

## Cherokee Nation Gaming Commission Response to Public Comments

The attached document contains responses to public comments received on the proposed Tribal Internal Control Standards that were approved by the Gaming Commission on Friday, 21 July 2017.

### **PUBLIC HEARING:**

Persons requesting public hearings must include their name, address, phone number, and e-mail address, if the submission is electronic, but may request this identifying information be kept confidential.

A request for a public meeting shall not end before fifteen- (15) days following the public notice of all responses to written comments; the deadline for requesting a public hearing is Wednesday, 9 August 2017 at 5 p.m. CST.

A request for a public meeting shall include a statement of the issues desired to be discussed and a summary of the argument supporting the person's position on the issues.

A public hearing on a rule proposed to be adopted may not be held earlier than twenty- (20) days after notice of its location and time is published on the website.

Public hearings may be held only from 8:00 A.M. to 10:00 P.M. on Monday thru Saturday. The public hearing shall be recorded by audio, audio and video, stenographic or other means.

Persons requesting an opportunity to comment at a public meeting may be required to register by name and indicate whether they support or oppose the rule or a part of the rule.

**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

TICS PROVISION	COMMENT	RESPONSE
<p>§ 1.2 "Patron Deposit Account"</p> <p><i>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.</i></p>	<p>There are two identical entries for the definition "Patron Deposit Account" on page 8. Remove one of these entries.</p>	<p>Agree; change has been made.</p>
<p>§ 2.7(G)(1)(b) "Reliance on Internal Auditors"</p> <p><i>For the internal audit work-papers obtained in part 2.7 (G)(1)(a) of this section, on a sample basis, re-perform the procedures included in the CPA NIGC MICS Compliance Checklists or other comparable testing procedures prepared by the internal audit department and determine if all instances of noncompliance noted in the sample were documented as such by the internal auditor(s). The CPA NIGC MICS Compliance Checklists or other comparable testing procedures for the applicable Drop and Count procedures are not included in the sample re-performance of procedures because the CPA is required to perform the Drop and Count observations under part 2.7 (F) (6) (a) of this section of the Agreed-Upon Procedures. The CPAs sample should comprise a minimum of 3 percent of the procedures required in each CNGC Compliance Checklist or other comparable testing procedures for the gaming machine and table game departments and 5 percent for the other departments completed by the internal</i></p>	<p>Replace "CNGC Compliance checklist" with "CPA NIGC MICS Compliance Checklist" to be consistent with the rest of the document and the NIGC MICS.</p>	<p>Agree; change has been made.</p>

**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

<p><i>audit department in compliance with the Section 23 - Internal Audit TICS. The re-performance of the procedures is performed as follows: (Emphasis added).</i></p>		
<p>§ 4.2 "General Provisions"  <i>The CNGC has established TICS that are applicable to all employees permitted and/or licensed by the CNGC.</i>  <i>A. Whereas, certain parts of these standards may allow the casino operation to establish its own procedures and controls in its SICS, as approved by the CNGC, such procedures and controls shall be strictly adhered to and may not be changed unless approved by the CNGC.</i></p>	<p>Add section "B" that states: "[u]nless otherwise stated, all requirements of these TICS apply to both Class II and Class III games" or something similar. Under the previous CNGC TICS, this was not stated and the combination of Class II and Class III requirements was unclear and when necessary, NIGC-required distinctions between the two game classes were not present.  Also change "casino operation" to "gaming operation."</p>	<p>We agree that the scope of the TICS should be clarified in this Section, and have added the following as a new Section "B":  "The scope of these TICS extends to all gaming operations licensed by the CNGC and covers all games that may be legally offered by the Cherokee Nation."  Agree; change has been made to replace "casino operation" with "gaming operation."</p>
<p>§ 4.3(A) "Management Reporting Requirements"  <i>Controls must be established and procedures implemented to ensure proper reporting of any known violations of the TICS.</i></p>	<p>Standard of materiality and risk should be added to the "known violations" to be reported. Because of the breadth of CNE's gaming operations, there may be numerous daily, low-risk mistakes due to employee error that may technically be considered a TICS violation; these mistakes often present very low risk and do not rise to the level of materiality that CNE believes this requirement is intended to address. CNE does have processes, such as Revenue Audit's exception process that issues exceptions for these mistakes daily (e.g. missed signatures on forms, etc.).</p>	<p>Agree. § 4.3(A) has been revised to clarify that management must ensure proper reporting of any known and material violations of the TICS. The revised provision reads as follows:  Controls must be established and procedures implemented to ensure proper reporting <i>by management</i> of any known <i>and material</i> violations of the TICS.</p>

**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

<p>§ 5.4(D) "Draw"</p> <p><i>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.</i></p>	<p>This language should be duplicated and added to Section 7 "Gaming Systems" in order to apply the standards to class II gaming machines as required by NIGC MICS 543.8(d)(3).</p>	<p>Agree; change has been made.</p>
<p>§ 5.4(E)(1) "Draw"</p> <p><i>Controls must be established and procedures implemented to ensure that:</i></p> <p>1. <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.</i></p>	<p>This language should be duplicated and added to Section 7 "Gaming Systems" in order to apply the standards to class II gaming machines as required by NIGC MICS 543.8(d)(4)(i).</p>	<p>Agree; change has been made.</p>
<p>§ 7.4(A)(1)(a) "Installation"</p> <p><i>A communications procedure between the supplier, the gaming operation, and the CNGC to properly control the shipping and receiving of all software and hardware components. Such procedures shall include:</i></p> <p>a. <i>Notification of pending orders/shipments made by the gaming operation; (Emphasis added).</i></p>	<p>Remove the word "orders" from this section. Section 543.8(g)(1)(i)(A) of the NIGC MICS only requires notification of shipments to the TGRA. Orders may be made, but they are more susceptible to changes and only when shipping has been initiated is the order finalized.</p>	<p>Agree; change has been made.</p>
<p>§ 7.11(K) "Standards for Evaluating Theoretical and Actual Hold Percentages"</p> <p><i>All gaming machines with bill acceptors shall contain functioning billing meters that record the dollar</i></p>	<p>Replace "billing" with the term "bill-in."</p>	<p>Agree; change has been made.</p>

**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

<p><i>amounts or number of bills accepted by denomination. (Emphasis added).</i></p>	
<p>§ 7.1.1(S) "Standards for Evaluating Theoretical and Actual Hold Percentages"  <i>For those machines that have experienced at least one hundred thousand (100,000) wagering transactions, large variances (three percent (3%) recommended) 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 CNGC upon request in a timely manner. This does not include linked network games.</i></p>	<p>Phrase "for those machines" at the beginning of this section should be replaced "for class III gaming machines." Also another section should be added after §7.1.1(S) incorporating NIGC MICS §543.8(l) language that states: For Class II gaming machines, the operation must establish, as approved by the CNGC, 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.</p>
<p>§ 8.1(A) "General Table Games Standards"  <i>Supervision. Pit supervisory personnel (with authority equal to or greater than those being supervised) shall provide supervision of all table games. Supervision must be provided as needed during the card room operations by an agent(s) with authority equal to or greater than those being supervised. (Emphasis added).</i></p>	<p>Replace the phrase "the card room" with "table games." In the NIGC MICS and at CNE's gaming operation "card room" is directly related to "card games", which are defined differently from "table games." Card games are usually poker and since this section is referring to table games specifically this may cause confusion.</p>
<p>§ 11.1(A) "Payouts for Gaming Machines, Fills, Short Pays"  <i>For jackpot payouts and gaming machine fills, documentation shall include the following information:</i></p>	<p>Add the phrase "including manual payouts" after the term "payouts" to state "[f]or jackpot payouts, including manual payouts, and gaming machine fills, documentation should</p>
	<p>Agree; change has been made.</p>
	<p>Agree; change has been made.</p>
	<p>Agree; change has been made, in addition to the change below clarifying that § 11(A) applies to jackpot and Class II prize payouts.</p>

**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

<p>§ 11.1(A)(4) "Payouts for Gaming Machines, Fills, Short Pays"  <i>For jackpots, game outcome (including reel symbols, card values, suits, etc.);</i></p>	<p>include the following:"  Replace this section with the following language, "[f]or Class III game jackpots, game outcome (including reel symbols, card values, suits, etc.); for Class II jackpots, description of pattern covered, such as cover-all or four corners;" CNE also suggests adding language that these requirements are also for "manual payouts" as well.</p>	<p>The suggested language 25 C.F.R. § 543.8(e)(6)(iv)(B) addresses payout records for Class II prize payouts, not just jackpot payouts. To ensure that all Class II prize payouts are covered, we've added the bolded language to § 11.1(A), to clarify that the documentation requirements are applicable to "jackpot <i>and Class II prize payouts</i>, including manual payouts, and gaming machine fills."  We've also added a new § 11.1(A)(4) which states as follows:  "For manual Class II prize payouts, description of pattern covered, such as cover-all or four corners."</p>
<p>§ 11.1(A) "Payouts for Gaming Machines, Fills, Short Pays"  <i>A. For jackpot payouts and gaming machine fills, documentation shall include the following information:</i>  <ol style="list-style-type: none"> <li>1. Date and time;</li> <li>2. Machine number;</li> <li>3. Dollar amount of cash payout or gaming machine fill (both alpha and numeric) or description of personal property awarded, including fair market value. Alpha is optional if another</li> </ol></p>	<p>Add number "8", which states "For Class II games, controls must be established and procedures implemented to ensure that 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" in order to comply with NIGC MICS §543.8(d)(4)(ii).</p>	<p>Agree; change has been made.</p>

**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

<p><i>unalterable method is used for evidencing the amount of the payout;</i></p> <p><i>4. For jackpots, game outcome (including reel symbols, card values, suits, etc.);</i></p> <p><i>5. Game outcome is not required if a computerized jackpot/fill system is used;</i></p> <p><i>6. Preprinted or concurrently printed sequential number; and</i></p> <p><i>7. Signatures of at least two (2) employees verifying and witnessing the payout or gaming machine fill except as otherwise provided in Section 11.1 (B).</i></p>		
<p><b>§ 12.3(A)(6) "Count Team"</b></p> <p><i>Count team agents must be independent of the department being reviewed and counted. For Tiers A and B gaming operations, a cage/vault agent may be used if they are not the sole recorder of the count and do not participate in the transfer of drop proceeds to the cage/vault. An accounting agent may be used if there is an independent audit of all count documentation.</i></p>	<p>This language should be changed to mirror or meet the requirements of NIGC MICS §543.17(c)(5), which states "[c]ount team agents must be independent of the department being counted. A cage/vault agent may be used if they are not the sole recorder of the count and do not participate in the transfer of drop proceeds to the cage/vault. An accounting agent may be used if there is an independent audit of all count documentation."</p>	<p>Agree; change has been made.</p>
<p><b>§ 14.1 "Definitions"</b></p> <p><i>A. The definitions in this section shall apply to all sections of the part unless otherwise noted.</i></p> <p><i>B. Definitions</i></p> <p><i>Access Badge/Card - a credential used</i></p>	<p>This entire section should be removed from the CNGC TICS as it is not based on any section of the NIGC MICS and it would be better placed in CNE's SICS. This section arbitrarily assigns categories for sensitive areas</p>	<p>Agree; change has been made. Section 14.1 was intended to be deleted in the revised published TICS</p>

**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

<p><i>to gain entry to an area having automated access control entry points. Custody - directing and/or overseeing the use of a key and/or access badge/card</i></p> <p><i>Entry Access - is the ability to physically enter an area within a facility and classified as Highly Restricted, Restricted, or Unrestricted.</i></p> <p><i>Entry Access – Highly Restricted – areas include but are not limited to:</i></p> <ol style="list-style-type: none"> <li><i>1. Areas that contain equipment or control the HVAC systems or water supplies;</i></li> <li><i>2. Areas that contain equipment or control the Safety and Security Systems;</i></li> <li><i>3. Cage;</i></li> <li><i>4. Chip Cage;</i></li> <li><i>5. Chip Vault;</i></li> <li><i>6. IT related areas, including areas where storage server racks are located;</i></li> <li><i>7. Liquor storage;</i></li> <li><i>8. Man Traps;</i></li> <li><i>9. Count room;</i></li> <li><i>10. Surveillance; and,</i></li> <li><i>11. Vault.</i></li> </ol> <p><i>Entry Access - Restricted - areas include but are not limited to:</i></p> <ol style="list-style-type: none"> <li><i>1. Back of House (area where employees and/or vendors have access and the public does not);</i></li> <li><i>2. Players Club;</i></li> <li><i>3. Point of Sale (POS) / cash drawers; and,</i></li> <li><i>4. Warehouse/Storage areas (sensitive materials require locked cages with logs and camera coverage).</i></li> </ol> <p><i>Entry Access- Unrestricted - areas are considered public access areas that do</i></p>	<p>and keys and includes non-gaming areas. Similar standards are already present in CNE's SICS and any modification to CNE's SICS would need to be approved by CNGC.</p>
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**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

<p>not require the use of a key or access badge/card to gain entry.  <b>Keys</b> – a metal instrument that when inserted into a lock and turned, operates the lock's mechanism. All keys within a facility shall be categorized as Sensitive and Non-Sensitive with justification.  <b>Keys/Locks/Access - Sensitive</b> - the following keys/locks/access shall be considered to be Sensitive and controlled in nature and shall include but not limited to:  <b>1. Drop and Count:</b>  a. Casino instrument storage container release keys;  b. Casino instrument storage container contents keys;  c. Count room;  d. Transport cart; and,  e. Storage racks used to secure casino instrument storage containers.  <b>2. Electronic Gaming Systems:</b>  a. Logic board / door keys;  b. Machine data access/reset keys; and,  c. Machine door/cabinet keys.  <b>3. Table Games:</b>  a. Card room keys;  b. Chip tray lid keys; and  c. Pit storage cabinet keys  <b>4. Other:</b>  a. Accounting box;  b. Electronic kiosks / Automated Teller Machines (ATM), inclusive of kiosk currency cassettes;  c. IT Server/computer rooms;  d. Gaming related storage server racks;  e. Key storage boxes / areas;  f. Promotional devices (e.g. hoppers);  g. Stationary and mobile POS/cash</p>		
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**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

<p>drawers;  <i>h. Surveillance;</i>  <i>i. Drop and Issue; and,</i>  <i>j. Vault / cage areas.</i>  <b>5. Any keys not listed must be evaluated / categorized as approved by CNGC.</b>  <b>Lock – a fastening mechanism used to secure an area, door, etc. operated/opened by a key and/or an access badge/card.</b>  <b>Possession – maintaining and exercising physical control of a key and/or access badge/card.</b></p>		
<p>§ 16.1(E) “Standards for Complimentary Services/Items”  <i>At least monthly, accounting, information technology, or audit personnel that cannot grant or receive complimentary privileges shall prepare reports that include the following information for all complimentary items and services equal to or exceeding \$100 or an amount established by the CNGC, which shall not be greater than \$100:</i>  <b>1. Name of customer who received the complimentary service or item;</b>  <b>2. Name(s) of authorized issuer of the complimentary service or item;</b>  <b>3. The actual cash value of the complimentary service or item;</b>  <b>4. The type of complimentary service or item (i.e., food, beverage, etc.); and</b>  <b>5. Date the complimentary service or item was issued.</b></p>	<p>This section should be replaced with section 16.1(H) as it says essentially the same thing and is more in line with section 543 of the NIGC MICS.</p>	<p>We agree that the two sections address overlapping areas of regulation. However, we referred to the more stringent requirement based on informal guidance from the NIGC on how to apply the MICS to mixed Class II and Class III gaming facilities. The two relevant regulations here are 25 C.F.R. § 542.17(b) and § 543.13(b)(4)(i). Of the two regulations, the standard in § 542.17(b) is more stringent as it requires reports on at least a monthly basis and specifies the individuals who are authorized to prepare the requisite reports. We have, therefore, deleted § 16.1(H), but left § 16.1(E) intact.</p>

**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

<p>§ 18.2(E) "Redemption Procedures"</p> <p><i>A. When redeeming player points, cashiers shall follow the standards in Section 11 – Casino Instruments &amp; Exchanges and Section 4 General Provisions of this document.</i></p> <p><i>B. Employees who redeem points for members shall be allowed to receive lost players club cards, provided that they are immediately deposited into a secured container for retrieval by independent personnel.</i></p>	<p>This section should be renumbered to "17.2" to match the correct section number.</p>	<p>Agree; change has been made.</p>
<p>§ 18.3(E)(2) "Procedures for Reporting Winnings"</p> <p><i>Before concluding (i.e., prior to payment of winnings) any transaction subject to IRS reporting requirements, the handler of the transaction shall:</i></p> <p>.....</p> <p><i>2. If tax identification (Social Security Card) is not available the winner must complete form W-9 Request for Taxpayer Identification Number and Certification (a form W-9 is not considered an acceptable form of identification and cannot substitute as one of the two forms required). (Emphasis added).</i></p>	<p>26 CFR §1.6041-10(e)(2) was amended on December 20, 2017 to allow the use of Form W-9 as a second form of ID for the reporting of W-2G transactions. Therefore the above language should be removed from this section of the CNGC TICS.</p>	<p>Agree; change has been made.</p>
<p>§18.3(E)(4)(c)(ii) "Procedures for Reporting Winnings"</p> <p><i>c. The customer information on file is periodically updated as follows:</i></p> <p><i>ii. If the customer's Social Security</i></p>	<p>Remove the language "(a form W-9 is not considered an acceptable form of identification)." 26 CFR §1.6041-10(e)(2) was amended on December 20, 2017 to allow</p>	<p>Agree; change has been made.</p>

**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

<p>Card was not available, the customer must have a completed form W-9 Request for Taxpayer Identification Number and Certification on file (a form W-9 is not considered an acceptable form of identification);</p>	<p>the use of Form W-9 as a second form of ID for the reporting of W-2G transactions.</p>	
<p>§ 21.1(A) "General" Supervision. Supervision must be provided as needed for <i>bingo operations by an agent with authority equal to as or greater than those being supervised. (Emphasis added).</i></p>	<p>This section is exactly what is stated in section 543.24 of the NIGC MICS for Auditing Revenue; however, CNE suggests that the emphasized language be changed to other applicable language.</p>	<p>Agree; change has been made. Revised § 21.1(A) now reads as follows:  "Supervision. Supervision must be provided as needed for <i>gaming operations by an agent with authority equal to or greater than those being supervised.</i>"</p>
<p>§ 21.7(A) "Audit Standards" <i>At least weekly, reconcile patron deposit account liability (deposits + adjustments – withdrawals = total account balance) to the system record. (Emphasis added)</i></p>	<p>The "t" should be changed to "x" to match section 543.24(d)(6)(i).</p>	<p>Agree; change has been made.</p>
<p>§ 22.3(A)(6) "Equipment" The surveillance system must: a. Have the capability to display all camera views on a monitor; b. Include sufficient numbers of recording devices to record the views of all cameras required by this section; and c. Record all camera views.</p>	<p>Remove this section as it repeats the requirements in sections 22.3(A)(3) &amp; (4).</p>	<p>We have deleted § 22.3(A)(6)(b)-(c), but left in the standard in § 22.3(A)(6)(a), as it is not duplicative of any other standard in this Section. Section 22.3(A)(3) sets forth the standard for camera recording, while § 22.3(A)(6)(a) addresses a different standard requiring the surveillance system to have the capability to <i>display</i> all camera views.</p>

**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

<p>§ 23.3(A) "Audits"</p> <p><i>Controls must be established and procedures implemented to ensure that internal auditor(s) perform audits of all major gaming areas of the gaming operation, including each department of a gaming operation, at least annually, to review compliance with TICS, SICS, and the NIGC MICS, which include at least the following areas:</i></p> <ol style="list-style-type: none"> <li><i>1. Bingo - including, but not limited to: Supervision, bingo card control, bingo sales, draw, electronic equipment/aids, payout procedures, cash and cash equivalent controls, operations, vouchers, and revenue audit procedures;</i></li> <li><i>2. Pull tabs -including, supervision, pull tab inventory, pull tab sales, winning pull tabs, pull tab operating funds, statistical records, and revenue audit procedures;</i></li> <li><i>3. Card games - including supervision, exchange or transfers, playing cards, skill funds, reconciliation of card room bank, posted rules, and promotional progressive pots and pools;</i></li> <li><i>4. Pari-Mutuel Wagering – including, but not limited to: Write and payout procedures and pari-mutuel auditing procedures.</i></li> <li><i>5. Table games - including but</i></li> </ol>	<p>The language "these MICS" should be replaced with "the MICS."</p>	<p>"These MICS" reference not found in this § 23.3(A).</p>
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**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

*not limited to, fill and credit procedures, pit credit play procedures, rim credit procedures, drop/count procedures and the subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies;*

6. *Gaming machines, including but not limited to, jackpot payout and gaming machine fill procedures, gaming machine drop/count and bill acceptor drop/count and subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, gaming machine drop cabinet access, tracing of source documents to summarized documentation and accounting records, reconciliation to restricted copies, location and control over sensitive keys, compliance with EPROM duplication procedures, and compliance with MICS procedures for gaming machines that accept currency or coin(s) and issue cash-out tickets or gaming machines that do not accept currency or coin(s) and do not*

**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

<p>return currency or coin(s);</p> <p>7. <i>Cage, credit, 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, cage and vault access, and collection procedures; and the reconciliation of trial balances to physical instruments on a sample basis. Cage accountability shall be reconciled to the general ledger;</i></p>	
<p>8. <i>Information technology functions, including review for compliance with information technology standards, supervision, 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.</i></p>	
<p>9. <i>Gaming promotions and player tracking procedures, including supervision, gaming promotion rules and player tracking</i></p>	

**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

<p>systems.</p> <p>10. Complimentary services or items, including procedures for issuing, authorizing, redeeming, and reporting complimentary service items.</p> <p>11. Patron deposit accounts and cashless systems procedures, including supervision, patron deposit accounts and cashless systems, as well as patron deposits, withdrawals and adjustments;</p> <p>12. Drop and count standards, including supervision, count room access, count team, card game drop standards, gaming machine and financial instrument drop standards, card game count standards, gaming machine financial instrument count standards, and controlled keys.</p> <p>13. Accounting – including, but not limited to: Accounting records, maintenance and preservation of financial records and relevant supporting documentation.</p> <p>14. Keno, including but not limited to, game write and payout procedures, sensitive key location and control, and a review of keno auditing procedures;</p> <p>15. Lines of credit procedures, if applicable, including establishment of lines of credit policy;</p> <p>16. Any other internal audits as</p>	
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**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

<p><i>required by the Cherokee Nation, CNGC, audit committee, or other entity designated by the Cherokee Nation.</i></p>		
<p>§ 23.4(A) "Documentation" <i>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. (Emphasis added)</i></p>	<p>The language "these MICS" should be replaced with "the MICS."</p>	<p>Agree; change has been made.</p>
<p>§ 9.3(A) <i>Exchanges between table banks and the main card room bank (or cage, if a main card room bank is not used) in excess of \$100.00 must be authorized by a supervisor. All exchanges must be evidenced by the use of a lammer unless the exchange of chips, tokens, and/or cash takes place at the table.</i></p>	<p>Section 9.3(A) refers to the less stringent standard in Part 542. Both Parts 542 and 543 address the authorization standard for exchanges; however, the 543 standard is the more stringent between the two, and should be incorporated into the TICS.</p>	<p>Agree; change has been made to delete the \$100.00 threshold amount and require authorization for exchanges of <i>any</i> amount. Revised § 9.3(A) now reads as follows:  "Exchanges between table banks and the main card room bank (or cage, if a main card room bank is not used) must be authorized by a supervisor. All exchanges must be evidenced by the use of a lammer unless the exchange of chips, tokens, and/or cash takes place at the table.</p>
<p>12.1(B)(1) <i>Drop and Count Schedule.</i> <i>1. All table games/card games drop</i></p>	<p>TGRA should update their TICS to include the requirement to notify the TGRA of all emergency drops within 24 hours.</p>	<p>Change has been made to specify the 24-hour timeframe within which the CNGC must be notified for emergency drops. Although not required,</p>

**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

<p><i>boxes and financial instrument storage components may be removed only at the time previously designated by the gaming operation and reported to the CNGC. If an emergency drop is required, surveillance must be notified before the drop is conducted and the CNGC must be informed within a timeframe approved by the CNGC.</i></p>		<p>it would be helpful to include the exact threshold or timeframe for meeting the required control standard.</p>
<p><b>§ 19.1(A)</b> <i>Departmental Standards</i>  <i>Each gaming operation shall prepare accurate, complete, legible, and permanent records of all transactions pertaining to revenue and gaming activities.</i></p>	<p>Remove this section as the same requirement is stated in §19.2(A)(2).</p>	<p>Change has not been made. Section 19.2(A)(1) imposes the requisite standard with which all gaming operations must comply, and differs from § 19.2(A)(2), which requires the gaming operation to promulgate policies and procedures (SICS) to ensure that accurate, complete, legible, and permanent records of all transactions are prepared.</p>
<p><b>§ 19.3(A)</b> <i>Maintenance and Preservation of Books, Records, and Documents</i>  <i>All books, records, and documents pertaining to the conduct of wagering activities shall be retained by a gaming operation in accordance with the following schedule. A record that summarizes transactions is sufficient, provided that all documents containing an original signature(s) attesting to the accuracy of a related transaction are independently preserved. Original books, records, or documents shall not include copies of originals, except for</i></p>	<p>Use the NIGC MICS section 543 standard for this requirement. Section 543.23(b)(2)(xii) states: Controls must be established and procedures implemented to safeguard assets and ensure each gaming operation: ... Prepares general accounting records on a double-entry system of accounting, maintaining detailed, supporting, subsidiary records, and performs the following</p>	<p>Change has not been made. For any overlapping areas of regulation in 25 C.F.R. Parts 542 and 543, we referred to the more stringent requirement as between the two Parts based on informal guidance from the NIGC on how to apply the MICS to mixed Class II and Class III gaming facilities. The two relevant regulations here are 25 C.F.R. § 542.19(k) and § 543.23(b)(2)(xii). Of the two regulations, the standard in §</p>

**CHEROKEE NATION TICS  
RESPONSE TO PUBLIC COMMENTS**

<p><i>the copies that contain original comments or notations or parts of multi-part forms. The following original books, records, and documents shall be retained by the gaming operation for a minimum of five (5) years:</i></p> <ol style="list-style-type: none"> <li>1. Casino Cage/Vault documents.</li> <li>2. Documentation supporting the calculation of table game win;</li> <li>3. Documentation supporting the calculation of gaming machine win;</li> <li>4. Documentation supporting the calculation of revenue received from games of pari-mutuel, keno, bingo, card games, pull-tabs, and all other gaming activities offered by the gaming operation;</li> <li>5. Table games statistical analysis reports;</li> <li>6. Gaming machine statistical analysis reports;</li> <li>7. Bingo, pull-tab, keno and pari-mutuel wagering statistical reports; and,</li> <li>8. Internal audit documentation and reports;</li> <li>9. Documentation supporting the write-off of approved credit instruments;</li> <li>10. All other books, records and documents pertaining to the conduct of wagering activities that contain original signature(s) attesting to the accuracy of the gaming related transaction.</li> </ol>	<p>activities: ... Maintain and preserve all financial records and relevant documentation. The newer 543 standard will better serve the ability to move to more efficient and better controlled means of storing these documents, including electronically, than the previous NIGC MICS 542 standard.</p>	<p>542.19(k) is the more stringent as it specifies the type of information and records that must be maintained, as well as the minimum timeframe for keeping such records. While we understand that the standard in § 543.23(b)(2)(xii) would better accommodate electronic means of preserving such records, the standard in 25 C.F.R. § 542.19(k) nonetheless prevails as the more stringent requirement.</p>
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