. Louis W. DeRoin, Chairman of the Tribe, John E. McElroy and Tracy Diel, representing the Agency, are present as well.

After examining the file herein, including the Tribal State Compact made and entered into by and between the Tribe and the State of Kansas in 1995 and being well and fully advised in the premises by statements of counsel, the undersigned Arbitrator finds as follows:

Background

1. This proceeding is brought pursuant to the Tribal-State Compact made and entered into by and between the Iowa Tribe of Kansas and Nebraska and the State of Kansas in 1995 (the "Compact").

2. This proceeding is in accordance with Section 31 of the Compact providing for dispute resolution and, specifically, Section (B) providing for binding arbitration.

PJ-523220

COPY

PROCEEDINGS IN ARBITRATION
Pursuant to the Tribal State Company
between the Iowa Tribe of Kansas and Nebraska
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IOWA TRIBE OF KANSAS AND NEBRASKA,	)
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Background

1. This proceeding is brought pursuant to the Tribal-State Compact made and entered into by and between the Iowa Tribe of Kansas and Nebraska and the State of Kansas in 1995 (the "Compact").

2. This proceeding is in accordance with Section 31 of the Compact providing for dispute resolution and, specifically, Section (B) providing for binding arbitration.

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3. This proceeding was initiated by the Tribe by written Notice of Demand for Arbitration dated October 17, 2002 delivered by certified mail, return receipt requested, to the State of Kansas addressed to the Governor's Office, the Attorney General, and the Kansas State Gaming Agency.

4. The undersigned is serving as Arbitrator in these proceedings pursuant to the Notice of Tribe's Nominee for Arbitrator dated October 25, 2002 and served upon the State of Kansas by certified mail, return receipt requested addressed to the Governor's Office, the Attorney General and the Kansas State Gaming Agency.

5. The Tribe and Agency have stipulated and agreed that the undersigned shall serve as the sole Arbitrator in these proceedings.

6. This proceeding arises out of Section 25 of the Compact providing for state assessment for costs of oversight.

7. The issue to be arbitrated as formulated by the Tribe is as follows: "The Kansas State Gaming Agency has allocated the cost of background investigations to be conducted in fiscal year 2003 to the four Kansas tribes (1/4 each). This allocation is improper. Instead, the cost of background investigation should be allocated to the four tribes based upon the number of investigations conducted for each such tribe or on some other basis allocating the cost to the tribes in proportion to the actual cost of the background investigations requested by each such tribe."

8. All notice and procedural aspects of the proceeding have been complied with by the Tribe and the State and the issue for arbitration is properly before the Arbitrator.

Decision

9. The State of Kansas made and entered into compacts with the four Indian tribes having reservations in the State of Kansas. The four tribes are the Prairie Band Potawatomi Nation, the Kickapoo Tribe of Indians of the Kickapoo Reservation in Kansas, the Sac & Fox Nation of Missouri and Nebraska, and the Iowa Tribe of Kansas and Nebraska. All four tribes currently operate Class III gaming facilities on their reservations in accordance with the respective compacts entered into between the tribes and the State of Kansas.

10. All four compacts contain provisions identical or substantially similar to Section 25 of the Compact providing for state assessment for costs and oversight.

11. The purpose and intent of the state assessment provision is to pass through to the respective tribes the costs of operating the State Gaming Agency and doing all such other things as are necessary to regulate tribal gaming in accordance with the respective compacts.

12. The compacts require background investigations be conducted with respect to individuals and entities employed by, contracting with or otherwise involved in the Class III gaming operation conducted by the tribes. Section 16 of the Compact provides that the Agency be responsible for the background investigation process on gaming and key gaming employees. These positions and licensing categories are set forth in Compact Sections 5(G), 5(N) and Appendix C. The background investigation process includes renewal background investigations for gaming and key gaming employees.

13. The cost of these background investigations are to be borne by the tribes in accordance with the compacts.

14. Initially, all background investigations were conducted by the Kansas Bureau of Investigations ("KBI") and the actual or estimated charges for conducting background

investigations were charged by the KBI to the respective tribes based upon the cost of the background investigations conducted for each such tribe.

15. The other costs of operating the State Gaming Agency (not including the cost of background investigations) are charged to the tribes on a prorata basis (1/4th to each tribe).

16. The background investigation function was taken over by the Agency on September 1, 1997. The KBI discontinued conducting any new background investigations submitted by any tribe on June 30, 1998.

17. At that point, the cost of background investigations were simply "absorbed" into the budget of the Agency and no attempt was made to allocate the cost of background investigations to the requesting tribe.

18. The size of the Class III gaming facility, number of employees and associated background investigations requested by each tribe varies dramatically.

19. The Iowa Tribe has the smallest Class III gaming facility and the fewest number of employees of the casinos operated by the four tribes.

20. The Iowa Tribe does not contest the practice and procedure of allocating the general costs of operating the State Gaming Agency among the four tribes on a prorata basis (1/4th to each tribe).

21. A summary of background investigations conducted for the Iowa Tribe compared to all other tribes for fiscal years 1998 through 2002 is set forth below:

Fiscal Year	Total Investigations	Iowa Investigations	Renewal/ Addenda	Percentage
2002	409 (original)	27		6.60146%
	361 (renewal)		54	14.95844%
2001	351 (original)	25		7.12250%
	325 (renewal)		17	5.23076%
2000	349	24		6.87000%
1999	612	55		8.99000%
1998	859	140		17.35000%

22. The approximate average cost of the various levels of background investigations conducted by the Agency at this time are set forth below:

Category I	$2,000.00
Category II	$600.00
Renewal/Addenda	$350.00

23. The Tribe contests allocating the costs of background investigations conducted by the tribes on a prorata basis for the reason that such procedure is not in keeping with the original practice and for the further reason that the practice shifts substantial costs which should be borne by the tribes requesting a greater number of background investigations to tribes requesting a lesser number of background investigations.

24. The Iowa Tribe's position in this proceeding is meritorious and the requested relief should be granted.

Award

25. Commencing fiscal year 2003, a system to equitably allocate the cost of background investigations shall be implemented.

26. As in the past, initially, the four tribes shall pay 1/4th of the Agency budget for the fiscal year. However, at year end, calculations shall be made by the Agency to allocate the costs of background investigations to the respective tribes based upon the number of investigations at

each level and the estimated cost of each such background investigation all in accordance with the example set forth below:

COST ALLOCATION ANALYSIS

Part I

	Category I @ $2,000	Category II @ $600	Renewal/ Addenda	Tribe Total
Potawatomi	(10) $20,000	(90) $54,000	(40) $14,000	$88,000
Sac & Fox	(5) $10,000	(60) $36,000	(20) $7,000	$53,000
Kickapoo	(5) $10,000	(40) $24,000	(20) $7,000	$41,000
Iowa	(2) $4,000	(30) $18,000	(20) $7,000	$29,000
Grand total:				$211,000

Part II

	Potawatomi	Sac & Fox	Kickapoo	Iowa Tribe	Grand Total
Tribe Total:	$88,000	$53,000	$41,000	$29,000	$211,000
¼ Total:	-$52,750	-$52,750	-$52,750	-$52,750	-$211,000
Difference:	$35,350	$250	-$11,750	-$23,750	$0

27. A cost allocation analysis shall be completed and distributed to the four tribes with the proposed Agency budget required to be submitted for the next succeeding fiscal year. Each tribe shall be entitled to a credit or shall make an additional payment based upon results of the Agency's analysis. Such additional payment or credit shall be an adjustment to the first payment made for the next succeeding fiscal year budget and shall not be allocated over the several payments made throughout the year.

28. In accordance with Section 31(D), the reasonable expenses of dispute resolution of this arbitration shall be paid by Agency. Such expenses shall include all fees and expenses charged by the arbitrator and the Iowa Tribe's attorneys' fees and expenses not to exceed $2,000.00.

29. Commencing with fiscal year 2004, the Agency shall use its best efforts to make an allocation of the cost of the various background investigation levels and may adjust the cost estimates contained in this Decision and Award based upon actual experience and estimates for future years.

The above and foregoing findings, decision and award constitutes the Arbitration Award in this proceeding.

Robert M. Purinton
Robert M. Purinton, Arbitrator

Submitted and approved by:

PAYNE & JONES, CHARTERED

By: [signature]
Stephen D. McGiffert
11000 King
Overland Park, Kansas 66210
(913) 469-4100
(913) 469-0132 Telefax

ATTORNEYS FOR IOWA TRIBE OF KANSAS AND NEBRASKA

KANSAS STATE GAMING AGENCY

By: James T. Glackin
James Glackin
3400 SW Van Buren
Topeka, Kansas 66611
(785) 296-5800
(785) 296-0900 Telefax

ATTORNEY FOR THE KANSAS STATE GAMING AGENCY