

CHEROKEE NATION GAMING COMMISSION

TRIBAL INTERNAL CONTROL STANDARDS

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Section 1 – Definitions

1.1 Purpose

The purpose of these Tribal Internal Control Standards is to allow the Cherokee Nation Gaming Commission (CNGC) to ensure compliance with Federal law and Tribal State Compact standards for operational conduct of gaming activities on Indian land under the jurisdiction of the Cherokee Nation Tribal Government and the CNGC. The Tribal Internal Control Standards (TICS) meet the Minimum Internal Control Standards imposed by the National Indian Gaming Commission (NIGC).

1.2 Definitions

The definitions in this section shall apply to all sections of this document unless otherwise noted. These definitions are inclusive to terms used in Tribal-State compacts. In the event of a discrepancy between these definitions and those found in a Tribal-State Compact(s), the Compact(s) definition shall control.

Account access card – 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.”

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

Actual hold percentage – the percentage calculated by dividing the win by the drop or coin-in/ credits wagered /cash-in. Can be calculated for individual tables or gaming machines, type of table games, or gaming machine on a per-day or cumulative basis.

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

Automated payout – payment issued by a machine.

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

Betting ticket – 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).

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

Bill acceptor drop – cash contained in bill acceptor canisters.

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

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Breakage – 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 Four Dollars and Twenty Five Cents (\$4.25) may be actually paid at Four Dollars and Twenty Cents (\$4.20) due to rounding.

Cage – a secure work area within the gaming operation for cashiers, which may include a storage area for the operation’s bankroll.

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

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

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

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.

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, such as to or from a patron deposit account.

Cash-out ticket – 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.

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

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 or part 547.

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

Coin room – an area where coins and tokens are stored.

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CNGC – (Cherokee Nation Gaming Commission) the tribally designated entity responsible for gaming regulation. In accordance with Cherokee Nation Code Annotated Title 4, the Cherokee Nation Gaming Commission is the Tribal Gaming Regulatory Authority (TGRA) and designated as the responsible party for gaming regulation.

Compact – means the Tribal Gaming Compact between the Cherokee Nation and the State of Oklahoma, as approved on December 28, 2004.

Complimentary services and items – services and items provided at no cost, or at a reduced cost, to a patron at the discretion of an agent on behalf of the gaming operation or by a third party on behalf of the operation. Services and items may include, but are not limited to, travel, lodging, food, beverages, or entertainment expenses. Complimentary services and items exclude any services and/or items provided, at no cost or at a reduced cost, to a person for business and/or governmental purposes, which are categorized and treated as business expenses of the gaming operation.

Controls – means Systems of Internal Control Standards, established by gaming operations or enterprise and subject to approve by CNGC.

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

Count room – a secured room where the cash drop and cash equivalents from gaming machines, table games, or other games are transported to and counted.

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

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

Counter game – a game in which the gaming operation is a party to wagers and wherein the 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.

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.

Covered game – means the following games conducted in accordance with the standards, as applicable, set forth in Sections 11 through 18 of the State-Tribal Gaming Act: an electronic onanza-style bingo game, an electronic amusement game, an electronic instant bingo game, non-house-banked card games; any other game, if the operation of such game by a tribe would require a compact and if such game has been: (i) approved by the Oklahoma Horse Racing Commission for use by an organizational licensee, (ii) approved by state legislation for use by

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any person or entity, or (iii) approved by amendment of the State-Tribal Gaming Act; and upon election by the tribe by written supplement to this Compact, any Class II game in use by the tribe, provided that no exclusivity payments shall be required for the operation of such Class II game.

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

Credit slip – a form used to record the return of chips from a gaming table to the cage or the transfer of IOUs, markers, or negotiable checks from a gaming table to a cage or a bankroll.

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

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

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

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

Dedicated camera – a video camera that continuously records a specific activity.

Documents – books, records, electronic, magnetic and computer media documents and other writings and materials, copies thereof, and information contained therein.

Drop (for gaming machines) – means the total amount of cash, cash-out tickets, coupons, coins, and tokens removed from drop boxes/financial instrument storage components.

Drop (for kiosks) – the total amount of gaming instruments/financial instruments removed an electronic kiosk.

Drop (for table games) – means the total amount of cash, chips, and tokens removed from drop boxes/financial instrument storage components, plus the amount of credit issued at the tables.

Drop box – means a locked container affixed to the gaming table into which the drop is placed. The game type, table number, and shift are indicated on the box.

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

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

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

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Drop period – the period of time that occurs between sequential drops.

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

Earned and unearned take – 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.

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

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

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

Fill slip – a document evidencing a fill.

Financial instrument – any tangible item of value tendered in game play, including, but not limited to bills, coins, vouchers, and coupons.

Financial Instrument Storage Component – any component that stores financial instruments, such as a drop box, but typically used in connection with gaming systems.

Flare – the information sheet provided by the manufacturer that sets forth the rules at 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.

Future wagers – bets on races to be run in the future (e.g., Kentucky Derby).

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

Gaming device/component – any component of the gaming system, required to conduct gaming on a gaming machine or technological aid used to conduct gaming activities, which may or may not include the machine/interface itself.

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Gaming machine/player interface – the device of a gaming system that directly allows player interaction or participation in a gaming activity.

Gaming machine analysis report – a report prepared that compares theoretical to actual hold by a gaming machine on a monthly or other periodic basis.

Gaming machine pay table – the reel strip combinations illustrated on the face of the gaming machine that can identify payouts of designated coin amounts.

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

Gaming system – any system used to conduct gaming on a gaming machine or technological aid used to conduct gaming activities, inclusive of any and all support systems (both hardware and software).

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).

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).

Governmental Accounting Standards Board (GASB) – generally accepted accounting principles used by state and local governments.

Gross gaming revenue – 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.

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

Hub – 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.

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.

Internal audit – persons who perform an audit function of a gaming operation that are independent of the department subject to audit. Independence is obtained through the

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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 (1) operation within a tribe's gaming operation holdings.

Jackpot payout – means the portion of a jackpot paid by gaming machine personnel. The amount is usually determined as the difference between the total posted jackpot amount and the coins paid out by the machine. May also be the total amount of the jackpot.

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

Lammer – 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.

Linked electronic game – any game linked to two (2) or more gaming operations that are physically separate and not regulated by the same Tribal gaming regulatory authority.

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

Manual payout – any non-automated payout.

Marker – a document, signed by the patron, evidencing an extension of credit to him or promising to repay credit issued by the gaming operation.

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

Master game sheet – 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.

Meter – an electronic (soft) or mechanical (hard) apparatus in a gaming machine. May record the number/amount of credits wagered, the number/amount of cash or cash equivalents dropped, the number of times the handle was pulled, or the number/amount of credits paid out to winning players.

MICS – Minimum Internal Control Standards promulgated by the NIGC.

Motion activated dedicated camera – a video camera that, upon its detection of activity or motion in a specific area, begins to record the activity or area.

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Multi-game machine – a gaming machine that includes more than one (1) type of game option.

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.

NIGC – National Indian Gaming Commission.

On-line gaming machine monitoring – a system used by a gaming operation to monitor gaming machine meter readings and/or other activities on an on-line basis.

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

Par sheet – 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.

Pari-mutuel wagering – 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.

Patron – any person who is a customer or guest of the gaming operation and may interact with games. Also may be referred to as a “player” or “customer.”

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.

Payment slip – part of a marker form on which customer payments are recorded.

Payout – a transaction associated with a winning event.

PIN – the personal identification number used to access player’s account.

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

Player tracking system – a system typically used in gaming departments that can record the gaming activity of individual customers.

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

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

Prize payouts – payment to a player associated with a winning or qualifying event.

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Progressive gaming machine – 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.

Progressive jackpot – deferred payout from a progressive gaming machine.

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

Promotional progressive pots and/or pools – funds contributed to a table game or card game by and for the benefit of players. Funds are distributed to players based on a predetermined event.

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

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

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

Reel symbols – symbols listed on reel strips of display on gaming machines.

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

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

Shift – a time period, unless otherwise approved by CNGC, not to exceed 24 hours.

Shill – an agent financed by the house and acting as a player.

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.

Smart card – a card with embedded integrated circuits that possesses the sole means to electronically store or retrieve account data.

Soft count – means the count of the contents in a drop box/financial instrument storage component.

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State Compliance Agency – means the state agency that has the authority to carry out the state’s oversight responsibilities under this Compact, which shall be the Office of State Finance or its successor agency.

Statistical drop – total amount of money, chips and tokens contained in the drop boxes/financial instrument storage components, plus credit issued, minus pit credit payments in cash in the pit.

Statistical win – 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.

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. Multiplexer tape recordings are insufficient to satisfy the requirement of sufficient clarity.

Surveillance operation room(s) – the secured area(s) where surveillance takes place and/or where active surveillance equipment is located.

Surveillance system – a system of video cameras, monitors, recorders, video printers, switches, selectors, and other equipment used for surveillance.

Table games – 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.

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

Table inventory form – 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.

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

Take – the same as earned and unearned take.

Theoretical hold – the intended hold percentage or win of an individual gaming machine as computed by reference to its payout schedule and reel strip setting or EPROM.

Theoretical hold worksheet – 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.

TICS (Tribal Internal Control Standards) – standards established by the CNGC that meet the standards set forth in 25 CFR Parts 542 and 543.

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Tier A – gaming operations with annual gross gaming revenues of more than \$3 million but not more than \$8 million.

Tier B – gaming operations with annual gross gaming revenues of more than \$8 million but not more than \$15 million.

Tier C – gaming operations with annual gross gaming revenues of more than \$15 million.

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

Vault – means a secure area within the gaming operation where (tokens, checks) cash equivalents, cash, coins, and chips are stored.

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 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.

Weigh / Count – the value of coins and tokens counted by a weigh machine.

Wide area progressive gaming machine – 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 increases.

Win – 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.

Win-to-write hold percentage – win divided by write to determine hold percentage.

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

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

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2.1 General

- A. The Cherokee Nation Gaming Commission (CNGC) is required to establish and implement internal control standards pursuant to 25 CFR part 542 and 543 to ensure that gaming operations comply with the National Indian Gaming Commission's Minimum Internal Control Standards (MICS) and the Tribal Gaming Compact between the Cherokee Nation and the State of Oklahoma, in particular, Part 5, regarding the minimum requirements for operations, and the procedural aspects of Part 6.
- B. The MICS are minimum standards and the CNGC shall establish controls as defined within these Tribal Internal Control Standards (TICS) that do not conflict with the MICS or the Compact.
- C. Each gaming operation is then required to develop a System of Internal Control Standards (SICS), as approved by the CNGC, that implements the standards reflected in this document.
- D. Failure to do so may subject the tribal operator of the operation and/or the management contractor, to penalties under 25 USC 2713 or Cherokee Nation law or regulation.
- E. Enforcement action by the NIGC will not be initiated under this part without first informing the Cherokee Nation and CNGC of deficiencies in the TICS or absence of SICS for its gaming operation(s) and allowing a reasonable period of time to address such deficiencies. Such prior notice and opportunity for corrective action are not required where the threat to the integrity of the operation is immediate and severe.
- F. Each gaming facility must comply with the standards applicable to their respective tiers.
- G. Nothing in these TICS shall be construed to grant to a state jurisdiction in Class II gaming or extend a state's jurisdiction in Class III gaming.

2.2 Determination of Tier

- A. Determination of tier level will be made based upon the annual gross gaming revenues indicated within the gaming operations' audited financial statements.
- B. Gaming operations moving from one tier to another shall have nine (9) months from the date of the independent certified public accountant's audit report to achieve compliance with the requirements of the new tier.
- C. The CNGC may extend the deadline by an additional six (6) months, at its discretion, if written notice is provided to the NIGC no later than two weeks before the expiration of the nine (9) month period.

2.3 Tribal Internal Control Standards

- A. The CNGC must ensure that the Tribal Internal Control Standards (TICS) provide a level of control that does not exceed or conflict with the applicable standards set forth in the MICS and the Compact. The CNGC shall, in accordance with the tribal gaming ordinance, determine whether and to what extent revisions are necessary to ensure compliance.
- B. The CNGC shall establish deadlines for compliance with these Tribal Internal Control Standards (TICS) and shall ensure compliance with those deadlines as set forth by the National Indian Gaming Commission (NIGC) and in accordance with the Cherokee Nation gaming ordinance, Title 4 of Cherokee Nation Code Annotated, and shall establish, implement, and revise the control standards within this document as follows:
 - 1. These Tribal Internal Control Standards shall provide a level of control that does not exceed or conflict with those set forth in 25 CFR Part 542 and 543;
 - 2. Contain standards for currency transaction reporting that comply with 31 CFR Chapter X;
 - 3. Establish standards for games that are not addressed in this part; and
 - 4. Gaming operations. Each gaming operation shall develop and implement an internal control system that, at a minimum, complies with the tribal internal control standards and is approved by CNGC.
- C. The CNGC will provide for a comment period for any proposed additions/revisions of the CNGC TICS prior to their implementation in accordance with the Cherokee Nation Administrative Procedure Act Legislative Act 13-07 as amended.

2.4 Extension Process for Gaming Operations

- A. New gaming operations. All gaming operations that commence operations after the effective date of this part must comply with this part before commencement of operations.

2.5 Variance Process for Gaming Operations

- A. CNGC may approve a variance for a gaming operation if it has determined that the variance will achieve a level of control sufficient to accomplish the purpose of the standard it is to replace.
- B. For each standard, for which the gaming operations seeks a variance, it shall submit to the CNGC a written request by management and a detailed report, which shall include the following:

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1. A detailed description of the variance;
 2. An explanation of how the variance achieves a level of security, integrity, and controls sufficient to accomplish the purpose of the standard it is to replace; and
 3. The alternate standard as approved and the record on which it is based.
- C. For each standard for which the CNGC approves a variance that may not comply specifically to those standards promulgated by the NIGC, the CNGC shall submit to the NIGC or directly to the Chairman of the NIGC, within thirty (30) days, a report from the CNGC or its designee authorizing the variance and that documentation submitted to and used by the CNGC in its determination and authorization of the variance as prescribed.

2.6 NIGC Concurrence

- A. Review by Chairman of the NIGC.
1. Following receipt of the variance approval from the CNGC, the Chairman or his or her designee shall have sixty (60) days to concur with or object to the approval of the variance.
 2. Any objection raised by the Chairman shall be in the form of a written explanation based on the fact that either there is no valid explanation of why the gaming operation should have received a variance approval from the CNGC or the approved variance does not provide a level of control or security sufficient to accomplish the purpose of the standard it is to replace.
 3. If the Chairman fails to object in writing within sixty (60) days after the date of receipt of a complete submission, the variance shall be considered concurred with by the Chairman of the NIGC.
 4. The sixty (60) day deadline may be extended, provided such extension is mutually agreed upon by the CNGC and the Chairman of the NIGC.
- B. Curing Chairman's Objections. Following an objection by the Chairman, to the issuance of a variance, the CNGC shall have an opportunity to cure any objections noted by the Chairman.
1. Rescinding its initial approval of the variance; or,
 2. Rescinding its initial approval, having the gaming operation submit a revised variance request, approving it, and re-submitting it to the Chairman.
- C. Upon any re-submission of a variance approval, the Chairman shall have thirty (30) days to concur with or object to the re-submitted variance.

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- D. If the Chairman fails to object in writing within thirty (30) days after the date of receipt of the re-submitted variance, the re-submitted variance shall be considered concurred with by the Chairman.
- E. The thirty (30) day deadline may be extended, provided such extension is mutually agreed upon by the CNGC and the NIGC Chairman.
- F. Upon receipt of objections to a re- submission of a variance, the CNGC, as approved by the CNGC, shall be entitled to an appeal to the full National Indian Gaming Commission, in accordance with the following process:
 - 1. Within thirty (30) days of receiving an objection to a re- submission, the CNGC shall file its notice of appeal. Failure to file an appeal within this time period shall result in a waiver of the opportunity for an appeal.
- G. An appeal under this section shall specify the reasons why the gaming operation believes the Chairman's objections should be reviewed, and shall include supporting documentation, if any.
- H. The gaming operation shall be provided with any comments offered by the Chairman of the NIGC to the CNGC on the substance of the appeal, and shall be offered the opportunity to respond to any such comments within their written documentation.
- I. Within thirty (30) days after receipt of the appeal, the NIGC shall render a decision based upon the criteria set forth in 25 CFR 542.18, paragraph (b)(2) unless the CNGC elects to wave the thirty (30) day requirement in writing and to provide the NIGC additional time, not to exceed an additional thirty (30) days, to render a decision, allowing the NIGC sixty (60) days for consideration.
- J. In the absence of a decision within the time provided, the re-submission through the appeal process shall be considered concurred with by the NIGC and become effective.
- K. The gaming operation shall comply with standards that achieve a level of control sufficient to accomplish the purpose of the standard it is to replace until such time as the Commission objects to the Tribal gaming regulatory authority's approval of a variance as provided in paragraph 2.6(A) of this section. Concurrence in a variance by the Chairman or Commission is discretionary and variances will not be granted routinely. The gaming operation shall comply with standards at least as stringent as those set forth in this part until such time as the Chairman or Commission concurs with the Tribal gaming regulatory authority's approval of a variance.

2.7 CPA Testing and Guidelines

- A. Consistent with 25 CFR 571.12, Audit Standards, an annual independent financial statement audit of the Tribe's gaming operations shall be conducted as prescribed by the CNGC, provided that the CPA selected by the CNGC shall be a firm of known and

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demonstrable experience, expertise, and stature in conducting audits of this kind and scope. The audit shall examine revenues and expenses incurred in connection with the conduct of all gaming activities in accordance with generally accepted auditing standards and shall include, but not be limited to, those matters necessary to verify the determination of adjusted gross revenues and the basis of the payments made to the NIGC and to the State pursuant to the requirements set forth in the Tribal- State Compact. The audit shall be concluded within 120 days of the gaming operation's fiscal year, provided that extensions may be requested by the CNGC. The audit report for the conduct of covered games shall be submitted to the SCA within thirty (30) days of completion. The auditors work papers concerning covered games shall be made available to the SCA upon request.

- B. The Tribal Operator of the gaming operations and/or management contractor may include their respective corporate audit in conjunction with the audits required by the CNGC. For reporting purposes, the audit of the conduct of covered games, as specified by the Tribal-State Compact, shall be separately stated. Further, as part of the audit report, the independent CPA shall certify to the CNGC that, in the course of the audit, the auditor discovered no matters within the scope of the audit which were determined or believed to be in violation of any provision stated within the Tribal-State Compact.
- C. All gaming related contracts that result in purchases of supplies, services, or concessions for more than \$25,000 in any year (except for contracts for professional legal or accounting services) shall be specifically included within the scope of the audit.
- D. Copies of the annual independent financial audit of the Tribe's gaming operations shall be submitted directly to the CNGC for distribution to the National Indian Gaming Commission and to the State Compliance Agency, in accordance to the Tribal-State Compact, within 120 days of the gaming operations fiscal year end.
- E. In conjunction with the annual independent financial statement audit, the independent certified public accountant (CPA) shall perform an assessment to verify that the gaming operation is in compliance with the MICS, and / or the Tribal Internal Control Standards (TICS) or SICS.
- F. An Independent CPA shall be engaged on an annual basis to perform "Agreed-Upon Procedures" to verify that the gaming operation is in compliance with the Tribal Internal Controls Standards (TICS) set forth in this document or a tribally approved variance thereto that has received NIGC concurrence (where applicable), the NIGC MICS, and the SICS where they provide the level of control required. The CPA shall report each event and procedure discovered by or brought to the CPAs attention that the CPA believes does not satisfy these standards or the Tribal approved variance that has received NIGC concurrence. The "Agreed- Upon Procedures" may be performed in conjunction with the annual audit. The CPA shall report its findings to the CNGC, the Tribe, and to management. The CNGC shall submit two copies of the report to the NIGC within 120 days of the gaming operations fiscal year end. Throughout these regulations, the CPAs engagement and reporting are based on Statements on Standards for Attestation

SECTION 2 – COMPLIANCE

Engagements (SSAEs). If future revisions are made to the SSAEs or new SSAEs are adopted that are applicable to this type of engagement, the CPA is to comply with any new or revised professional standards in conducting engagements pursuant to these regulations and the issuance of the agreed-upon procedures report. The CPA shall perform the “Agreed- Upon procedures” in accordance with the following:

1. The CPA shall compare the Tribal Internal Control Standards (TICS) to the NIGC MICS to ascertain whether the criteria set forth in the NIGC MICS or NIGC approved variances are adequately addressed.
2. The CPA may utilize CNGC personnel to cross-reference the TICS to the NIGC MICS, provided the CPA performs a review of the work performed by CNGC personnel and assumes complete responsibility for the proper completion of the work product.
3. The CPA shall report each procedure discovered by or brought to the CPA’s attention that the CPA believes does not satisfy the NIGC MICS requirements in part 2.7(F)(1) in this section.
4. As a prerequisite to the evaluation of the gaming operation’s system of internal control standards (SICS), it is recommended that the CPA obtain and review an organization chart depicting segregation of functions and responsibilities, a description of the duties and responsibilities of each position shown on the organization chart, and an accurate, detailed narrative description of the operation’s procedures in effect that demonstrate compliance.
5. The CPA shall complete the CPA NIGC MICS Compliance checklists or other comparable testing procedures. The checklists should measure compliance on a sampling basis by performing walk-throughs, observations and substantive testing. The CPA shall complete separate checklists for each gaming revenue center, cage and credit, internal audit, surveillance, information technology, drop and count, and complimentary services or items. All questions on each applicable checklist should be completed. Work-paper references are suggested for all “no” responses for the results obtained during testing (unless a note in the “W/P Ref” can explain the exception). 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.
6. The CPA shall perform, at a minimum, the following procedures in conjunction with the completion of the checklists:
 - a. At least one unannounced observation of each of the following: Gaming machine coin drop, gaming machine currency acceptor drop, table games drop, gaming machine coin count, gaming machine currency acceptor count, and table games count. The AICPA's “Audits of Casinos” Audit and Accounting Guide states that

SECTION 2 – COMPLIANCE

“observations of operations in the casino cage and count room should not be announced in advance * * *” For purposes of these procedures, “unannounced” means that no officers, directors, or employees are given advance information regarding the dates or times of such observations. The independent accountant should make arrangements with the gaming operation and CNGC to ensure proper identification of the CPA's personnel and to provide for their prompt access to the count rooms.

- b. The gaming machine coin count observation would include a weigh scale test of all denominations using pre-counted coin. The count would be in process when these tests are performed, and would be conducted prior to the commencement of any other walk-through procedures. For computerized weigh scales, the test can be conducted at the conclusion of the count, but before the final totals are generated.
 - c. The checklists should provide for drop/count observations, inclusive of hard drop/count, soft drop/count and currency acceptor drop/count. The count room would not be entered until the count is in process and the CPA would not leave the room until the monies have been counted and verified to the count sheet by the CPA and accepted into accountability. If the drop teams are unaware of the drop observations and the count observations would be unexpected, the hard count and soft count rooms may be entered simultaneously. Additionally, if the gaming machine currency acceptor count begins immediately after the table games count in the same location, by the same count team, and using the same equipment, the currency acceptor count observation can be conducted on the same day as the table games count observation, provided the CPA remains until monies are transferred to the vault/cashier.
 - d. Observations of the gaming operation's employees as they perform their duties.
 - e. Interviews with the gaming operation's employees who perform the relevant procedures.
 - f. Compliance testing of various documents relevant to the procedures. The scope of such testing should be indicated on the checklist where applicable.
 - g. For new gaming operations that have been in operation for three months or less at the end of their business year, performance of this regulation, is not required for the partial period.
- G. Reliance on Internal Auditors. The CPA may rely on the work of an internal auditor, to the extent allowed by the professional standards, for the performance of the recommended procedures specified in parts 2.7(F)(6)(d, e and f) of this section, and for the completion of the checklists as they relate to the procedures covered therein, provided that the internal audit department can demonstrate to the satisfaction of the CPA that the requirements contained within Section 23 – Internal Audit, as applicable, have been satisfied.

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1. Agreed-Upon Procedures are to be performed by the CPA to determine that the internal audit procedures performed for a past 12-month period (includes two 6-month periods) encompassing a portion or all of the most recent business year has been properly completed. The CPA will apply the following Agreed-Up Procedures to the gaming operation's written assertion:
 - a. Obtain the internal audit department work-papers completed for a 12-month period (includes two 6-month periods) encompassing a portion or all of the most recent business year and determine whether the proper CPA NIGC MICS Compliance Checklists or other comparable testing procedures were included in the internal audit work papers and all steps described in the checklists were initialed or signed by an internal audit representative.
 - b. For the internal audit work- papers obtained in 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 CPA NIGC MICS 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 audit department in compliance with the Section 23 - Internal Audit TICS. The re-performance of the procedures is performed as follows:
 - i. For inquiries, the CPA should either speak with the same individual or an individual of the same job position as the internal auditor did for the procedure indicated in their checklist.
 - ii. For observations, the CPA should observe the same process as the internal auditor did for the procedure as indicated in their checklist.
 - iii. For document testing, the CPA should look at the same original document as tested by the internal auditor for the procedure as indicated in their checklist. The CPA need only retest the minimum sample size required in the checklist.
 - c. The CPA is to investigate and resolve any differences between their re-performance results and the internal audit results.
 - d. Ensure that audit reports are completed and include responses from management.

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- e. Verify that appropriate follow-up on audit findings has been conducted and necessary corrective measures have been taken to effectively mitigate the noted risks.
 - f. Documentation is maintained for 5 years by the CPA indicating the procedures re-performed along with the results.
 - g. When performing the procedures for part 2.7(G)(1)(b) of this section in subsequent years, the CPA must select a different sample so that the CPA will re-perform substantially all of the procedures after several years.
 - h. Any additional procedures performed at the request of the NIGC, the CNGC, or management should be included in the Agreed-Upon Procedures report transmitted to the CNGC and subsequently to the NIGC.
- H. Report Format. The NIGC has concluded that the performance of the procedures is an attestation engagement in which the CPA applies such Agreed-Upon Procedures to the gaming operation's assertion that it is in compliance with the NIGC MICS, the CNGC TICS, and approved variances, provide a level of control that equals that of the established MICS. Accordingly, the Statements on Standards for Attestation Engagements (SSAEs) specifically SSAE 10, issued by the Auditing Standards Board is currently applicable. SSAE 10 provides current, pertinent guidance regarding agreed-upon procedures engagements, and the sample report formats included within those standards should be used, as appropriate, in the preparation of the CPAs agreed-upon procedures report. If future revisions are made to this standard or new SSAEs are adopted that are applicable to this type of engagement, the CPA is to comply with any revised professional standards in issuing their agreed upon procedures report. The NIGC will provide an Example Report and Letter Formats, upon request, that may be used and contain all of the information discussed as follows:
- 1. The report must describe all instances of procedural noncompliance regardless of materiality with the MICS or approved variations, and all instances where the CNGC TICS do not comply with the NIGC MICS. All noted instances of non-compliance 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. When describing the agreed-upon procedures performed, the CPA should also indicate whether procedures performed by other individuals were utilized to substitute for the procedures required to be performed by the CPA. For each instance of noncompliance noted in the CPAs agreed-upon procedures report, the following information must be included:
 - a. The citation of the applicable MICS for which the instance of noncompliance was noted.
 - b. A narrative description of noncompliance, including the number of exceptions and sample size tested.

SECTION 2 – COMPLIANCE

2. [Reserved].

I. Report Submission Requirements

1. The CPA shall prepare a report of the findings for the CNGC, the Tribe and management. The CNGC shall submit 2 copies of the report to the NIGC no later than 120 days after the operation's business year. This report should be provided in addition to any other reports required to be submitted to the NIGC.
2. The CPA should maintain the work-papers supporting the report for a minimum of five years. Digital storage is acceptable. The NIGC may request access to these work-papers, through the Tribe.
3. CPA NIGC MICS Compliance Checklists. In connection with the CPA testing pursuant to this section and as referenced therein, NIGC will provide CPA MICS Compliance Checklists upon request.

3.1 Small Gaming Operations.

This document shall not apply to small gaming operations provided that:

- A. The Cherokee Nation Gaming Commission (CNGC) permits the operation to be exempt from this document;
- B. The annual gross gaming revenue of the operation does not exceed \$3 million; and,
- C. The CNGC develops and the operation complies with alternate procedures that:
 1. Protect the integrity of games offered;
 2. Safeguard the assets used in connection with the operation; and,
 3. Create, prepare and maintain records in accordance with Generally Accepted Accounting Principles.

3.2 Charitable Gaming Operations.

This document shall not apply to charitable gaming operations provided that:

- A. All proceeds are the benefit of a charitable organization;
- B. The CNGC permits the charitable organization to be exempt from this document;
- C. The charitable gaming operation is operated wholly by the charitable organization's employees or volunteers;
- D. The annual gross gaming revenue of the charitable gaming operation does not exceed \$3 Million; and,
- E. The CNGC develops, and the charitable gaming operation complies, with alternate procedures that:
 1. Protect the integrity of the games offered;
 2. Safeguard the assets used in connection with the gaming operation; and,
 3. Create, prepare and maintain records in accordance with Generally Accepted Accounting Principles.

3.3 Independent Operators.

Nothing in this Section exempts gaming operations conducted by independent operators for the benefit of a charitable organization.

SECTION 4 – GENERAL PROVISIONS

4.1 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 these TICS, as approved by the Cherokee Nation Gaming Commission (CNGC), will be acceptable.

4.2 General Provisions.

The CNGC has established TICS that are applicable to all employees permitted and/or licensed by the CNGC.

- A. Whereas, certain parts of these standards may allow the gaming 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.
- 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.

4.3 Management Reporting Requirements.

- A. Controls must be established and procedures implemented to ensure proper reporting by management of any known and material violations of the TICS.

4.4 Variance Reporting.

- A. Variances. Where referenced throughout these TICS, the gaming operation must set a reasonable threshold, approved by CNGC, for when a variance must be reviewed to determine the cause, and the results of the review must be documented and maintained and made available to CNGC.

4.5 Currency and Cash Equivalent Controls.

- A. Controls shall be established to ensure proper handling of tips.
- B. 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 documented and maintained. Unverified transfers of cash or cash equivalents are prohibited.
- C. 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:
 - 1. Inventory, including any increases or decreases;

2. Transfers;
3. Exchanges, including acknowledging signatures or initials; and,
4. Resulting variances.

D. 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.

4.6 Counterfeit Currency.

Controls shall be established and procedures implemented for identifying and reporting counterfeit currency.

4.7 Cash Drawer Integrity.

Controls must be established and procedures implemented to ensure the security and integrity of cash drawer funds.

4.8 Signature Attestation.

When the standards in this document address the need for signature authorizations, unless otherwise specified, that signature shall be the full name of the employee or initials (as required), and employee number, in legible writing.

4.9 Records.

In addition to other recordkeeping requirements contained in the TICS, the CNGC shall keep a record of, and shall report at least quarterly to the SCA, the number of covered games in each facility, by the name or type of each and its identifying number. The gaming operation shall maintain the following records for no less than three (3) years from the date generated:

- A. Payout from the conduct of all covered games;
- B. Maintenance log for all covered games gaming equipment used by the gaming operation;
- C. Security logs as kept in the normal course of conducting and maintaining security at the facility, which at a minimum shall conform to industry practices for such reports. The security logs shall document any unusual or nonstandard activities, occurrences or events at or related to the facility or in connection with the enterprise. Each incident, without regard to materiality, shall be assigned a sequential number for each such report. At a minimum, the security logs shall consist of the following information, which shall be recorded in a reasonable fashion noting:

SECTION 4 – GENERAL PROVISIONS

1. The assigned number of the incident;
 2. The date of the incident;
 3. The time of the incident;
 4. The location of the incident;
 5. The nature of the incident;
 6. The identity, including identification information, of any persons involved in the incident and any known witnesses to the incident; and,
 7. The tribal compliance officer making the report and any other persons contributing to its preparation.
- D. All documents generated in accordance with the Compact, including books and records with respect to the conduct of covered games or the operation of the gaming operation.

SECTION 5 – LIVE BINGO

5.1 Supervision.

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

5.2 Bingo Card Inventory.

- A. Physical bingo card inventory controls must address the placement of orders, receipt, storage, issuance, removal, and cancellation of bingo card inventory to ensure that:
 - 1. The bingo card inventory can be accounted for at all times; and,
 - 2. Bingo cards have not been marked, altered, or otherwise manipulated.
- B. 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.
- C. Bingo card inventory records must include the date received, quantities received, and the name of the individual conducting the inspection.
- D. 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.
- E. For Tier A operations, bingo card inventory may be stored in a cabinet, closet, or other similar area; however, such area must be secured and separate from the working inventory.
- F. 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:
 - 1. Issuance of inventory from storage to a staging area;
 - 2. Issuance of inventory from a staging area to the cage or sellers;
 - 3. Return of inventory from a staging area to storage; and,
 - 4. Return of inventory from cage or seller to staging area or storage.
- G. 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.
- H. Bingo cards that are removed from inventory and returned to the supplier or cancelled must be logged as removed from inventory.
- I. Bingo cards associated with an investigation must be retained intact outside of the established removal and cancellation policy.

SECTION 5 – LIVE BINGO

- J. The inventory of bingo cards must be tracked and logged from receipt until use or permanent removal from inventory.
- K. The bingo card inventory record(s) must include:
 - 1. Date;
 - 2. Shift or session;
 - 3. Time;
 - 4. Location;
 - 5. Inventory received, issued, removed, and returned;
 - 6. Signature of agent performing transaction;
 - 7. Signature of agent performing the reconciliation;
 - 8. Any variance;
 - 9. Beginning and ending inventory; and,
 - 10. Description of inventory transaction being performed.

5.3 Bingo Card Sales/Distribution.

- A. Agents who sell or distribute bingo cards must not be the sole verifier of bingo cards for prize payouts.
- B. In order to adequately record, track, and reconcile sales/inventory of bingo cards the following information must be documented:
 - 1. Date;
 - 2. Shift or session;
 - 3. Number of bingo cards issued, sold, and returned;
 - 4. Dollar amount of bingo card sales;
 - 5. Signature or initials and identification number of the agent preparing the record; and,
 - 6. Signature or initials and identification number of the independent agent who verified the bingo cards returned to inventory and dollar amount of the bingo card sales.

SECTION 5 – LIVE BINGO

- C. Bingo card sale voids must be processed in accordance with the rules of the game and established controls that must include the following:
1. Patron refunds;
 2. Adjustments to bingo card sales to reflect voids;
 3. Adjustment to bingo card inventory;
 4. Documentation of the reason for the void; and,
 5. Authorization for all voids.

5.4 Draw.

- A. 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.
- B. Verification of physical objects must be performed by two agents before the start of the first bingo game/session. At least one of the verifying agents must be a supervisory agent or independent of the bingo games department.
- C. Where the selection is made through an electronic aid, certification in accordance with 25 CFR 547.14 is acceptable for verifying the randomness of the draw and satisfies the requirements of paragraph 5.4(A)–(B) of this section.
- D. 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.
- E. Controls must be established and procedures implemented to ensure that:
1. 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.
 2. 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.

5.5 Prize Payouts.

- A. Controls must be established and procedures implemented for cash or cash equivalents that address the following:
1. Identification of the employee authorized (by position) to make a payout;
 2. Predetermined payout authorization levels (by position) to make a payout; and,

SECTION 5 – LIVE BINGO

3. Documentation procedures ensuring separate control of the cash accountability functions.
- B. 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:
1. Winning card(s);
 2. Objects drawn; and,
 3. The previously designated arrangement of numbers or designations on such cards, as described in 25 U.S.C. 2703(7)(A).
- C. At least two agents must verify that the card, objects drawn, and previously designated arrangement were valid for the game in play.
- D. Where an automated verification method is available, verification by such method is acceptable.
- E. For manual payouts, at least two agents must determine the validity of the claim and verify that the winning pattern has been achieved on the winning card prior to payment of a prize.
- F. For manual payouts, a computer validation/verification system may serve as one of the validators/verifiers.
- G. For automated payouts, the system may serve as the sole validation/verification method.
- H. 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 CNGC.
- I. 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 employee independent of the operation of Class II Gaming System bingo:
1. Five Thousand Dollars (\$5,000) for a Tier A facility;
 2. Ten Thousand Dollars (\$10,000) for a Tier B facility;
 3. Twenty Thousand Dollars (\$20,000) for a Tier C facility; or,
 4. Fifty Thousand Dollars (\$50,000) for a Tier C facility with over \$100,000,000 in gross gaming revenues.
- J. A 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.

SECTION 5 – LIVE BINGO

K. The predetermined thresholds, whether set at the TICS level or lower, must be authorized by management, approved by CNGC, documented, and maintained.

L. Payout records, including manual payout records, must include the following information:

1. Date and time;
2. Amount of the payout (alpha & numeric for player interface payouts); and,
3. Bingo card identifier or player interface identifier;
4. Game name or number;
5. Description of the pattern covered (e.g. cover-all or four corners);
6. Signature of all, but not less than two, agents involved in the transaction;
7. For override transactions, verification by a supervisory or management agent independent of the transaction; and,
8. Any other information necessary to substantiate the payout.

M. Cash payout limits shall be established in accordance with the Gaming machine payout standards in Section 11 – Casino Instruments.

5.6 Technological Aids and Bingo Equipment.

- A. Controls must be established and procedures implemented to safeguard the integrity of technological aids and bingo equipment used in the play of bingo during installations, operations, modifications, removal and retirements. Such procedures must include shipping and receiving; access credential control methods; recordkeeping and audit processes; software system signature verification; installation testing; display of rules and necessary disclaimers; CNGC approval of technological aids before they are offered for play; compliance with Class II Technical Standards 25 CFR Part 547; and dispute resolution.
- B. Technological aids and certain bingo equipment used in live bingo are subject to the standards in Section 7 - Gaming Systems in regards to Independent Testing Lab (ITL) certification, CNGC approval, installations, operations, modifications, removal and retirement (as applicable).
- C. For equipment malfunctions, procedures must be implemented to investigate, document, and resolve malfunctions. Such procedures must address the following:
 1. Determination of the event causing the malfunction;

SECTION 5 – LIVE BINGO

2. Review of relevant records, game recall, reports, logs, surveillance records;
3. Repair or replacement of the component or equipment; and,
4. Verification of the integrity of the component or equipment before restoring to operation.

D. 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 the system limitation(s) must be noted):

1. Date;
2. Time;
3. Number of bingo cards sold;
4. Dollar amount of bingo card sales; and,
5. Amount in, amount out, and other associated meter information.

5.7 Variances.

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 C.F.R. 547.4, will be reviewed to determine the cause. Any such review must be documented.

5.8 Other Standards.

- A. Standards for revenue audit of bingo are contained in Section 21 Auditing Revenue.
- B. Currency and cash equivalent controls for bingo are contained in Section 4.5.

6.1 Supervision.

Supervision must be provided as needed for pull tab operations and over pull tab storage areas by an agent(s) with authority equal to or greater than those being supervised.

6.2 Pull Tab Inventory.

Pull tab inventory (including unused tickets) shall be controlled to assure the integrity of pull tabs. Controls must be established and procedures implemented to ensure that:

- A. Access to pull tabs is restricted to authorized employees;
- B. The pull tab inventory is controlled and secured by employees independent of pull tab sales;
- C. Transfers of pull tabs from storage to the sale location, including pull tabs exchanged between employees, are secured and independently controlled;
- D. Increases or decreases to pull tab inventory are recorded, tracked and reconciled; and,
- E. Pull tabs are maintained in a secure location, accessible only to authorized employees, and with surveillance coverage adequate to identify persons accessing the area.

6.3 Pull Tab Sales.

- A. Controls must be established and procedures implemented to record, track, and reconcile all pull tab sales and voids.
- B. The issue of pull tabs to the cashier or sales location shall be documented and signed for by the person responsible for inventory control and the cashier. The document log shall include the serial number of the pull tabs issued. Electronic verification satisfies this requirement.
- C. Appropriate documentation shall be given to the redemption booth for purposes of determining if the winner purchased the pull tab from the pull tabs issued by the gaming operation. Electronic verification satisfies this requirement.
- D. When pull tab sales are recorded manually, total sales must be verified by an employee independent of the pull tab sales being verified.
- E. No person may have unrestricted access to pull tab sales records.
- F. Controls must be established and procedures implemented to record, track, and reconcile all redeemed pull tabs and pull tab payouts. Winning pull tabs shall be verified and paid as follows:
 - 1. Payouts in excess of a dollar amount determined by the gaming operation, as approved by the CNGC, shall be verified by at least two employees.

SECTION 6 – PULL TABS

2. The winning pull tabs shall be voided so that they cannot be presented for payment again.
- G. Personnel independent of pull tab operations shall verify the amount of winning pull tabs redeemed each day. At the end of each month, a person or persons independent of pull tab sales and inventory control shall verify the accuracy of the ending balance in the pull tab control by reconciling the pull tabs on hand.
 - H. A monthly comparison for reasonableness shall be made of the amount of pull tabs sold from the pull tab control log to the amount of revenue recognized.
 - I. The redeemed pull tabs must be defaced so that they cannot be redeemed for payment again.
 - J. Pull tabs that are uniquely identifiable with a machine readable code (including, but not limited to a barcode) may be redeemed, reconciled, and stored by kiosks without the need for defacing, so long as the redeemed pull tabs are secured and destroyed after removal from the kiosk in accordance with the procedures approved by the CNGC.
 - K. At least two (2) employees must document and verify all prize payouts above Six Hundred Dollars (\$600.00) or lower threshold as authorized by management and approved by the CNGC.
 1. An automated method may substitute for one (1) verification.
 2. The predetermined threshold must be authorized by management, approved by the CNGC, documented, and maintained.
 - L. Total payout must be calculated and recorded by shift.

6.4 Pull Tab Operating Funds.

- A. All funds used to operate the pull tab game must be accounted for and recorded on an accountability form and all transfers of cash and/or cash equivalents must be verified.
- B. All funds used to operate the pull tab game must be independently counted and verified by at least two (2) employees and reconciled to the recorded amounts at the end of each shift or session. Unverified transfers of cash and/or cash equivalents are prohibited.

6.5 Statistical Records.

- A. Statistical records must be maintained, including (for games sold in their entirety or removed from play) win, write (sales), and a win-to-write hold percentage as compared to the expected hold percentage derived from the flare for each deal or type of game for each shift, day, month-to-date, and year-to-date as applicable.

- B. A manager independent of the pull tab operations must review statistical information at least on a monthly basis when the pull tab deal has ended or has been removed from the floor and must investigate any large or unusual statistical fluctuations. These investigations must be documented, maintained for inspection, and provided to the CNGC upon request.
- C. Each month, the actual hold percentage shall be compared to the theoretical hold percentage. Any significant variations (3%) or higher, shall be investigated.

6.6 Electronic Equipment.

- A. If the gaming operation utilizes electronic equipment in connection with the play of pull tabs, then the following standards shall also apply.
 - 1. If the electronic equipment contains a bill acceptor, then §542.21(e) and (f), §542.31(e) and (f), or §542.41(e) and (f) (as applicable) shall apply.
 - 2. If the electronic equipment uses a bar code or microchip reader, the reader shall be tested periodically to determine that it is correctly reading the bar code or microchip.
 - 3. If the electronic equipment returns a voucher or a payment slip to the player, then §542.13(n) (as applicable) shall apply.
 - 4. If the electronic equipment utilizes patron account access cards for activation of play, then §542.13(o) (as applicable) shall apply.

6.7 Revenue Audit.

Standards for revenue audit of pull tabs are contained in Section 21 – Auditing Revenue.

6.8 Variances.

The operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

SECTION 7 – GAMING SYSTEMS

7.1 Standards for Gaming Systems.

- A. This standard shall set forth procedural requirements for the procurement, installation, operation maintenance, modifications, and removal and/or retirement of gaming machines and Gaming Systems, including the requirements for interior access and the security of system software.
- B. For this section only, credit or customer credit means a unit of value equivalent to cash or cash equivalent deposited, wagered, won, lost, or redeemed by a customer.
- C. For all computerized gaming systems, a personnel access listing shall be maintained, which includes at a minimum the following:
 - 1. Employee name or employee identification number (or equivalent); and,
 - 2. Listing of functions employee can perform or equivalent means of identifying the same.

7.2 Certification and Approval.

- A. Any manufacturer, distributor, or supplier of a gaming system(s) for purchase, lease, or any other use or storage at any licensed gaming facility must submit a completed vendor license application and licensure fee to the CNGC and receives a vendor license from the CNGC, prior to the sale, lease and delivery of any gaming system(s).
- B. An Independent test laboratory is a laboratory agreed to and designated in writing by the CNGC as competent and qualified to conduct scientific tests and evaluations on electronic gaming systems, devices, and related equipment.
- C. Per Tribal-State Compact, only a nationally recognized laboratory may be used to conduct and evaluate gaming systems used for certification of compact games.
- D. 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.
- E. All gaming systems and related equipment, including system interfaces used for accounting and player tracking purposes must be approved by the CNGC, which may also require certification by a gaming laboratory.

7.3 Security of System Software.

- A. 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.
- B. An agent independent of the gaming machine operation must perform system software signature verification(s) to verify that only approved software is installed.

SECTION 7 – GAMING SYSTEMS

- C. Procedures must be implemented for investigating and resolving any software verification variances.
- D. At least annually, procedures shall be performed to insure the integrity of a sample of gaming machine game program EPROMs, or other equivalent game software media, by personnel independent of the gaming machine department or the machines being tested.
- E. The CNGC, or the gaming operation subject to the approval of the CNGC, shall develop and implement procedures for the following:
1. Removal of EPROMs, or other equivalent game software media, from devices, the verification of the existence of errors as applicable, and the correction via duplication from the master game program EPROM, or other equivalent game software media;
 2. Copying one gaming device program to another approved program;
 3. Verification of duplicated EPROMs before being offered for play;
 4. Receipt and destruction of EPROMs, or other equivalent game software media; and,
 5. Securing the EPROM, or other equivalent game software media, duplicator, and master game EPROMs, or other equivalent game software media, from unrestricted access.
- F. The master game program number, par percentage, and the pay table shall be verified to the par sheet when initially received from the manufacturer.
- G. Gaming machines with potential jackpots in excess of \$100,000 shall have the game software circuit boards locked or physically sealed. The lock or seal shall necessitate the presence of a person independent of the gaming machine department to access the device game program EPROM, or other equivalent game software media. If a seal is used to secure the board to the frame of the gaming device, it shall be pre-numbered.
- H. Records that document the procedures in paragraph (E) (1) of this section shall include the following information:
1. Date;
 2. Machine number (source and destination);
 3. Manufacturer;
 4. Program number;
 5. Personnel involved;
 6. Reason for duplication;

7. Disposition of any permanently removed EPROM, or other equivalent game software media;
 8. Seal numbers, if applicable; and,
 9. Approved testing lab approval numbers, if available.
- I. 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.

7.4 Installation.

- A. The CNGC shall establish procedures governing the shipping, receiving, and installation of all hardware and software components. Such procedures shall include:
1. 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:
 - a. Notification of pending shipments made by the gaming operation;
 - b. Certification in accordance with all applicable technical standards;
 - c. Notification from the supplier to the CNGC, or the gaming operation as approved by the CNGC, of the shipping date and expected date of delivery. The shipping notification shall include, but is not limited to:
 - i. Name and address of the supplier;
 - ii. Description of the shipment;
 - iii. A serial number (as applicable);
 - iv. For software: software version and description of software;
 - v. Method of shipment; and,
 - vi. Expected date of delivery.
 2. A procedure for the exchange of gaming system components for maintenance and replacement.
 3. The CNGC or designee must receive all gaming system components and game play software packages and verify the contents against the shipping notification.
 4. Gaming system components must be shipped in a secure manner to deter unauthorized access.

SECTION 7 – GAMING SYSTEMS

5. Upon delivery of any gaming devices to any licensed facility, no one shall break the seal of any delivery, nor shall any device be removed from the shipping container without the physical presence and/or authorization of a CNGC agent.
- B. Controls must be established to restrict access to the Class II gaming system components, as set forth in Section 20.
- C. The gaming operation must maintain the following records, as applicable, related to installed game servers and player interfaces:
 1. Facility;
 2. Date placed into service;
 3. Date made available for play;
 4. The name of the Supplier and/or Vendor;
 5. The gaming facility's and the CNGCs ID # assigned to each machine;
 6. Floor location;
 7. The manufacturer's serial number(s);
 8. The game(s) available on each machine,
 9. Software version;
 10. Software media seal number(s);
 11. Initial meter readings.

7.5 Installation Testing.

- A. Only CNGC authorized or approved gaming systems and modifications may be installed.
- B. Testing must be completed during the installation process to verify that the player interface/gaming machine has been properly installed. This must include testing of the following, as applicable:
 1. Communication with the Class II gaming system;
 2. Communication with the accounting system;
 3. Communication with the player tracking system;

4. Currency and vouchers to bill acceptor;
 5. Voucher printing;
 6. Meter incrementation;
 7. Pay table, for verification;
 8. Player interface denomination, for verification;
 9. All buttons, to ensure that all are operational and programmed appropriately;
 10. System components, to ensure that they are safely installed at location; and,
 11. Locks, to ensure that they are secure and functioning.
- C. Records must be kept of all new installations and/or modifications to gaming systems. These records must include, at a minimum:
1. The date of the installation or modification;
 2. The nature of the installation or change such as new software, server repair, significant configuration modifications;
 3. Evidence of verification that the installation or the modifications are approved; and,
 4. The identity of the agent(s) performing the installation/modification.

7.6 Display of Pay Table, Rules, and Disclaimers.

- A. The CNGC or the gaming operation must verify that all game rules and disclaimers are displayed at all times or made readily available to the player upon request.
- B. Summaries of rules for playing covered games and winning prizes shall be visibly displayed at all facilities. Complete sets of rules shall be available in pamphlet form in the facility.

7.7 Draw

- A. 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.
- B. Controls must be established and procedures implemented to ensure that 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.

7.8 In-House Progressive Gaming Machine.

- A. A meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.
- B. At least once each day, each gaming operation shall record the amount shown on each progressive jackpot meter at the operation except for those jackpots that can be paid directly from the machine's hopper.
- C. Explanations for meter reading decreases shall be maintained with the progressive meter reading sheets, and where the payment of a jackpot is the explanation for a decrease, the gaming operation shall record the jackpot payout number on the sheet or have the number reasonably available.
- D. Each gaming operation shall record the base amount of each progressive jackpot the gaming operation offers.
- E. The CNGC 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.

7.9 Wide-Area Progressive Gaming Machine.

- A. A meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.
- B. As applicable to participating gaming operations, the WAP gaming machine system shall be adequately restricted to prevent unauthorized access (e.g., changing passwords at least quarterly, restrict access to game software media, and restrict physical access to computer hardware, etc.).
- C. The CNGC shall approve procedures for the WAP system that:
 - 1. Reconcile meters and jackpot payouts;
 - 2. Collect/drop gaming machine funds;
 - 3. Verify jackpot, payment, and billing to gaming operations on pro-rata basis;
 - 4. System maintenance;
 - 5. System accuracy; and,
 - 6. System security.
- D. Reports, where applicable, adequately documenting the procedures required in paragraph 7.12(C) of this section shall be generated and retained.

7.10 Retirement and/or Removal of Gaming Machines.

- A. The CNGC shall establish procedures governing the retirement and removal of any or all associated components of a gaming system from operation.
- B. Such procedures shall include the following:
 - 1. For gaming machines/player interfaces and components that accept cash or cash equivalents:
 - a. Coordination with the drop team to perform a final drop;
 - b. Collection of final accounting information such as meter readings, drop and payouts;
 - c. Remove and/or secure any or all associated equipment such as locks, card reader, or ticket printer from retired or removed component; and,
 - d. Document removal, retirement, and/or destruction.
 - 2. For removal of software components:
 - a. Purge, destroy storage media, and/or return the software to the software license holder/owner; and,
 - b. Document the removal.
 - 3. For all components:
 - a. Verify that unique identifiers and description of removed/retired components are recorded as part of the retirement documentation; and,
 - b. Coordinate with the accounting department to properly retire the component in system records.
 - 4. For other related equipment such as blowers, cards, interface cards:
 - a. Remove and/or secure equipment; and,
 - b. Document the removal or securing of equipment.
- C. Where the CNGC authorizes the gaming operation to destroy any gaming system component, procedures must be developed to destroy such components. Such procedures must include the following:
 - 1. Methods of destruction;
 - 2. Witness or surveillance of destruction;

3. Documentation of all components destroyed; and,
4. Signatures of the employee(s) destroying the components attesting to destruction.

7.11 Standards for Evaluating Theoretical and Actual Hold Percentages.

- A. Accurate and current theoretical hold worksheets shall be maintained for each gaming machine or group of identical machines (as applicable).
- B. For multi-game/multi-denominational gaming systems, an employee or department independent of the gaming machine department shall:
 1. On a weekly basis, record the coin-in meters;
 2. On a quarterly basis, record the coin-in meters for each pay table contained in a gaming machine or group of gaming machines; and,
 3. On an annual basis, adjust the theoretical hold percentage in the gaming machine statistical report to a weighted average based upon the ratio of coin-in for each game pay table.
- C. For those gaming operations that are unable to perform the weighted average calculation as required by paragraph B of this section, the following procedures shall apply:
 1. On at least an annual basis, calculate the actual hold percentage for each gaming machine or group of gaming machines;
 2. On at least an annual basis, adjust the theoretical hold percentage in the gaming machine statistical report for each gaming machine or group of gaming machines to the previously calculated actual hold percentage; and,
 3. The adjusted theoretical hold percentage shall be within the spread between the minimum and maximum theoretical payback percentages.
- D. The adjusted theoretical hold percentage for multi-game/multi-denominational gaming machine systems may be combined for machines with exactly the same game mix throughout the year.
- E. The theoretical hold percentages used in the gaming machine analysis reports should be within the performance standards set by the manufacturer.
- F. Records shall be maintained which include win, write (sales), and win-to-write hold percentages compared to theoretical hold percentage for each gaming machine or group of gaming machines (as applicable) as follows:
 1. Each shift or session (as applicable);
 2. Each day;

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3. Month-to-date; and,
 4. Year-to-date or fiscal year-to-date.
- G. 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 or group of machines and a comparison to each machine's theoretical hold percentage previously discussed.
- H. Records shall be maintained for each machine or group of machines indicating the dates and type of changes made and the recalculation of the theoretical hold as a result of the changes to the gaming machine.
- I. 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.
- J. 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.
- K. All gaming machines with bill acceptors shall contain functioning bill-in meters that record the dollar amounts or number of bills accepted by denomination.
- L. 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.
- M. The employee who records the in-meter reading shall either be independent of the soft count team or shall be assigned on a rotating basis, unless the in-meter readings are randomly verified quarterly for all gaming machines and bill acceptors by a person other than the regular in-meter reader.
- N. Upon receipt of the meter reading summary, the accounting department shall review all meter readings for reasonableness using pre-established parameters.
- O. Prior to final preparation of statistical reports, meter readings that do not appear reasonable shall be reviewed with gaming machine department employees or other appropriate designees, and exceptions documented, so that meters can be repaired or clerical errors in the recording of meter readings can be corrected.
- P. 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 paragraph B of this section.

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- Q. If promotional payouts or awards are included on the gaming machine statistical reports, it shall be in a manner that prevents distorting the actual hold percentages of the affected machines.
- R. The statistical reports shall be reviewed by both gaming machine department management and employees independent of the gaming machine department on at least a monthly basis.
- S. For those Class III gaming 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.
- T. 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.
- U. Maintenance of the on-line gaming machine monitoring system data files shall be performed by a department independent of the gaming machine department. Alternatively, maintenance may be performed by gaming machine supervisory employees if sufficient documentation is generated and it is randomly verified on a monthly basis by employees independent of the gaming machine department.
- V. 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.

7.12 Gaming System Performance Standards.

- A. Gaming machine accounting/auditing procedures shall be performed by employees who are independent of the transactions being reviewed.
- B. For on-line gaming machine monitoring systems, procedures shall be performed at least monthly to verify that the system is transmitting and receiving data from the gaming machines properly and to verify the continuing accuracy of coin-in meter readings as recorded in the gaming machine statistical report.
- C. For weigh scale and currency interface systems, for at least one drop period per month accounting/auditing employees shall make such comparisons as necessary to the system generated count as recorded in the gaming machine statistical report. Discrepancies shall be resolved prior to generation/distribution of gaming machine reports.
- D. For each drop period, accounting/auditing personnel shall compare the coin-to-drop meter reading to the actual drop amount. Discrepancies should be resolved prior to generation/distribution of on-line gaming machine monitoring system statistical reports.

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- E. Follow-up shall be performed for any one machine having an unresolved variance between actual coin drop and coin-to-drop meter reading in excess of three percent (3%) and over \$25.00. The follow-up performed and results of the investigation shall be documented, maintained for inspection, and provided to CNGC upon request.
- F. For each drop period, accounting/auditing employees shall compare the bill-in meter reading to the total bill acceptor drop amount for the period. Discrepancies shall be resolved before the generation/distribution of gaming machine statistical reports.
- G. Follow-up shall be performed for any one machine having an unresolved variance between actual currency drop and bill-in meter reading in excess of an amount that is both more than \$25 and at least three percent (3%) of the actual currency drop. The follow-up performed and results of the investigation shall be documented, maintained for inspection, and provided to the CNGC upon request.
- H. At least annually, accounting / auditing personnel shall randomly verify that game software media changes are properly reflected in the gaming machine analysis report.
- I. Accounting/auditing employees shall review exception reports for all computerized gaming machine systems on a daily basis for propriety of transactions and unusual occurrences.
- J. All gaming machine auditing procedures and any follow-up performed shall be documented, maintained for inspection, and provided to CNGC upon request.

7.13 Gaming Machine Access.

- A. Controls must be established and procedures implemented to ensure adequate:
 - 1. Control of physical and logical access to the gaming system environment, including accounting, voucher, cashless and player tracking systems, among others used in conjunction with gaming systems;
 - 2. Physical and logical protection of storage media and its contents, including recovery procedures;
 - 3. Access credential control methods;
 - 4. Record keeping and audit processes; and,
 - 5. Departmental independence, including, but not limited to, means to restrict agents that have access to information technology from having access to financial instruments.

7.14 Malfunctions.

- A. Procedures must be implemented to investigate, document and resolve malfunctions. Such procedures must address the following:

1. Determination of the event causing the malfunction;
2. Review of relevant records, game recall, reports, logs, surveillance records;
3. Repair or replacement of the gaming component;
4. Verification of the integrity of the gaming component before restoring it to operation.

7.15 Other Standards.

- A. Controls for acceptance and payment of instruments used in wagering and other transactions and other cash handling procedures for gaming systems are contained within Section 11 – Casino Instruments and Section 4 – General Provisions.
- B. The procedures for the collection of the gaming machine and the count thereof shall comply with Section 12 –Drop and Count.
- C. Additional key control requirements for gaming systems are contained within Section 14 –Key and Access Controls.
- D. When gaming machines have the capability to issue points for an in-house player tracking system as an award for play, the standards in Section 17 for Player Tracking shall apply.
- E. Access credential control methods and other relevant controls must adhere to Section 20 – Information and Technology.
- F. Standards for revenue Audit of gaming systems are contained within Section 21 Auditing Revenue.

SECTION 8 – TABLE GAMES

8.1 General Table Games Standards.

- A. *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 table game operations by an agent(s) with authority equal to or greater than those being supervised.
1. A supervisor may function as a dealer without any other supervision if disputes are resolved by supervisory personnel independent of the transaction or independent of the table games department; or,
 2. A dealer may function as a supervisor if not dealing the game.

8.2 Fill and Credit Standards.

- A. Fill slips and credit slips shall be in at least triplicate form, and in a continuous, pre-numbered series. Such slips shall be concurrently numbered in a form utilizing the alphabet and only in one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year.
- B. 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.
- C. When a Fill/Credit slip is voided, the cashier shall clearly mark “void” across the face of the original and first copy, the cashier and one other person independent of the transactions shall sign both the original and first copy, and shall submit them to the accounting department for retention and accountability.
- D. Fill transactions shall be authorized by pit supervisory personnel before the issuance of fill slips and transfer of chips, tokens, or cash equivalents. The fill request shall be communicated to the cage where the fill slip is prepared.
- E. At least three parts of each Fill slip shall be utilized as follows:
1. One part shall be transported to the pit with the fill and, after the appropriate signatures are obtained, deposited in the table game drop box;
 2. One part shall be retained in the cage for reconciliation of the cashier bank; and,
 3. For computer systems, one part shall be retained in a secure manner to ensure that only authorized persons may gain access to it. For manual systems, one part shall be retained in a secure manner in a continuous unbroken form.
- F. For Tier C gaming operations, the part of the Fill slip that is placed in the table game drop box shall

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- be of a different color for fills than for credits, unless the type of transaction is clearly distinguishable in another manner (the checking of a box on the form shall not be a clearly distinguishable indicator).
- G. The table number, shift, and amount of fill by denomination and in total shall be noted on all copies of the fill slip. The correct date and time shall be indicated on at least two copies.
- H. All fills shall be carried from the cashier's cage by a person who is independent of the cage or pit.
- I. The fill slip shall be signed by at least the following persons (as an indication that each has counted the amount of the fill and the amount agrees with the fill slip):
1. Cashier who prepared the fill slip and issued the chips, tokens, or cash equivalent;
 2. Runner who carried the chips, tokens, or cash equivalents from the cage to the pit;
 3. Dealer or boxperson who received the chips, tokens, or cash equivalents at the gaming table; and,
 4. Pit supervisory personnel who supervised the fill transaction; and,
- J. Fills shall be broken down and verified by the dealer or boxperson in public view before the dealer or boxperson places the fill in the table tray.
- K. A copy of the Fill slip shall then be deposited into the table game drop box by the dealer, where it shall appear in the soft count room with the cash receipts for the shift.
- L. Table credit transactions shall be authorized by a pit supervisor before the issuance of credit slips and transfer of chips, tokens, or other cash equivalent. The credit request shall be communicated to the cage where the credit slip is prepared.
- M. At least three parts of each Credit slip shall be utilized as follows:
1. Two parts of the credit slip shall be transported by the runner to the pit. After signatures of the runner, dealer, and pit supervisor are obtained, one copy shall be deposited in the table game drop box and the original shall accompany transport of the chips, tokens, markers, or cash equivalents from the pit to the cage for verification and signature of the cashier.
 2. For computer systems, one part shall be retained in a secure manner to ensure that only authorized persons may gain access to it. For manual systems, one part shall be retained in a secure manner in a continuous unbroken form.
- N. The table number, shift, and the amount of credit by denomination and in total shall be noted on all copies of the credit slip. The correct date and time shall be indicated on at least two copies.
- O. Chips, tokens, and/or cash equivalents shall be removed from the table tray by the dealer or boxperson and shall be broken down and verified by the dealer or boxperson in public view prior to placing them in racks for transfer to the cage.

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- P. All chips, tokens, and cash equivalents removed from the tables and markers removed from the pit shall be carried to the cashier's cage by a person who is independent of the cage or pit.
- Q. 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):
1. Cashier who received the items transferred from the pit and prepared the Credit slip;
 2. Runner who carried the items transferred from the pit to the cage;
 3. Dealer who had custody of the items prior to transfer to the cage;
 4. Pit supervisory personnel who supervised the credit transaction; and,
 5. The Credit slip shall be inserted in the table game drop box by the dealer.
- R. 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.
- S. Cross fills (the transfer of chips between table games) and even cash exchanges are prohibited in the pit.

8.3 Table Inventory Forms.

- A. At the close of each shift, for those table banks that were opened during that shift:
1. The table's chip, token, coin, and marker inventory shall be counted and recorded on a table inventory form; or,
 2. If the table banks are maintained on an imprest basis, a final fill or credit shall be made to bring the bank back to par.
- B. If final fills are not made, beginning and ending inventories shall be recorded on the master game sheet for shift win calculation purposes.
- C. The accuracy of inventory forms prepared at shift end shall be verified by the outgoing pit supervisor and the dealer. Alternatively, if the dealer is not available, such verification may be provided by another pit supervisor or another supervisor from another gaming department. Verifications shall be evidenced by signature on the inventory form.
- D. If inventory forms are placed in the drop box, such action shall be performed by a person other than a pit supervisor.

8.4 Table Game Computer Generated Documentation Standards.

- A. The computer system shall be capable of generating adequate documentation of all information

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recorded on the source documents and transaction detail (e.g., fill/credit slips, markers, etc.).

B. This documentation shall be restricted to authorized personnel.

C. The documentation shall include, at a minimum:

1. System exception information (e.g., appropriate system parameter information, corrections, voids, etc.); and,
2. Personnel access listing, which includes, at a minimum:
 - a. Employee name or employee identification number (if applicable); and,
 - b. Listing of functions employees can perform or equivalent means of identifying the same.

8.5 Standards for Playing Instruments.

A. The following standards shall apply to playing cards and dice:

1. Both used and unused playing cards and dice shall be maintained in a secure location to prevent unauthorized access and reduce the possibility of tampering.
2. Used cards and dice shall be marked immediately following removal from play then maintained in a secure location until “scored” or “destroyed” to prevent unauthorized access and reduce the possibility of tampering. A destruction method shall be approved by the CNGC.
3. The CNGC, or the gaming operation as approved by the CNGC, shall establish and the 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. This standard shall not apply where playing cards or dice are retained for an investigation.
4. A control log shall be maintained that documents when cards and dice are received on site, distributed to and returned from tables, and removed from the gaming operation.
5. Notwithstanding paragraph (A) (3) of this section, 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 CNGC.

B. Chip(s) and token(s). Controls must be established and procedures implemented to ensure accountability of chip and token inventory. Such controls must include, but are not limited to, the following:

1. Purchase;
2. Receipt;
3. Inventory;

4. Storage; and,
5. Destruction.

8.6 Analysis of Table Game Performance.

- A. Records shall be maintained by day and shift indicating any single-deck blackjack games that were dealt for an entire shift. 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.
- B. This information shall be presented to and reviewed by management independent of the pit department on at least a monthly basis.
- C. The management in Section 8.6 (B) shall investigate any unusual fluctuations in hold percentage with pit supervisory personnel.
- D. The results of such investigations shall be documented, maintained for inspection, and provided to the CNGC upon request.

8.7 Accounting and Auditing Standards.

- A. The accounting and auditing procedures shall be performed by personnel who are independent of the transactions being audited/accounted for.
- B. If a table game has the capability to determine drop (e.g., bill-in drop meters, bill acceptor, computerized record, etc.) the dollar amount of the drop shall be reconciled to the actual drop by shift.
- C. Accounting/auditing employees shall review exception reports for all computerized table games systems at least monthly for propriety of transactions and unusual occurrences.
- D. All noted improper transactions or unusual occurrences shall be investigated with the results documented.
- E. Evidence of table games auditing procedures and any follow-up performed shall be documented, maintained for inspection, and provided to CNGC upon request.
- F. A daily recap shall be prepared for the day and month-to-date, which shall include the following information:
 1. Drop;
 2. Win (Player pool); and,
 3. Gross Revenue.

8.8 Other Standards.

- A. Points awarded for qualifying games shall adhere to the standards in Section 17 – Player Tracking System, as applicable.
- B. The procedures for the collection of the table game drop and the count thereof shall comply with Section 12 – Drop and Count, as applicable to the tier level of operation.

9.1 Game Rules.

- A. Only card games authorized by the CNGC may be offered by the gaming operation.
- B. Summaries of game rules must be visibly displayed or available for patron review at the gaming operation, including rules governing contests, prize payouts, fees, the rake collected, the placing of antes, and points required to qualify for tournament play.

9.2 Standards for Supervision.

- A. Supervision must be provided as needed during the card room operations by an agent with authority equal to or greater than those being supervised.
- B. A supervisor may function as a dealer without any other supervision if disputes are resolved by supervisory personnel independent of the transaction or independent of the card games department; or a dealer may function as a supervisor if not dealing the game.

9.3 Exchanges or Transfers.

- A. 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.
- B. All exchanges shall be evidenced by the use of a lammer unless the exchange of chips, tokens, cash, and/or cash equivalents takes place at the table. If table banks are maintained at an imprest level and runners are used for the exchanges at the table no supervisory authorization is required.
- C. Exchanges from the main card room bank (or cage, if the main card room bank is not used) to the table banks must be verified by the card room dealer and the runner.
- D. Transfers between the main card room bank and the cage shall be properly authorized and documented. Documentation must be retained for at least twenty-four (24) hours.
- E. A rake collected or ante placed shall be done in accordance with the posted rules.

9.4 Standards for Playing Instruments.

- A. Used playing cards that are not to be re-used must be properly cancelled and removed from service to prevent re-use. The removal and cancellation procedure requires CNGC review and approval.
 - 1. New and used playing cards must be maintained in a secure location, with appropriate surveillance coverage, and accessible only to authorized agents.
 - 2. Used playing cards, that are not to be re-used must be properly marked and removed from service to prevent re-use.

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3. Used playing cards shall be maintained in a secure location until cancelled (i.e. scored or destroyed), in a manner approved by the CNGC, to prevent unauthorized access and reduce the possibility of tampering.
 4. CNGC, or the gaming operation as approved by CNGC, 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 from play.
 5. Playing cards associated with an investigation must be retained intact and outside of the established removal and cancellation procedures.
 6. A card control log shall be maintained that documents when cards and dice are received on site, distributed to and returned from tables and removed from play by the gaming operation.
 7. 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 as approved by the CNGC.
- B. Skill funds. Issuance of skill funds must be recorded and have the written approval of the supervisor.
1. Returned skill funds must be recorded and verified by a supervisor.
 2. The replenishment of skill funds must be documented.
- C. Chip(s) and token(s). Controls must be established and procedures implemented to ensure accountability of chip and token inventory. Such controls must include, but are not limited to, the following:
1. Purchase;
 2. Receipt;
 3. Inventory;
 4. Storage; and,
 5. Destruction.

9.5 Standards for Reconciliation of Card Room Bank.

- A. Two agents – one of whom must be a supervisory agent – must independently count the table inventory at the opening and closing of the table and record the following information:
1. Date;
 2. Shift;

3. Table number;
 4. Amount by denomination;
 5. Amount in total; and,
 6. Signatures of both agents.
- B. At least once per shift, the card banks that were opened during that shift shall be counted, recorded, and reconciled by a dealer or other person, and a supervisor, and shall be attested to by their signatures on the check-out form.

9.6 Standards for Promotional Progressive Pots and Pools.

- A. All funds contributed by players into the pools must be returned when won in accordance with posted rules, and no commission or administrative fee may be withheld.
1. The payout may be in the form of personal property, such as a car.
 2. A combination of a promotion and progressive pot may be offered.
- B. The conditions for participating and rules governing progressive pots and/or promotional pools shall be prominently displayed in the card room or available in writing for patron review, and designated with the following:
1. The amount of funds to be contributed from each pot;
 2. As applicable, what type of hand it takes to win the pool (i.e. what constitutes a “bad beat”);
 3. How the promotional funds will be paid out;
 4. How and when the contributed funds are added to the jackpots; and,
 5. Amount or percentage of funds allocated to primary and secondary jackpots, if applicable.
- C. Promotional pool contributions shall not be placed in or near the rake circle, in the drop box/financial instrument storage component, or commingled with gaming revenue from card games or any other gambling game.
- D. The pool amount shall be conspicuously displayed in the card room and updated to reflect the current pool amount.
- E. At least once a day, increases to the posted pool amount shall be reconciled to the cash previously counted or received by the cage by personnel independent of the card room.
- F. All decreases to the pool must be properly documented, including a reason for the decrease.

9.7 Payouts for Promotional Progressive Pools and/or Pots.

- A. Individual payouts for card game promotional progressive pots and/or pools that are Six Hundred Dollars (\$600.00) or more must be documented at the time of the payout to include the following:
1. Patron's name;
 2. Date of payout;
 3. Dollar amount of payout and/or nature and dollar value of any non-cash payout;
 4. The signature of the agent completing the transaction attesting to the disbursement of the payout; and,
 5. Name of contest/tournament.
- B. If the cash (or cash equivalent) payout for the card game promotional progressive pot and/or pool is less than Six Hundred Dollars (\$600.00), documentation must be created to support accountability of the bank from which the payout was made.

9.8 Standards for Displaying Promotional Progressive Pools and Pots in Card Room.

- A. Promotional funds displayed in the card room shall be placed in a locked container in plain view of the public.
- B. Persons authorized to transport the locked container shall be precluded from having access to the content keys.
- C. The contents keys shall be maintained by personnel independent of the card room and controlled in a manner as required in Section 14 – Key and Access Controls.
- D. At least once a day, the locked container shall be removed by two persons, one of whom is independent of the card games department, and transported directly to the cage or other secure room to be counted, recorded, and verified.
- E. The locked container shall then be returned to the card room where the posted pool amount shall be updated to reflect the current pool amount.

9.9 Standards for Promotional Progressive Pots and Pools Where Funds are Maintained in the Cage.

- A. Promotional funds removed from the card game shall be placed in a locked container.
- B. Persons authorized to transport the locked container shall be precluded from having access to the content keys.

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- C. The contents key shall be maintained by personnel independent of the card room and controlled in a manner as required in Section 14– Key and Access Controls.
- D. At least once a day, the locked container shall be removed by two persons, one of whom is independent of the card games department, and transported directly to the cage or other secure room to be counted, recorded, and verified, prior to accepting the funds into cage accountability prior to accepting the funds into cage accountability.
- E. The posted pool amount shall then be updated to reflect the current pool amount.

9.10 Variances.

- A. The operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented and made available to CNGC upon request.

9.11 Other Standards.

- A. Points awarded for qualifying games shall adhere to standards in Section 17 – Player Tracking System as applicable.
- B. The procedures for the collection of the card game drop/rake and the count thereof shall comply with Section 12 – Drop and Count, as applicable to the tier level of operation.

10.1 Exemptions.

- A. The requirements of this section shall not apply to gaming operations who house pari-mutuel wagering operations conducted entirely by a state licensed simulcast service provider pursuant to an approved tribal-state compact if:
 - 1. The simulcast service provider utilizes its own employees for all aspects of the pari-mutuel wagering operation;
 - 2. The gaming operation posts, in a location visible to the public, that the simulcast service provider and its employees are wholly responsible for the conduct of pari-mutuel wagering offered at that location;
 - 3. The gaming operation receives a predetermined fee from the simulcast service provider; and,
- B. In addition, the CNGC, or the gaming operation as approved by CNGC, shall establish and the gaming operation shall comply with standards that ensure that the gaming operation receives, from the racetrack, its contractually guaranteed percentage of the handle.
- C. Gaming operations that contract directly with a state regulated racetrack as a simulcast service provider, but whose on-site pari-mutuel operations are conducted wholly or in part by tribal operation employees, shall not be required to comply with paragraphs 10.8(E) through 10.8(I) of this section.
 - 1. If any standard contained within this section conflicts with state law, a tribal-state compact, or a contract, then the gaming operation shall document the basis for noncompliance and shall maintain such documentation for inspection by the CNGC or NIGC.
 - 2. In addition, the CNGC, or the gaming operation as approved by the CNGC, shall establish and the operation shall comply with standards that ensure that the operation receives, from the racetrack, its contractually guaranteed percentage of the handle.

10.2 Computer Applications.

For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section as approved by the CNGC (or any standard contained in a tribal-state compact), will be acceptable.

10.3 Betting Ticket and Equipment Standards.

- A. All pari-mutuel wagers shall be transacted through the pari-mutuel satellite system. In case of computer failure between the pari-mutuel book and the hub, no tickets shall be manually written.
- B. Whenever a betting station is opened for wagering or turned over to a new writer/cashier, the writer/cashier shall sign on and the computer shall document gaming operation name (or identification number), station number, the writer/cashier identifier, and the date and time.

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- C. A betting ticket shall consist of at least two (2) parts:
1. An original, which shall be transacted and issued through a printer and given to the customer; and,
 2. A copy that shall be recorded concurrently with the generation of the original ticket either on paper or other storage media (e.g., tape or diskette).
- D. Upon accepting a wager, the betting ticket that is created shall contain the following:
1. A unique transaction identifier;
 2. Gaming operation name (or identification number) and station number;
 3. Race track, race number, horse identification or event identification, as applicable;
 4. Type of bet(s), each bet amount, total number of bets, and total take; and,
 5. Date and time.
- E. All tickets shall be considered final at post time.
- F. If a gaming operation voids a betting ticket written prior to post time, it shall be immediately entered into the system.
- G. Future wagers shall be accepted and processed in the same manner as regular wagers.

10.4 Payout Standards.

- A. Prior to making payment on a ticket, the writer/cashier shall input the ticket for verification and payment authorization.
- B. The computer shall be incapable of authorizing payment on a ticket that has been previously paid, a voided ticket, a losing ticket, or an unissued ticket.

10.5 Checkout Standards.

- A. Whenever the betting station is closed or the writer/cashier is replaced, the writer/cashier shall sign off and the computer shall document the gaming operation name (or identification number), station number, the writer/cashier identifier, the date and time, and cash balance.
- B. For each writer/cashier station a summary report shall be completed at the conclusion of each shift including:
 1. Computation of cash turned in for the shift; and,

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2. Signature of two (2) employees who have verified the cash turned in for the shift. Unverified transfers of cash and/or cash equivalents are prohibited.

10.6 Employee Wagering.

Pari-mutuel employees shall be prohibited from wagering on race events while on duty, including during break periods.

10.7 Computer Reports Standards.

- A. Adequate documentation of all pertinent pari-mutuel information shall be generated by the computer system.
- B. This documentation shall be restricted to authorized personnel.
- C. The documentation shall be created for each day's operation and shall include, but is not limited to:
 1. Unique transaction identifier;
 2. Date/time of transfer;
 3. Type of wager;
 4. Animal identification or event identification;
 5. Amount of wagers (by ticket, writer/screen activated machine (SAM), track/event, and total);
 6. Amount of payouts (by ticket, writer/SAM, track/event, and total);
 7. Tickets refunded (by ticket, writer, track/event, and total);
 8. Unpaid winners/vouchers ("outs") (by ticket/voucher, track/event, and total);
 9. Voucher sales/payments (by ticket, writer/SAM, and track/event);
 10. Voids (by ticket, writer, and total);
 11. Future wagers (by ticket, date of event, total by day, and total at the time of revenue recognition);
 12. Results (winners and payout data);
 13. Breakage data (by race and track/event);
 14. Commission data (by race and track/event); and,

15. Purged data (by ticket and total).
- D. The system shall generate the following reports:
1. A reconciliation report that summarizes totals by track/event, including write, the day's winning ticket total, total commission and breakage due the gaming operation, and net funds transferred to or from the operation's bank account;
 2. An exception report that contains a listing of all system functions and overrides not involved in the actual writing or cashing of tickets, including sign-on/off, voids, and manually input paid tickets; and,
 3. A purged ticket report that contains a listing of the unique transaction identifier(s), description, ticket cost and value, and date purged.

10.8 Accounting and Auditing Functions.

A gaming operation shall perform the following accounting and auditing functions:

- A. The pari-mutuel audit shall be conducted by personnel independent of the pari-mutuel operation.
- B. Documentation shall be maintained evidencing the performance of all pari-mutuel accounting and auditing procedures.
- C. An accounting employee shall review handle, commission, and breakage for each day's play and recalculate the net amount due to or from the systems operator on a weekly basis.
- D. The accounting employee shall verify actual cash/cash equivalents turned in to the system's summary report for each cashier's drawer (Beginning balance, (+) fills (draws), (+) net write (sold less voids), (-) payouts (net of IRS withholding), (-) cashbacks (pays), (=) cash turn-in).
- E. An accounting employee shall produce a gross revenue recap report to calculate gross revenue for each day's play and for a month-to-date basis, including the following totals:
 1. Commission;
 2. Positive breakage;
 3. Negative breakage;
 4. Track/event fees;
 5. Track/event fee rebates; and,
 6. Purged tickets.

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- F. All winning tickets and vouchers shall be physically removed from the SAM's for each day's play.
- G. In the event a SAM does not balance for a day's play, the auditor shall perform the following procedures:
1. Foot the winning tickets and vouchers deposited and trace to the totals of SAM activity produced by the system;
 2. Foot the listing of cashed vouchers and trace to the totals produced by the system;
 3. Review all exceptions for propriety of transactions and unusual occurrences;
 4. Review all voids for propriety;
 5. Verify the results as produced by the system to the results provided by an independent source;
 6. Regrade one-percent (1%) of paid (cashed) tickets to ensure accuracy and propriety; and,
 7. When applicable, reconcile the totals of future tickets written to the totals produced by the system for both earned and unearned take, and review the reports to ascertain that future wagers are properly included on the day of the event.
- H. At least annually, the auditor shall foot the wagers for one (1) day and trace to the total produced by the system.
- I. At least one (1) day per quarter, the auditor shall recalculate and verify the change in the unpaid winners to the total purged tickets.

11.1 Payouts for Gaming Machines, Fills, Short Pays.

A. For jackpot and Class II prize payouts, including manual payouts, and gaming machine fills, documentation shall include the following information:

1. Date and time;
2. Machine number;
3. Dollar amount of cash payout or gaming machine fill (both alpha and numeric) or description of personal property awarded, including fair market value. Alpha is optional if another unalterable method is used for evidencing the amount of the payout;
4. For Class III game jackpots, game outcome (including reel symbols, card values, suits, etc.), and for manual Class II prize payouts, description of pattern covered, such as cover-all or four corners;
5. Game outcome is not required if a computerized jackpot/fill system is used;
6. Preprinted or concurrently printed sequential number;
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); and
8. For Class II games offering a prize payout of \$1,200 or more, as the objects are drawn, the identity of the objects is immediately recorded. Such records must be maintained for a minimum of 24 hours.

B. Jackpot payouts over a predetermined amount shall require the signature and verification of a supervisory or management employee independent of the gaming machine department (in addition to the two signatures required in paragraph 11.1(A)(7) of this section). Alternatively, if an on-line accounting system is utilized, only two signatures are required: one employee and one supervisory or management employee independent of the gaming machine department. This predetermined amount shall be authorized by management (as approved by the CNGC), documented, and maintained. On graveyard shifts (eight-hour maximum) payouts/fills less than \$100 can be made without the payout/fill being witnessed by a second person. With regard to jackpot payouts and hopper fills, the signature of one employee is sufficient if an on-line accounting system is utilized and the jackpot or fill is less than \$1,200.

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

1. Date and time;
2. Machine number;

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3. Dollar amount of payout (both alpha and numeric); and,
 4. The signature of at least one (1) employee verifying and witnessing the payout. Where the payout amount is \$50.00 or more, signatures of at least two (2) employees verifying and witnessing the payout. Alternatively, the signature of one (1) employee is sufficient if an on-line accounting system is utilized and the payout amount is less than \$3,000.
- D. For manual payment of a voucher of \$500 or more, require a supervisory employee to verify the validity of the voucher prior to payment.
- E. Manual prize payouts above the following threshold (or a lower threshold, as authorized by management and approved by CNGC) must require one of the two signatures and verifications to be a supervisory or management employee independent of the operation of Gaming Systems:
- a. Five Thousand Dollars (\$5,000) for a Tier A facility;
 - b. Ten Thousand Dollars (\$10,000) for a Tier B facility;
 - c. Twenty Thousand Dollars (\$20,000) for a Tier C facility; or,
 - d. Fifty Thousand Dollars (\$50,000) for a Tier C facility with over \$100,000,000 in gross gaming revenues.
- F. Computerized jackpot/fill systems shall be restricted so as to prevent unauthorized access and fraudulent payouts by one person as required by Section 20-information Technology of this document.
- G. Payout forms shall be controlled and routed in a manner that precludes any one (1) person from producing a fraudulent payout by forging signatures or by altering the amount paid out subsequent to the payout and misappropriating the funds.

11.2 Gaming Machine Promotional Payouts or Awards.

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:

- A. Date and time;
- B. Machine number and denomination;
- C. Dollar amount of payout or description of personal property (e.g., jacket, toaster, car, etc.) including fair market value;
- D. Type of promotion (e.g., double jackpots, four-of-a-kind bonus, etc.);
- E. Signature of at least one employee authorizing and completing the transaction.

11.3 Promotional Payouts, Drawings, and Giveaway Programs.

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The following procedures must apply to any payment resulting from a promotional payment, drawing, or giveaway program disbursed by the cage department or any other department. This section does not apply to payouts for card game promotional pots and/or pools.

- A. All payments must be documented to support the cage accountability.
- B. Payments above \$600 (or lesser amount as approved by CNGC) must be documented at the time of the payment, and documentation must include the following:
 - 1. Date and time;
 - 2. Dollar amount of payment or description of personal property (e.g. car);
 - 3. Reason for payment (e.g. name of promotion);
 - 4. Customer's name and confirmation that identity was verified (drawings only); and,
 - 5. Signature(s) of at least two agents verifying, authorizing, and completing the promotional payment with the patron. For computerized systems that validate and print the dollar amount of the payment on a computer generated form, only one signature is required.

11.4 Cash-out Tickets/Vouchers.

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.

- A. Gaming machine accounting and auditing procedure standards in Section 7 – Gaming Systems of this document shall apply.
- B. 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.
- C. 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 CNGC, or the gaming operation as approved by the CNGC. Cash-out tickets may be redeemed for payment or inserted in another gaming machine and wagered, if applicable, during the specified time period.
- D. The customer shall redeem the cash-out ticket at a cashier's station where it can be validated. Alternatively, if a gaming operation utilizes a remote computer validation/redemption system (e.g. electronic kiosk), the CNGC, or the operation as approved by the CNGC shall develop alternate standards for the maximum amount that can be redeemed, which shall not exceed \$2,999.99 per cash-out transaction.
- E. Upon presentation of the cash-out ticket(s) for redemption, the following shall occur:

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1. Scan the bar code via an optical reader or its equivalent; or,
 2. Input the cash-out ticket validation number into the computer.
- F. The information in paragraph E of this section shall be communicated to the host computer. The host computer shall verify the authenticity of the cash-out ticket and communicate directly to the cashier (redeemer) of the cash-out ticket.
- G. If valid, the cashier (redeemer) 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 cashier’s bank for reconciliation purposes. The host validation computer system shall electronically reconcile the cashier’s banks for the paid cashed-out tickets.
- H. If invalid, the host computers shall notify the cashier (redeemer). The cashier (redeemer) shall refuse payment to the customer and notify a supervisor of the invalid condition. The supervisor shall resolve the dispute.
- I. If the host validation computer system temporarily goes down, cashiers may redeem cash-out tickets at a cashier’s station after recording the following:
1. Serial number of the cash-out ticket;
 2. Date and Time;
 3. Dollar amount;
 4. Issuing gaming machine number;
 5. Marking ticket “paid”; and,
 6. The ticket shall remain in cashier’s bank for reconciliation purposes.
- J. For manual payment of a cash-out ticket of \$500 or more, requires a supervisory employee to verify the validity of the cash-out ticket prior to payment.
- K. Cash-out tickets shall be validated as expeditiously as possible when the host validation computer system is restored. All cash-out tickets must be validated and recorded by the computer system.
- L. The CNGC or the gaming operations as approved by the CNGC, shall establish and comply with procedures to control cash-out ticket paper, which shall include procedures that:
1. Mitigate the risk of counterfeiting of cash-out ticket paper;
 2. Adequately control the inventory of the cash-out ticket paper;
 3. Provide for the destruction of all unused cash-out ticket paper; and,

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4. Alternatively, if the gaming operation utilizes a computer validation system, this standard shall not apply.
- M. If the host validation computer system is down for more than four (4) hours, the gaming operation shall promptly notify the CNGC or its designated representative.
- N. These gaming machine systems shall comply with all other standards (as applicable) in this document.
- O. Controls must be established and procedures implemented to:
 1. Verify the authenticity of each voucher redeemed.
 2. If the voucher is valid, verify that the patron is paid the appropriate amount.
 3. 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.
 4. Retain payment documentation for reconciliation purposes.
 5. For manual payment of a voucher of \$500 or more, require a supervisory employee to verify the validity of the voucher prior to payment.
- P. Vouchers paid during a period while the voucher system is temporarily out of operation must be marked “paid” by the cashier.
- Q. 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.
- R. Paid vouchers must be maintained in the cashier's accountability for reconciliation purposes.
- S. Unredeemed vouchers can only be voided in the voucher system by supervisory employees. The accounting department will maintain the voided voucher, if available.

11.5 Patron accounts and cashless systems.

- A. Supervision. Supervision must be provided as needed for patron deposit accounts and cashless systems by an agent(s) with authority equal to or greater than those being supervised.
- B. All smart cards (i.e., cards that possess the means to electronically store or retrieve data) that maintain the only source of account data are prohibited.
- C. Establishment of patron deposit accounts. The following standards apply when a patron establishes an account.
 1. The patron must appear at the gaming operation in person, at a designated area of accountability, and present valid government issued picture identification; and,

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2. An agent must examine the patron's identification and record the following information:
 - a. Type of identification credential examined;
 - b. The credential number;
 - c. The expiration date of credential; and,
 - d. Patron's name;
 - e. A unique account identifier;
 - f. Date the account was opened; and,
 - g. The agent's name.
3. The patron must sign the account documentation before the agent may activate the account.
4. The agent or cashless system must provide the patron deposit account holder with a secure method of access.

D. Patron deposits, withdrawals and adjustments.

1. Prior to the patron making a deposit or withdrawal from a patron deposit account, the agent or cashless system must verify the patron deposit account, identity of the patron and availability of funds. Reliance on a secured Personal Identification Number (PIN) entered by the patron is an acceptable method of verifying identification.
2. Adjustments made to the patron deposit accounts must be performed by an agent.
3. When a deposit, withdrawal, or adjustment is processed by an agent, a transaction record must be created containing the following information:
 - a. Same document number on all copies;
 - b. Type of transaction, (deposit, withdrawal, or adjustment);
 - c. Name of other identifier of the patron;
 - d. The unique account identifier;
 - e. Patron signature for withdrawals, unless a secured method of access is utilized;
 - f. For adjustments to the account, the reason for the adjustment;
 - g. Date and time of transaction;
 - h. Amount of transaction;

- i. Nature of deposit or withdrawal, or adjustment (e.g., cash, check, chips); and,
 - j. Signature of the agent processing the transaction.
4. When a patron deposits or withdraws funds from a patron deposit account electronically, the following must be recorded:
- a. Date and time of transaction;
 - b. Location (player interface, kiosk);
 - c. Type of transaction (deposit, withdrawal);
 - d. Amount of transaction; and,
 - e. The unique account identifier.
- E. Patron deposit account transaction records must be available to the patron upon reasonable request.
- F. If electronic funds transfers are made to or from a gaming operation bank account for patron deposit account funds, the bank account must be dedicated and may not be used for any other types of transactions.
- G. Variances. The operation must establish, as approved by CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

11.6 Account Access Cards.

For gaming machines that utilize account access cards to activate the play of the machine, the following standards shall apply:

A. Equipment.

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

B. Player terminal standards.

1. The player terminal standards are connected to a game server.

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

C. Customer account maintenance standards.

1. A central computer acting as an account server shall provide customer account maintenance and the deposit/withdrawal function of those account balances.
2. 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 PIN pad or touch screen array for this purpose.
3. All communications between the player terminal, or bank of player terminals, and the account server shall be encrypted for security reasons.

D. Customer account generation standards.

1. A computer file for each customer shall be prepared by a clerk, with no incompatible functions, prior to the customer being issued an account access card to be utilized for machine play. The customer shall select his/her PIN to be used in conjunction with the account access card.
2. For each customer file, an employee 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 reliable identity credential.
3. The clerk shall sign-on with a unique password to a terminal equipped with peripherals required to establish a customer account. Passwords are issued and can only be changed by information technology personnel at the discretion of the Department director and in accordance with Section 20 – Information Technology.
4. After entering a specified number of incorrect PIN entries at the cage or player terminal, the customer shall be directed to proceed to the appropriate station to obtain a new PIN. If the customer forgets, misplaces or requests a change to their PIN, the same procedures shall apply.

E. Deposit of credits standards.

1. The cashier shall sign-on with a unique password to a cashier terminal equipped with peripherals

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required to complete the credit transactions(s). Passwords are issued and can only be changed by information technology personnel at the discretion of the Department director and in accordance with Section 14 Key and Access Controls.

2. The customer shall present cash, chips, coin, or cash equivalents, or coupons along with their account access card to a cashier to deposit credits.
3. The cashier shall complete the transaction by entering an account number or utilizing a card scanner that the cashier shall slide the customer's account access card through.
4. The cashier shall accept the funds from the customer and enter the appropriate amount on the cashier terminal.
5. A multi-part deposit slip shall be generated by the point-of-sale receipt printer with the following steps:
 - a. The cashier shall direct the customer to sign the deposit slip receipt,
 - b. One copy of the deposit slip shall be given to the customer; and,
 - c. The other copy of the deposit slip shall be secured in the cashier's cash drawer.
6. The cashier shall verify the customer's balance before completing the transaction. The cashier shall secure the funds in their cash drawer and return the account access card to the customer.
7. Alternatively, if a kiosk is utilized to accept a deposit of credits, the CNGC or the gaming operation as approved by the CNGC shall establish and comply with procedures that safeguard the integrity of the kiosk system.

F. Prize standards.

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

G. Credit withdrawal.

The customer shall present their account access card or ticket to the cashier to withdraw their credits. The cashier shall perform the following:

1. Scan the account access card;
2. Request the customer to enter their PIN, if the PIN was selected by the customer;

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

11.7 Smart Cards.

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

11.8 Coupon Standards.

Any program for the exchange of coupons for chips, tokens, and/or another coupon program shall be approved by the CNGC prior to implementation. If approved, the gaming operation shall establish and comply with procedures that account for and control such programs.

12.1 General Standards.

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. Drop and Count Schedule.

1. All table games/card games drop 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 twenty-four hours of the emergency drop.

C. Security Over the Drop and Count.

1. Security shall be provided over the financial instrument storage components at all times during the drop process.

D. Surveillance of the Drop and Count.

1. Surveillance must be notified when the drop is to begin so that surveillance may monitor the activities.
2. For Tier B gaming operations, the count shall be viewed live, or on video recording and/or digital record, within seven (7) days by an employee independent of the count.
3. Count room personnel shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.
4. For the Count rooms:
 - a. 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,
 - b. The surveillance system must provide coverage of count equipment with sufficient clarity to view any attempted manipulation of the recorded data.

E. Access to Count Room.

1. Controls must be established and procedures implemented to limit access to the count room/man trap during the count process to members of the drop and count teams, authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
2. Access to stored full financial instrument storage components must be restricted to:
 - a. Authorized members of the drop and count teams; and,

b. In an emergency, authorized persons for the resolution of a problem.

F. Extraneous Items and Count Room Standards. CNGC, or the gaming operation as approved by CNGC, shall establish and the gaming operation shall comply with procedures to address the transporting of extraneous items, such as coats, purses, and/or boxes, into and out of the cage, coin room, count room, and/or vault.

12.2 Drop Standards.

A. Table Games/Card Game Drop.

1. Controls must be established and procedures implemented to ensure security of the drop process. Such controls must include the standards contained in this Section 12.2(A).
2. Table Games/Card game drop boxes/financial instrument storage components 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.
3. Once the drop is started, it must be a continuous process until finished.
4. At the end of each shift:
 - a. All locked card game drop boxes/financial instrument storage components must be removed from the tables by an agent independent of the card game shift being dropped;
 - b. A separate drop box/financial instrument storage component shall be placed on each table opened at any time during each shift or a gaming operation may utilize a single drop box/financial instrument storage component with separate openings and compartments for each shift;
 - c. For any tables opened during the shift, a separate drop box/financial instrument storage component must be placed on each table, or a gaming operation may utilize a single drop box/financial instrument storage component with separate openings and compartments for each shift; and,
 - d. Table Games/Card game drop boxes/financial instrument storage components must be transported directly to the count room or other equivalently secure area with comparable controls 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. The drop boxes/financial instrument storage components shall be locked in a secure manner until the count takes place.
5. All tables that were not open during a shift and therefore not part of the drop must be documented.
6. All table game/card game drop boxes/financial instrument storage components must be posted with a number corresponding to a permanent number on the gaming table and marked to indicate

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game, table number, and shift, if applicable.

7. If drop boxes/financial instrument storage components are not placed on all tables, then the pit department shall document which tables were open during the shift.

B. Gaming Machines and Financial Instrument Storage Component Drop.

1. For Tiers A and B gaming operations, at least two agents must be involved in the removal of the gaming machine storage component drop, at least one of whom is independent of the gaming machine department. For Tier C gaming operations, a minimum of three employees shall be involved in the removal of the gaming machine drop, at least one of who is independent of the gaming machine department.
2. The financial instrument storage components must 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.
3. Security must be provided for the financial instrument storage components removed from player interfaces and awaiting transport to the count room.
4. 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.
5. All financial instrument storage components must be posted with a number corresponding to a permanent number on the player interface.

12.3 Count Standards.

Controls must be established and procedures implemented to ensure the security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud.

A. Count Team.

1. For instances in which the number of count team members refer to three (3) employees, Tier A and B gaming operations may utilize two (2) employees as provided for in the gaming operation's SICS.
2. For Tier C gaming operations, all counts must be performed by a minimum of three (3) employees and no fewer than three (3) employees may be in the count room until the drop proceeds have been accepted into cage/vault accountability.
3. Count room personnel are not allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. Surveillance must be notified of each time.
4. Count team members must be rotated on a routine basis such that the count team is not consistently the same three (3) persons more than four (4) days per week. This standard shall not apply to gaming operations that utilize more than three persons on the count team.

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5. Functions performed by the count team members must be rotated on a routine basis.
 6. Count 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.
- B. The Table Game/Cards and financial instrument storage component count must be performed in a designated count room or other equivalently secure area with comparable controls.
 - C. Count equipment and systems must be tested, with the results documented, at minimum before the first count begins to ensure the accuracy of the equipment.
 - D. If counts from various revenue centers and kiosks occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
 - E. Table Game/Cards drop boxes/financial instrument storage components, kiosks, and financial instrument storage components must be individually emptied and counted in such a manner as to prevent the commingling of funds between containers and kiosks until the contents have been recorded. The count of each container shall adhere to the following:
 1. The count of each Table Game/Cards drop boxes/financial instrument storage components, kiosks, and financial instrument storage component must be recorded in ink or other permanent form of recordation.
 2. A second count must be performed by a member of the count team who did not perform the initial count. Separate counts of chips and tokens must always be performed by members of the count team.
 3. Coupons or other promotional items not included in gross revenue must be recorded on a supplemental document by either the count team member or accounting personnel. All single-use coupons must be cancelled daily by an authorized employee to prevent improper circulation.
 4. Procedures must be implemented to ensure that any corrections to the count documentation are permanent and identifiable, and that the original corrected information remains legible. Corrections must be verified by two (2) count team members. 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, a count team member must observe the loading and unloading of all currency at the currency counter, including rejected currency.
 6. Two counts of the currency rejected by the currency counter must be recorded per casino instrument storage container, as well as in total. Rejected currency must be posted to the casino instrument storage container from which it was collected.
 7. Each table games/cards drop box and financial instrument storage component, when empty,

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must be shown to another count team member, 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.

F. For drop proceeds from table games, the following standards shall apply:

1. Orders for fill/credit (if applicable) must be matched to the fill/credit slips. Fills and credits shall be traced to or recorded on the count sheet.
2. Pit marker issue and payment slips (if applicable) removed from the table game drop box/financial instrument storage component shall either be:
 - a. Traced to or recorded on the count sheet by the count team; or,
 - b. Totaled by shift and traced to the totals documented by the computerized system. Accounting personnel shall verify the issue/payment slip for each table is accurate.
3. Foreign currency exchange forms (if applicable) removed from the table game drop boxes / financial instrument storage components shall be reviewed for the proper daily exchange rate and the conversion amount shall be recomputed by the count team. Alternatively, this may be performed by accounting/auditing employees.
4. The opening/closing table inventory forms must be either:
 - a. Examined and traced to or recorded on the count sheet; or,
 - b. If a computerized system is used, accounting personnel can trace the opening/closing table inventory forms to the count sheet. Discrepancies must be investigated with the findings documented and maintained for inspection.

G. 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 shall be reconciled and documented. This standard does not apply to vouchers removed from financial instrument storage components.

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

I. A final verification of the total drop proceeds, before transfer to the cage/vault must include the following:

1. Final verification must be performed by at least two (2) count team members, one of whom must be a supervisory count team member.
2. Final verification must include a comparison of currency counted totals against the currency counter system/system report, if any counter/system is used.
3. Any unresolved variance must be documented and the documentation must remain a part of the final count record forwarded to Revenue Audit.

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4. 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.
 5. The two (2) count team members must sign the report attesting to the accuracy of the total drop proceeds verified.
- J. After certification by the agent receiving the funds, the drop proceeds must be transferred to the cage/vault. All drop proceeds must be transferred to the cage/vault in accordance with the following standards:
1. All drop proceeds and cash equivalents that were counted must be submitted to the cage or vault employee (who must be independent of the count team) or to an authorized employee independent of the revenue generation source and the count process for verification. Such person must certify, by signature, the amount of the drop proceeds being delivered and received. Any unresolved variances shall be reconciled, documented, and/or investigated by accounting/revenue audit.
 2. After verification by the cage/vault employee receiving the funds, the drop proceeds must be transferred to the cage/vault.
 3. The count documentation and records must not be transferred to the cage/vault with the drop proceeds.
 4. The cage/vault agent must not have knowledge or record of the drop proceeds total before it is verified.
 5. All cage/vault records must be forwarded to accounting or secured and accessible by only the accounting/revenue audit department.
 6. The cage/vault employee receiving the transferred drop proceeds must sign the count sheet (or other reconciling document) attesting to the verification of the total received, and thereby assuming accountability of the currency drop proceeds, ending the count.
 7. Any unresolved variances between total drop proceeds recorded on the count room report and the cage/vault final verification during the transfer must be documented and investigated.
- K. The count team must not have access to the reconciliation report (i.e. bill-in meter reports, kiosks reconciliation reports, etc.) amounts until after the count is completed and the drop proceeds are accepted into cage/vault accountability.
- L. The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or someone other than the Cage/ Vault department. Alternatively, it may be adequately secured (e.g., locked container to which only

accounting personnel can gain access) and accessible only by accounting department until retrieved by the accounting department.

12.4 Equipment.

- A. Equipment utilized for the drop and count of the casino instrument storage containers shall comply as follows:
 - B. If a currency counter interface is used:
 - 1. It shall be adequately restricted so as to prevent unauthorized access.
 - 2. The currency drop figures shall be transferred via direct communications line or computer storage media to the accounting department.

12.5 Kiosks.

- A. 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:
 - 1. 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.
 - 2. Currency cassettes and financial instrument storage components must be secured in a manner that restricts access to only authorized agents.
 - 3. 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.
 - 4. Controls must be established and procedures implemented to ensure that currency cassettes contain the correct denominations and have been properly installed.
- B. Access to stored full kiosk financial instrument storage components and currency cassettes must be restricted to:
 - 1. Authorized agents; and,
 - 2. In an emergency, authorized persons for the resolution of a problem.
- C. The kiosk count must be performed in a secure area, such as the cage or count room.

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- D. 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.

12.6 Emergency Drop Procedures.

Emergency drop procedures. Emergency drop procedures shall be developed by the CNGC, or the gaming operation as approved by the CNGC.

12.7 Variances.

The operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

13.1 General Cage Standards.

- A. 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 CNGC, will be acceptable.
- B. 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.
- C. The CNGC, or the gaming operation as approved by the CNGC, shall establish and the gaming operation shall comply with procedures for the acceptance of personal checks, collecting and recording checks returned to the gaming operation after deposit, re-deposit, and write-off authorization.
- D. The operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

13.2 Checks.

- A. If personal checks, cashier's checks, payroll checks, or counter checks are cashed at the cage, the CNGC, or the gaming operation as approved by the CNGC, shall establish and the gaming operation shall comply with appropriate controls for purposes of security and integrity.
- B. For each check cashing transaction, the agent(s) conducting the transaction must:
 - 1. Verify the patron's identity;
 - 2. Examine the check to ensure it includes the patron's name, current address, and signature;
 - 3. For personal checks, verify the patron's check cashing authority and record the source and results in accordance with management policy; however,
 - 4. 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.
- C. 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.
- D. When counter checks are issued, the following must be included on the check:
 - 1. The customer's name and signature;
 - 2. The dollar amount of the counter check (both alpha and numeric);
 - 3. Patron's bank name, bank routing and account numbers;
 - 4. Date of issuance; and,

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5. Signature of the agent approving the counter check transaction.
- E. 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 the Nation's laws or CNGC regulations.
- F. Checks are not allowed to be held

13.3 Cage and Vault Accountability Standards.

- A. All transactions that flow through the cage shall be summarized on a cage accountability form for each shift and shall be supported by documentation.
- B. 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).
- C. The cage and vault inventories (including coin rooms) shall be counted independently by at least two agents, who may include the oncoming and outgoing cashiers and who shall make individual counts for comparison of accuracy and maintenance of individual accountability. Such counts shall be attested to by signature and recorded in ink or other permanent form at the end of each shift during which the activity took place. All variances shall be noted and investigated. Unverified transfers of cash and/or cash equivalents are prohibited.
- D. The CNGC, or the gaming operation as approved by the CNGC, shall establish and the operation shall comply with a minimum bankroll formula to ensure the operation maintains cash or cash equivalents (on hand and in the bank, if readily accessible) in an amount sufficient to satisfy obligations to the operation's customers as they are incurred. A suggested bankroll formula will be provided by the CNGC upon request.

13.4 Kiosks.

- A. Kiosks must be maintained on the cage accountability and must be counted independently by at least two employees, documented, and reconciled for each increase or decrease to the kiosk inventory.
- B. Currency cassettes must be counted and filled by an employee and verified independently by at least one employee, all of whom must sign each cassette.
- C. 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.
- D. The CNGC or the gaming operation, subject to the approval of the CNGC, 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.

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- E. With regard to cashless systems, the CNGC or the gaming operation, subject to the approval of the CNGC must develop and implement procedures to ensure that communications between the kiosk and system are secure and functioning.
- F. 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 the system limitation(s) must be noted):
 - 1. Starting balance dollar amount per financial instrument;
 - 2. Starting balance number of items per financial instrument;
 - 3. Dollar amount per financial instrument issued;
 - 4. Number of items per financial instrument issued;
 - 5. Dollar amount per financial instrument redeemed;
 - 6. Number of items per financial instrument redeemed;
 - 7. Dollar amount per financial instrument increases;
 - 8. Number of items per financial instrument increases;
 - 9. Dollar amount per financial instrument decreases;
 - 10. Number of items per financial instrument decreases;
 - 11. Ending balance dollar amount per financial instrument; and,
 - 12. Ending balance number of items per financial instrument.

13.5 Customer Deposited Funds.

If a gaming operation permits a customer to deposit funds for safekeeping or front money purposes with the operation at the Cage, the following standards shall apply:

- A. A file for the customer shall be prepared prior to acceptance of a deposit.
- B. The CNGC, or the gaming operation as approved by the CNGC, shall establish and the operation shall comply with procedures that verify the customer's identity, including photo identification.
- C. Only cash and approved cash equivalents/casino instruments shall be accepted from customers for the purpose of a customer deposit.
- D. All customer deposits and withdrawal transactions at the point of transaction shall be recorded on a cage accountability form on a per-shift basis.

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- E. The receipt or withdrawal of a customer deposit shall be evidenced by at least a two (2) part document with one (1) copy given to the customer and one (1) copy remaining in the cage file.
- F. Both copies of the document of receipt or withdrawal must contain the following information:
1. Same document number on each copy;
 2. Type of transaction;
 3. Customer's name and signature;
 4. Date and time of receipt and withdrawal;
 5. Unique Account identifier;
 6. Dollar amount of deposit/ withdrawal;
 7. Nature of deposit/withdrawal (cash, check, chips);
 8. Name and signature of the agent who conducted the transaction; and,
 9. Nature of deposit (cash, check, chips).
- G. The CNGC, or the gaming operation as approved by the CNGC, shall establish and the gaming operation shall comply with procedures that:
1. Maintain a detailed record by customer name and date of all funds on deposit;
 2. Maintain a current balance of all customer cash deposits that are in the Cage/Vault inventory or accountability; and,
 3. Reconcile this current balance with the deposits and withdrawals at least daily.
- H. The gaming operation, as approved by the CNGC, shall describe the sequence of the required signatures attesting to the accuracy of the information contained on the customer deposit or withdrawal form ensuring that the form is signed by the cashier.

13.6 Chip Standards.

The CNGC, or the gaming operation as approved by the CNGC, shall establish and the gaming operation shall comply with procedures for the receipt, inventory, storage, and destruction of gaming chips and tokens.

13.7 Accounting/Auditing Standards.

The operation shall comply with the following standards:

- A. The cage accountability shall be reconciled to the general ledger at least monthly.
- B. A trial balance of gaming operation accounts receivable, including the name of the customer and current balance, shall be prepared at least monthly for active, inactive, settled or written-off accounts.
- C. The trial balance of gaming operation accounts receivable shall be reconciled to the general ledger each month. The reconciliation and any follow-up performed shall be documented, maintained for inspection, and provided to the CNGC upon request.
- D. On a monthly basis an evaluation of the collection percentage of credit issued to identify unusual trends shall be performed.
- E. All cage and credit accounting procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the CNGC upon request.

13.8 Extraneous Items.

The CNGC, or the gaming operation as approved by the CNGC, shall establish and the gaming operation shall comply with procedures to address and limit the transporting of extraneous items, such as coats, purses, beverage containers, and/or boxes, into and out of the cage, coin room, count room, and/or vault.

13.9 Cage Cashier Access.

Controls must be established and procedures implemented to restrict physical access to the cage to cage agents, designated staff, and other authorized persons.

13.10 Other Standards.

The standards in Section 4 – General Provisions, Section 11 – Casino Instruments, Section 15 – Marketing Programs, and Section 18 – Financial Transaction Reporting shall also apply to Section 13.

14.1 Table Games Drop Box / Financial Instrument Storage Component Keys.

- A. Tier A gaming operations shall be exempt from compliance with this Section 14.1 if the CNGC, or the gaming operation as approved by the CNGC, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.
- B. Procedures shall be developed and implemented to insure that unauthorized access to empty table game drop boxes/financial instrument storage components shall not occur from the time the boxes leave the storage racks until they are placed on the tables.
- C. The involvement of at least two persons independent of the cage department shall be required to access stored empty table game drop boxes/financial instrument storage components.
- D. The release keys shall be separately keyed from the contents keys.
- E. For Tier A and B operations, at least two count team members are required to be present at the time count room and other count keys are issued for the count.
- F. For Tier C operations, at least three (two for table game drop box/financial instrument storage component keys in operations with three tables or fewer) count team members are required to be present at the time count room and other count keys are issued for the count.
- G. All duplicate keys shall be maintained in a manner that provides the same degree of control as is required for the original keys. Records shall be maintained for each key duplicated that indicate the number of keys made and destroyed.
- H. Logs shall be maintained by the custodian of sensitive keys to document authorization of personnel accessing keys.

14.2 Table game drop box / financial instrument storage component release keys.

- A. Tier A gaming operations shall be exempt from compliance with this Section 14.2 if the CNGC, or the gaming operation as approved by the CNGC, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.
- B. The table game drop box/financial instrument storage component release keys shall be maintained by a department independent of the pit department.
- C. Only the person(s) authorized to remove table game drop box/financial instrument storage components from the tables shall be allowed access to the table game drop box/financial instrument storage component release keys; however, the count team

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members may have access to the release keys during the soft count in order to reset the table game drop boxes/financial instrument storage components.

- D. Persons authorized to remove the table game drop boxes/financial instrument storage components shall be precluded from having simultaneous access to the table game drop box/financial instrument storage component contents keys and release keys.
- E. For situations requiring access to a table game drop box/financial instrument storage component at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

14.3 Gaming Systems Keys.

- A. For the installation of new gaming systems, standards set forth in Section 7.4 Gaming Systems– Machines of this document shall apply to this part.
- B. Gaming machine coin drop cabinet keys, including duplicates, shall be maintained by a department independent of the gaming machine department.
- C. The physical custody of the keys needed to access gaming machine coin drop cabinets, including duplicates, shall require the involvement of two persons, one of whom is independent of the gaming machine department.
- D. Two employees (separate from key custodian) shall be required to accompany such keys while checked out and observe each time gaming machine drop cabinets are accessed, unless, in Tiers B and C gaming operations, surveillance is notified each time keys are checked out and surveillance observes the person throughout the period the keys are checked out.

14.4 Financial Instrument Storage Component Release Key Controls.

- A. Tier A gaming operations shall be exempt from compliance with this Section 14.4 if the CNGC, or the gaming operation as approved by the CNGC, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.
- B. Financial instrument storage component release keys shall be maintained by a department independent of the gaming machine department.
- C. Only the person(s) authorized to remove financial instrument storage components from the gaming machines shall be allowed access to the release keys.
- D. Persons authorized to remove the financial instrument storage components shall be precluded from having simultaneous access to the financial instrument storage component contents keys and release keys.

- E. For situations requiring access to a financial instrument storage component at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

14.5 Financial Instrument Storage Component Transport Cart Keys.

- A. Tier A gaming operations shall be exempt from compliance with this Section 14.5 if the CNGC, or the gaming operation as approved by the CNGC, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.
- B. For Tier C operations, a person independent of the gaming machine department shall be required to accompany the financial instrument storage component storage rack keys and observe each time canisters are removed from or placed in storage racks.
- C. Persons authorized to obtain financial instrument storage component storage rack keys shall be precluded from having simultaneous access to financial instrument storage component contents keys with the exception of the count team.

14.6 Financial Instrument Storage Component Contents Keys.

- A. Tier A gaming operations shall be exempt from compliance with this paragraph if the CNGC, or the gaming operation as approved by the CNGC, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.
- B. The physical custody of the keys needed for accessing stored, full financial instrument storage component contents shall require involvement of persons from two separate departments, with the exception of the count team.
- C. For Tiers A and B gaming operations, access to the financial instrument storage component contents key at other than scheduled count times shall require the involvement of at least two persons from separate departments, one of whom must be a supervisor. For Tier C gaming operations, access to the financial instrument storage component contents key at other than scheduled count times shall require the involvement of at least three persons, one of whom must be a supervisor. The reason for access shall be documented with the signatures of all participants and observers.
- D. Only the count team members shall be allowed access to financial instrument storage component contents keys during the count process.

14.7 Kiosk Key Controls.

Controls must be established and procedures implemented to safeguard the use, access, and security for keys for kiosks.

14.8 Promotional Progressive Pots and Pools Container Keys.

- A. Promotional funds removed from the card game must be placed in a locked container.
- B. Agents authorized to transport the locked container are precluded from having access to the contents keys.
- C. The contents key must be maintained by a department independent of the card room.

14.9 Computerized Entry Access Control Systems.

The utilization of Computer Access Control Systems at any facility must be reviewed and approved by CNGC and must follow the requirements in Section 20 Information Technology.

14.10 Computerized Key Security Systems.

- A. Computerized key security systems which restrict access to table games/cards and 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 key control standards of this section. These standards shall be applicable to all tier levels.
- B. The following table games/cards and gaming machine drop and count key control procedures shall apply:
 - 1. Management personnel independent of the operational department (i.e., system administrator) shall assign and control user access to keys in the computerized key security systems to ensure that sensitive keys are restricted to authorized employees.
 - 2. In the event of an emergency or the key box is inoperable, access to the emergency manual key(s) (a.k.a. override key), used to access the box containing the table games/cards and gaming machine drop and count keys, requires the physical involvement of at least three persons from separate departments, including management. The date, time, and reason for access, must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
 - 3. The custody of the keys issued pursuant to Part 14.10(B)(2) of this section requires the presence of two (2) persons from separate independent departments from the time of issuance until the time of their return.
 - 4. 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

SECTION 14 – KEY & ACCESS CONTROL

signatures of all participating employees signing out/in the emergency manual key(s).

- C. For computerized key security systems controlling access to table games/cards and gaming machine drop and count keys, accounting/audit personnel, independent of the system administrator, will perform the following procedures:
1. 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 table games/cards and gaming machine drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized.
 2. For at least one day each month, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual table games/cards and gaming machine drop and count key removals or key returns occurred.
 3. At least quarterly, review a sample of users that are assigned access to the table games/cards and gaming machine drop and count keys to determine that their access to the assigned keys is adequate relative to their job position.
 4. All noted improper transactions or unusual occurrences are investigated with the results documented.
- D. Quarterly, an inventory of all count room, table games drop box and financial instrument storage component 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.

15.1 Standards for Gaming Promotions.

- A. Supervision. Supervision must be provided as needed for gaming promotions by an agent(s) with authority equal to or greater than those being supervised.
- B. Gaming promotions. Gaming promotions shall be conducted in accordance with any applicable advertising, promotional, and/or marketing standards set forth in the Cherokee Nation Code. The rules of the gaming promotion must be displayed or made readily available to patron upon request. Gaming promotions rules require CNGC approval and must include the following:
1. The rules of play;
 2. The nature and value of the associated prize(s) or cash award(s);
 3. Any restrictions or limitations on participant eligibility;
 4. The date(s), time(s), and location(s) for the associated promotional activity or activities;
 5. Any other restrictions or limitations, including any related to the claim of prizes or cash awards;
 6. The announcement date(s), time(s), and location(s) for the winning entry or entries; and,
 7. Rules governing promotions offered across multiple gaming operations, third party sponsored promotions, and joint promotions involving third parties.
- C. Complaints and disputes regarding marketing programs are subject to the CNGC dispute resolution rules and regulations and/or the prize claim procedures under the approved Tribal-State Compact.

15.2 Procedures for Redemption.

The procedures for the redemption of coupon, complimentaries, vouchers, tickets, or similar gaming promotion items shall comply with Section 11 – Casino Instruments and Section 4 General Provisions – Currency Handling of this document, as applicable.

15.3 Variances.

The operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented and made available to CNGC upon request.

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16.1 Standards for Complimentary Services/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. CNGC or the gaming operation shall establish and the gaming operation shall comply with procedures for the authorization, issuance, and tracking of complimentary services and items, including cash and non-cash gifts.
- C. Such procedures must be approved by the CNGC and shall include, but shall not be limited to:
1. The procedures by which the gaming operation delegates to its employees the authority to approve the issuance of complimentary services and items;
 2. The procedures by which conditions or limits, if any, which may apply to such authority are established and modified (including limits based on relationships between the authorizer and recipient); and,
 3. Shall further include effective provisions for audit purposes.
- D. 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. Complimentary services and items exclude any services and/or items provided, at no cost or at a reduced cost, to a person for business and/or governmental purposes, which are categorized and treated as business expenses of the gaming operation.
- E. 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:
1. Name of customer who received the complimentary service or item;
 2. Name(s) of authorized issuer of the complimentary service or item;
 3. The actual cash value of the complimentary service or item;
 4. The type of complimentary service or item (i.e., food, beverage, etc.); and,
 5. Date the complimentary service or item was issued.
- F. The internal audit or accounting departments shall review the reports required in Section 16.1 (E) of this section at least monthly. These reports shall be made available to the Nation, CNGC, other entity designated by the Nation, and the National Indian Gaming Commission upon request.

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- G. Controls must be established and procedures implemented for complimentary services or items that address the following:
1. Agents authorized to approve the issuance of complimentary services or items, including levels of authorization;
 2. Limits and conditions on the approval and issuance of complimentary services or items;
 3. Making and documenting changes to conditions or limits on the approval and issuance of complimentary services or items;
 4. Documenting and recording the authorization, issuance, and redemption of complimentary services or items, including cash and non-cash gifts.
- H. Complimentary services and items records must be summarized and reviewed for proper authorization and compliance with established authorization thresholds.
1. A detailed reporting of complimentary services or items transactions that meet an established threshold approved by the CNGC must be prepared at least monthly.
 2. The detailed report must be forwarded to management for review.
- I. Variances. The operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented and made available to CNGC upon request.

16.2 Redemption Procedures.

The procedures for redeeming complimentary services/items, shall comply with the standards as set forth in Section 11 – Casino Instruments and Section 4 General Provisions, as applicable.

17.1 Standards for Player Tracking System.

- A. Supervision. Supervision must be provided as needed for player tracking by an agent(s) with authority equal to or greater than those being supervised.
- B. The player tracking system shall be secured so as to prevent unauthorized access (e.g., changing passwords at least quarterly and physical access to computer hardware, etc.).
- C. Changes to the player tracking system parameters, such as point structures and employee access, shall be performed by supervisory employees independent of the gaming machine department. Alternatively, changes to player tracking system parameters may be performed by gaming machine supervisory employees if sufficient documentation is generated and it is randomly verified by supervisory employees independent of the gaming machine department on a monthly basis.
- D. 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.
- E. The addition of points to members' accounts other than through actual gaming machine play shall be sufficiently documented (including substantiation of reasons for increases) and shall be authorized by a department independent of the player tracking and gaming machines. Alternatively, addition of points to members' accounts may be authorized by gaming machine supervisory employees if sufficient documentation is generated and it is randomly verified by employees independent of the gaming machine department on a quarterly basis.
- F. All other changes to the player tracking system shall be appropriately documented.
- G. Variances. The operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented and made available to CNGC upon request.

17.2 Redemption Procedures.

- A. When redeeming player points, cashiers shall follow the standards in Section 11 – Casino Instruments and Section 4 General Provisions of this document.
- 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.

18.1 Definitions (for this Section).

Definitions used in previous and subsequent sections retain their meaning unless modified below:

Business Year – the annual accounting period, such as a calendar or fiscal year, by which a casino maintains its books and records for purposes of this Section.

Casino/Gaming facility – any organization licensed to do business as a casino in the Cherokee Nation. It includes the principal headquarters and every domestic branch or other place of business of the casino. Under Title 31, any requirements specific to casinos refers to any casino that has gross annual gaming revenue in excess of One Million Dollars (\$1,000,000.00) during either the previous or current business year.

Casino Account Number – means any and all numbers by which a casino identifies a customer.

Currency – the coin and paper money of the United States or any other country that is designated as legal tender and that circulates and is customarily used and accepted as money in the country it is issued.

Customer – includes every person who is involved in a financial transaction to which Title 26 and Title 31 applies whether or not that person participates in the gaming activities offered by the casino.

Established Customer – a person with an account established with the casino including a player tracking account, credit or deposit account, or a person with respect to which the casino has obtained and maintains on file the person's name and address, as well as Taxpayer Identification Number (TIN) (e.g. social security or employer identification number) or, if none, alien identification number or passport number and country of issuance and to which the casino provides financial services relying on that information.

FinCEN – means the Financial Crimes Enforcement Network, a bureau of the Department of the Treasury.

Gaming Day – the normal business day of a casino. For a casino that offers twenty-four (24) hour gaming, that twenty-four (24) hour period by which the casino keeps its books and records for business, accounting, and tax purposes. For purposes of this document, each casino must have only one (1) gaming day common to all of its divisions.

“Knowledge of Cash Transaction or Suspicious Activity” – in the case of a casino, multiple currency transactions shall be treated as a single transaction if the casino has knowledge that they are by or on behalf of any person and result in either cash in or cash out totaling more than \$10,000 during any gaming day. For purposes of this section, a casino shall be deemed to have the knowledge described in the preceding sentence, if: Any sole proprietor, partner, officer, director, or employee of the casino, acting within the scope of his or her employment, has knowledge that such multiple currency transactions have occurred, including knowledge from examining the

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books, records, logs, information retained on magnetic disk, tape or other machine-readable media, or in any manual system, and similar documents and information, which the casino maintains pursuant to any law or regulation or within the ordinary course of its business, and which contain information that such multiple currency transactions have occurred.

Machine-Readable – means capable of being read by an automated data processing system.

Monetary instruments. Monetary instruments include:

- A. Currency;
- B. Traveler's checks in any form;
- C. All negotiable instruments (including personal checks, business checks, official bank checks, cashier's checks, third-party checks, promissory notes (as that term is defined in the Uniform Commercial Code), and money orders) that are either in bearer form, endorsed without restriction, made out to a fictitious payee (for the purposes of § 1010.340), or otherwise in such form that title thereto passes upon delivery;
- D. Incomplete instruments (including personal checks, business checks, official bank checks, cashier's checks, third-party checks, promissory notes (as that term is defined in the Uniform Commercial Code), and money orders) signed but with the payee's name omitted; and,
- E. Securities or stock in bearer form or otherwise in such form that title thereto passes upon delivery.

Negotiable Instruments Log (NIL) – for purposes of the Title 31 currency transaction record keeping requirements, the casino shall maintain a separate record containing a list of each transaction involving all negotiable instruments in the amount of Three Thousand Dollars (\$3,000.00) or more which shall include all checks and drafts (including personal, business, bank, cashier's, third-party checks, and casino checks), money orders and traveler's checks, whether or not they are in bearer form or complete.

Structuring – For purpose of Title 31 reporting, a person structures a transaction if that person, acting alone, or in conjunction with, or on behalf of, other persons, conducts or attempts to conduct one or more transactions in currency, in any amount, at one (1) or more locations where currency transactions are conducted, on one (1) or more days, in any manner, for the purpose of evading the reporting requirements under Title 31. "In any manner" includes, but is not limited to, the breaking down of a single sum of currency exceeding Ten Thousand Dollars (\$10,000.00) into smaller sums, including sums at or below Ten Thousand Dollars (\$10,000.00), including any series of transactions. The transaction or transactions need not exceed the Ten Thousand Dollars (\$10,000.00) reporting threshold at any single casino location on any single day in order to constitute structuring.

Transaction in Currency – a transaction involving the physical transfer of currency from one (1)

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person to another. A transaction which is a transfer of funds by means of bank check, bank draft, wire transfer, or other written order, and which does not include the physical transfer of currency, is not a transaction in currency for this purpose.

18.2 General.

- A. In accordance with Title 26 – Internal Revenue Code, the gaming operation shall establish and comply with procedures for the correct reporting and withholding of certain gaming winnings and/or promotional prizes and awards. These procedures shall be approved by the Cherokee Nation Gaming Commission (CNGC).
- B. Pursuant to the Title 31/Bank Secrecy Act, the gaming operation shall develop and implement a Compliance Program and system of internal controls, which includes detailed procedures used to comply with these standards. The Compliance Program shall be approved by the CNGC. The gaming operation shall ensure that the system of internal controls and Compliance Program remain current in respect to any changes to Title 31 or other events could impact the validity and effectiveness of the system of internal controls or the Compliance program.
- C. According to Federal Law, the Title 31/Bank Secrecy Act requires the reporting of certain financial transactions and the reporting of suspicious transactions. Additionally, certain records are required to be prepared and maintained relative to Title 31/ Bank Secrecy Act for casinos having gross annual gaming revenues in excess of One Million Dollars (\$1,000,000.00).
- D. The purpose of these internal controls is to provide the casino with a framework for developing a system of internal controls/procedures to meet the requirements of Title 26 and Title 31 of the U.S.C.
- E. For any Tribal authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these standards will be acceptable, as approved by the CNGC.
- F. Within this document the Title 31/Bank Secrecy Act will be referred to as Title 31.
- G. For purpose of satisfying certain standards in this section, a military dependent identification card shall not be copied but may be used to establish a person's identity; however, another form of primary identification must be obtained and copied in order to complete the transaction.

18.3 Procedures for Reporting Winnings.

- A. Prior to payment of winnings, employees shall determine if winnings are subject to Internal Revenue Service (IRS) reporting requirements. No winnings shall be paid until the appropriate forms (as applicable) have been completed.

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- B. IRS Forms –W-2G, 5754, 1099, and 1042-S or other forms designated by the IRS for reporting winnings and/or promotional prizes and awards within this section shall be referenced as IRS forms for reporting winnings.
- C. IRS Forms for reporting winnings shall be available to all departments that may encounter reportable transactions.
- D. IRS Forms for reporting winnings shall be completed in accordance with, and contain the information required in Title 26 and this document for all reportable winnings and/or promotional prizes and awards.
- E. Before concluding (i.e., prior to payment of winnings) any transaction subject to IRS reporting requirements, the handler of the transaction shall:
 - 1. Obtain and examine two (2) forms of appropriate identification and obtain a copy of the primary form of identification which shall be an official photo identification (U.S. Government and military identification cannot be copied and can only be used as secondary identification).
 - 2. If tax identification (Social Security Card) is not available the winner must complete form W-9 Request for Taxpayer Identification Number and Certification; PROVIDED the payee has not modified the form (other than pursuant to instructions to the form) or if the payee has deleted the jurat or other similar provisions by which the payee certifies or affirms the correctness of the statements contained on the form.
 - 3. Acceptable forms of primary identification include a driver's license, passport, alien registration card, state issued identification card, federally recognized tribal photo identification, cedular card (foreign), or other photo identification and/or combination of unexpired documents that contain an individual's name and address and are normally accepted by financial institutions as a means of identification when cashing checks for persons other than established customers.
 - a. A Cherokee Nation citizenship card (commonly referred to as a "Blue Card") or Certificate Degree of Indian Blood (commonly referred to as either a "CDIB" or "White Card") for Cherokee citizens is not required to contain a photograph, provided it meets all standards prescribed by the IRS;
 - b. All other tribal member cards issued by a federally recognized tribe MUST contain a photograph in order to meet this standard.
 - 4. As an option to requesting the necessary identification and other data from an established customer, information on file may be used if:
 - a. The customer's name and appropriate identification credentials were obtained from the customer for a previous transaction;
 - b. The information is on file to properly complete the IRS Form; and,

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- c. The customer information on file is periodically updated as follows:
 - i. Copy of original (primary) identification credential (two forms of identification must be verified when the customer file is setup);
 - ii. If the customer's Social Security Card was not available, the customer must have a completed form W-9 Request for Taxpayer Identification Number and Certification on file;
 - iii. Documentation of the examinations is included in the information on file;
 - iv. Expiration dates of identification credentials are included in the information on file; and,
 - v. The transaction date is prior to the expiration date on file.
5. The appropriate IRS Form for reporting winnings shall be completed according to the Form instructions and forwarded to the accounting department for review and transmittal to the IRS.

18.4 Title 31 Compliance Program.

- A. In accordance with Part 18.2 (B) of this Section, each Compliance Program shall, at a minimum, provide for:
 1. A system of internal controls to assure ongoing compliance;
 2. Internal and/or external independent testing for compliance. The scope and frequency of the testing shall be commensurate with the money laundering and terrorist financing risks posed by the products and services provided by the casino;
 3. Training of casino personnel, including training in the identification of unusual or suspicious transactions, to the extent that the reporting of such transactions is required by Title 31, by other applicable law or regulation, or by the casinos own administrative and compliance policies;
 4. Designated individual and/or department to assure day-to- day compliance; and,
 5. Procedures for using all available information to determine:
 - a. When required to be reported, the name, address, social security number (SSN), and other information, and verification of the same, of a person;
 - b. The occurrence of any transactions or patterns of transactions required to be reported;
 - c. Whether a record required by Title 31 must be made and retained; and,

- d. For casinos that have automated data processing systems, the use of automated programs to aid in assuring compliance.

18.5 Currency Transaction Report (CTR) Procedures.

Each casino shall file a report of each transaction or aggregate transactions in currency, involving either cash in or cash out, of more than Ten Thousand Dollars (\$10,000.00) in the casino's twenty-four (24) hour gaming day.

A. Transactions in currency involving cash in include, but are not limited to:

1. Purchases of chips, tokens, and other gaming instruments;
2. Front money deposits;
3. Safekeeping deposits;
4. Payments on any form of credit, including markers and counter checks;
5. Bets of currency, including money plays;
6. Currency received by a casino for transmittal of funds through wire transfer for a customer;
7. Purchases of a casino's check;
8. Exchanges of currency for currency; and,
9. Bills inserted into electronic gaming devices.

B. Transactions in currency involving cash out include, but are not limited to:

1. Redemptions of chips, tokens, tickets, and other gaming instruments;
2. Front money withdrawals;
3. Safekeeping withdrawals;
4. Advances on any form of credit, including markers and counter checks;
5. Payments on bets;
6. Payments by a casino to a customer based on receipt of funds through wire transfers;
7. Cashing of checks or other negotiable instruments;
8. Exchanges of currency for currency;

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9. Travel and complimentary expenses and gaming incentives; and,
 10. Payment for tournament, contests, and other promotions.
- C. Casinos are exempted from reporting the following currency transactions:
1. Transactions with domestic banks;
 2. Transactions between a casino and a currency dealer or exchanger, or between a casino and a check casher, so long as such transactions are conducted pursuant to a contractual or other arrangement with a casino covering the financial services in Part 18.5(A)(8), Part 18.5(B)(7), and (B)(8) of this Section;
 3. Cash out transactions to the extent the currency is won in a money play and is the same currency the customer wagered in the money play, or cash in transactions to the extent the currency is the same currency the customer previously wagered in a money play on the same table game without leaving the table;
 4. Bills inserted into electronic gaming devices in multiple transactions (unless a casino has knowledge pursuant to the definition of ‘knowledge of a cash transaction or suspicious activity’ contained in Section 19.1, in which case this exemption does not apply); and,
 5. Jackpots from electronic gaming devices. IRS/FinCEN Form 8300 – Any casino that is below One Million Dollars (\$1,000,000.00) in gross annual gaming revenues and non-gaming related businesses at a casino with over One Million Dollars (\$1,000,000.00) in gross annual revenue are required to file a Form 8300 for any one transaction or aggregated cash transactions that are over Ten Thousand Dollars (\$10,000.00).
- D. Before concluding any transaction with respect to which a CTR report is required (i.e., before completing the currency exchange) under this Section, the handler of the transaction shall:
1. Verify and record the name and address of the individual presenting a transaction, as well as record the identity, account number, and the social security or taxpayer identification number, if any, of any person or entity on whose behalf such transaction is to be effected.
 2. Verification of the identity of an individual who indicates that he or she is an alien or is not a resident of the United States must be made by passport, alien identification card, or other official document evidencing nationality or residence (*e.g.*, a Provincial driver's license with indication of home address).
 3. Verification of identity in any other case shall be made by examination of a document, other than a bank signature card, that is normally acceptable within the banking community as a means of identification when cashing checks for nondepositors (*e.g.*, a driver's license or credit card).

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4. A bank signature card may be relied upon only if it was issued after documents establishing the identity of the individual were examined and notation of the specific information was made on the signature card.
- E. In each instance, the specific identifying information (*i.e.*, the account number of the credit card, the driver's license number, *etc.*) used in verifying the identity of the customer shall be recorded on the report, and the mere notation of “known customer” or “bank signature card on file” on the report is prohibited.
- F. All CTRs must be filed electronically through the BSA E- filing system.
- G. A currency transaction report for each transaction or series of transactions, in currency, involving either cash in or cash out, of more than Ten Thousand Dollars (\$10,000.00) in a gaming day must be filed with the IRS in accordance with current IRS filing deadlines. Casinos may report both cash in and cash out transactions by or on behalf of the same customer on a single currency transaction report.

18.6 Structured Transactions.

- A. No person shall for the purpose of evading the transactions in currency reporting requirements of Title 31, with respect to such transaction:
 1. Cause or attempt to cause the gaming operation to fail to file a report required under these standards;
 2. Cause or attempt to cause a gaming operation to file a report required under these standards that contains a material omission or misstatement of fact; or,
 3. Structure, attempt to structure, assist in structuring, or attempt to assist in structuring any transaction which is required to be reported under these standards.

18.7 Negotiable Instruments Log (NIL) Procedures.

- A. The casino shall maintain a separate record containing list(s) of each transaction with its customers involving the following instruments and having a face value of Three Thousand Dollars (\$3,000.00) or more:
 1. Personal Checks;
 2. Business Checks (including casino checks);
 3. Official Bank checks;
 4. Cashier's checks;
 5. Third-party checks;
 6. Traveler's checks; and,

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7. Money Orders.
8. The list referenced above in Section 18.7(A) shall contain the following information for loggable transactions: Time, date, and amount of the transaction;
9. The name and permanent address of the customer;
10. The type of instrument;
11. The name of the drawee or issuer of the instrument;
12. All reference numbers (e.g., casino account number, personal check number, etc.);
13. The name and employee identification number of the employee who conducted the transaction(s);
14. Laggable transactions will be placed on the list in chronological order in which they occur.

18.8 Suspicious Activity Report (SAR) Procedures.

- A. Every casino shall file with FinCEN, to the extent and in the manner required, a report of any suspicious transaction that is relevant or that the gaming operation believes to be relevant to a possible violation of law or regulation.
- B. A transaction requires reporting under the terms of this Section if it is conducted or attempted by, at, or through a casino, and involves or aggregates at least Five Thousand Dollars (\$5,000.00) in funds or other assets, and the casino knows, suspects, or has reason to suspect that the transaction (or pattern of transactions of which the transaction is a part):
 1. Involves funds derived from illegal activity or is intended or conducted in order to hide or disguise funds or assets derived from illegal activity (including, without limitation, the ownership, nature, source, location, or control of such funds or assets) as part of a plan to violate or evade any Federal law or regulation or to avoid any transaction reporting requirement under Federal law or regulation;
 2. Is designed, whether through structuring or other means, to evade any requirements of this Section or of any other regulations promulgated under the Title 31;
 3. Has no business or apparent lawful purpose or is not the sort in which the particular customer would normally be expected to engage, and the casino knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction; or,
 4. Involves use of the casino to facilitate criminal activity.
- C. A suspicious transaction shall be reported by completing a SAR and collecting and maintaining supporting documentation as required by this Section.

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- D. The SAR shall be filed with FinCEN as indicated in the instructions to the SAR. All SARs must be filed electronically through the BSA E-filing system.
- E. A SAR shall be filed no later than thirty (30) calendar days after the date of the initial detection by the casino of facts that may constitute a basis for filing a SAR under this Section. If no suspect is identified on the date of such initial detection, a casino may delay filing a SAR for an additional thirty (30) calendar days to identify a suspect, but in no case shall reporting be delayed more than sixty (60) calendar days after the date of such initial detection.
- F. In situations involving violations that require immediate attention, such as ongoing money laundering schemes, the casino or designated individual shall immediately notify by telephone an appropriate law enforcement authority in addition to filing a SAR within the specified time frames.
- G. The casino or designated individual may also report suspicious transactions that may relate to terrorist activity by contacting the Fin Cen's Hotline at 1-866-556-3974 in addition to filing a SAR within the specified time frames.
- H. SARs are considered confidential documents and are not to be disclosed with any individual not authorized or privy to the information contained therein (e.g., law enforcement, CNGC, designated compliance personnel, etc.). No casino, director, officer, employee, nor agent of any gaming operation who reports a suspicious transaction may notify any person involved in the transaction that it has been reported.
- I. Any person subpoenaed or otherwise requested to disclose a SAR or information contained in a SAR, except where disclosure is requested by FinCEN or another appropriate law enforcement or regulatory agency, shall decline to produce the SAR or to provide any information that would disclose that a SAR had been prepared or filed, as protected under Title 31.
- J. Provided that no person involved in any reported suspicious transaction is notified that the transaction has been reported, this Section shall not be construed as prohibiting:
 - 1. The disclosure by a casino, or any director, officer, employee, or agent of a casino, of:
 - a. A SAR, or any information that would reveal the existence of a SAR, to FinCEN or any Federal, State, or local law enforcement agency, or any Federal regulatory authority that examines the casino for compliance with the Bank Secrecy Act, or any State regulatory authority administering a State law that requires the casino to comply with the Bank Secrecy Act or otherwise authorizes the State authority to ensure that the casino complies with the Bank Secrecy Act, or the CNGC; or
 - b. The underlying facts, transactions, and documents upon which a SAR is based, including but not limited to, disclosures to another financial institution, or any director, officer, employee, or agent of a financial institution, for the preparation of a joint SAR.

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2. The sharing by a casino, or any director, officer, employee, or agent of the casino, of a SAR, or any information that would reveal the existence of a SAR, within the casino's corporate organizational structure for purposes consistent with Title II of the Bank Secrecy Act as determined by regulation or in guidance.
- K. A Federal, State, local, territorial, or the Cherokee Nation, or any director, officer, employee, or agent of any of the foregoing, shall not disclose a SAR, or any information that would reveal the existence of a SAR, except as necessary to fulfill official duties consistent with Title II of the Bank Secrecy Act (BSA). For purposes of this section, "official duties" shall not include the disclosure of a SAR, or any information that would reveal the existence of a SAR, in response to a request for disclosure of non-public information or a request for use in a private legal proceeding.
- L. A casino, and any director, officer, employee, or agent of any casino, that makes a voluntary disclosure of any possible violation of law or regulation to a government agency or makes a disclosure pursuant to this section or any other authority, including a disclosure made jointly with another institution, shall be protected from liability to any person for any such disclosure, or for failure to provide notice of such disclosure to any person identified in the disclosure, or both, to the full extent provided by 31 U.S.C. 5318(g)(3).
- M. Supporting documentation shall be identified as such and maintained by the casino, and shall be deemed to have been filed with the SAR. A casino shall make all supporting documentation available to FinCEN, appropriate law enforcement agencies, and/or Federal/State gaming regulators upon request. A copy of the original SAR shall be made available to CNGC upon request.
- N. A casino is not required to file a SAR for a robbery or burglary committed or attempted that is reported to appropriate law enforcement authorities.

18.9 Restricted Transactions.

- A. Procedures for accepting these types of transactions, must include controls and processes that prevent any financial transactions by or on behalf of, that go through, or are made in connection with any individual or entity identified by the Office of Foreign Assets Control (OFAC) from occurring. Any attempt by an individual or entity to conduct such financial transactions shall be reported to OFAC in accordance with OFAC regulations.
- B. All cash payments must adhere to authorization and payment restrictions as specified in section 4 – General Provisions, section 11– Casino Instruments and Exchanges, and section 13 – Cage Operations and/or other Sections which may be applicable.

18.10 Casino Management Systems/Player Tracking Records.

- A. For the purpose of complying with Title 31 reporting requirements, if a casino has knowledge of multiple currency transactions, those transactions shall be treated as a single transaction if the casino has knowledge that they are by or on behalf of any person and result in either cash

in or cash out totaling more than Ten Thousand Dollars (\$10,000.00) during any gaming day. For purposes of this section, a casino shall be deemed to have the knowledge described in the preceding sentence, if: Any sole proprietor, partner, officer, director, or employee of the casino, acting within the scope of his or her employment, has knowledge that such multiple currency transactions have occurred, including knowledge from examining the books, records, logs, information retained on magnetic disk, tape or other machine-readable media, or in any manual system, and similar documents and information, which the casino maintains pursuant to any law or regulation or within the ordinary course of its business, and which contain information that such multiple currency transactions have occurred.

18.11 Record Retention.

- A. A copy of any completed form required to be filed under this Section shall be retained, along with all original or business record equivalent of any supporting documentation, in chronological order for five (5) years from the date of filing and must be readily available for inspection.
- B. With respect to each deposit of funds, account opened or line of credit extended after the effective date of these regulations, a casino shall, at the time the funds are deposited, the account is opened or credit is extended, secure and maintain a record of the name, permanent address, and social security number of the person involved. Where the deposit, account or credit is in the names of two or more persons, the casino shall secure the name, permanent address, and social security number of each person having a financial interest in the deposit, account or line of credit. The name and address of such person shall be verified by the casino at the time the deposit is made, account opened, or credit extended. The verification shall be made by examination of a document of the type described in this Section, and the specific identifying information shall be recorded in the manner described in this Section. In the event that a casino has been unable to secure the required social security number, it shall not be deemed to be in violation of this section if it has made a reasonable effort to secure such number and it maintains a list containing the names and permanent addresses of those persons from who it has been unable to obtain social security numbers and makes the names and addresses of those persons available to the Secretary upon request. Where a person is a nonresident alien, the casino shall also record the person's passport number or a description of some other government document used to verify his identity.
- C. In addition, each casino shall retain either the original or a copy or reproduction of each of the following:
 - 1. A record of each receipt (including but not limited to funds for safekeeping or front money) of funds by the casino for the account (credit or deposit) of any person. The record shall include the name, permanent address and social security number of the person from whom the funds were received, as well as the date and amount of the funds received. If the person from whom the funds were received is a non-resident alien, the person's passport number or a description of some other government document used to verify the person's identity shall be obtained and recorded;

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2. A record of each bookkeeping entry comprising a debit or credit to a customer's deposit Account or credit account with the casino;
 3. Each statement, ledger card or other record of each deposit account or credit account with the casino, showing each transaction (including deposits, receipts, withdrawals, disbursements or transfers) in or with respect to, a customer's deposit account or credit account with the casino;
 4. A record of each extension of credit in excess of \$2,500, the terms and conditions of such extension of credit, and repayments. The record shall include the customer's name, permanent address, social security number, and the date and amount of the transaction (including repayments). If the customer or person for whom the credit extended is a non- resident alien, his passport number or description of some other government document used to verify his identity shall be obtained and recorded;
 5. A record of each advice, request or instruction received or given by the casino for itself or another person with respect to a transaction involving a person, account or place outside the United States (including but not limited to communications by wire, letter, or telephone). If the transfer outside the United States is on behalf of a third party, the record shall include the third party's name, permanent address, social security number, signature, and the date and amount of the transaction. If the transfer is received from outside the United States on behalf of a third party, the record shall include the third party's name, permanent address, social security number, signature, and the date and amount of the transaction. If the person for whom the transaction is being made is a non-resident alien the record shall also include the person's name, his passport number or a description of some other government document used to verify his identity;
 6. Records prepared or received by the casino in the ordinary course of business which would be needed to reconstruct a person's deposit account or credit account with the casino or to trace a check deposited with the casino through the casino's records to the bank of deposit;
 7. All records, documents or manuals required to be maintained by a casino under the Tribal- State Compact or the CNGC regulations;
 8. All records which are prepared or used by a casino to monitor a customer's gaming activity;
 9. A copy of the compliance program described in this Section.
- D. Casinos which input, store, or retain, in whole or in part, for any period of time, any record required to be maintained by this Section on computer disk, tape, or other machine-readable media shall retain the same on computer disk, tape, or machine-readable media.
- E. All indexes, books, programs, record layouts, manuals, formats, instructions, file descriptions, and similar materials which would enable a person readily to access and review

the records that are described in this Section and that are input, stored, or retained on computer disk, tape, or other machine-readable media shall be retained for the period of time such records are required to be retained.

18.12 Title 31 Compliance Officer Standards.

The Compliance Officer so designated by the gaming operations under their Compliance Program pursuant to Title 31 shall:

- A. Ensure that a training program is established, maintained and effective.
- B. Ensure that the SICS relative to Title 31 is established, maintained and effective.

18.13 Training Program.

A training program shall be established and maintained to instruct employees as to the requirements of Title 26 and Title 31, the Financial Transaction Reporting TICS, and the gaming operations related SICS.

19.1 Departmental Standards.

- A. Each gaming operation shall prepare accurate, complete, legible, and permanent records of all transactions pertaining to revenue and gaming activities.
- B. 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.

19.2 General Accounting Standards.

- A. 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.
 - 2. Prepares general accounting records according to Generally Accepted Accounting Principles on a double-entry system of accounting, maintaining detailed, supporting, subsidiary records, and performs the following activities:
 - a. Prepare detailed records identifying revenues, expenses, assets, liabilities, and equity for each gaming operation;
 - b. Record gaming activity transactions in an accounting system to identify and track all revenues, expenses, assets, liabilities, and equity;
 - c. Prepare transactions in accordance with the appropriate authorization, as provided by management;
 - d. Record transactions to facilitate proper recording of gaming revenue and fees, and to maintain accountability of assets;
 - e. Compare recorded accountability for assets to actual assets at periodic intervals, and take appropriate action with respect to any variances;
 - f. Segregate functions, duties, and responsibilities;
 - g. Prepare minimum bankroll calculations;
 - h. Record all markers, IOU's, returned checks, held checks, or other similar credit instruments;
 - i. Prepare individual and statistical game records to reflect statistical drop, statistical win, and the percentage of statistical win to statistical drop for each

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- table game, and to reflect statistical drop, statistical win, and the percentage of statistical win to statistical drop for each type of table game, by shift, by day, cumulative month-to-date and year-to-date, and individual and statistical game records reflecting similar information for all other games;
- j. Prepare gaming machine analysis reports which, by each machine, compare actual hold percentages to theoretical hold percentages;
 - k. Prepare records required by the Tribal Internal Control Standards and any other records required to be maintained;
 - l. Record journal entries prepared by the gaming operation and by any independent accountants used;
 - m. Prepare income statements and balance sheets;
 - n. Prepare appropriate subsidiary ledgers to support the balance sheet;
 - o. Prepare, review, and maintain accurate financial statements;
 - p. Maintain and preserve all financial records and relevant supporting documentation.
3. Each gaming operation shall establish administrative and accounting procedures for the purpose of determining effective control over a gaming operation's fiscal affairs. The procedures shall be designed to reasonably ensure that:
- a. Assets are safeguarded;
 - b. Financial records are accurate and reliable;
 - c. Transactions are performed only in accordance with management's general and specific authorization;
 - d. Transactions are recorded adequately to permit proper reporting of gaming revenue and of fees and taxes, and to maintain accountability of assets;
 - e. Recorded accountability of assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect of any discrepancies; and,
 - f. Functions, duties, and responsibilities are appropriately segregated in accordance with sound business practices.
- B. Complies with fee calculation requirements set forth by the NIGC and the Tribal-State Compact.

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- C. For table games, gross revenue equals the closing table bankroll, plus credit slips for cash, chips, tokens or personal/payroll checks returned to the cage, plus drop, less opening table bankroll and fills to the table, and money transfers issued from the game through the use of a cashless wagering system.
- D. For gaming machines, gross revenue equals drop, less fills, jackpot payouts and personal property awarded to customers as gaming winnings. Additionally, the initial hopper load is not a fill and does not affect gross revenue. The difference between the initial hopper load and the total amount that is in the hopper at the end of the gaming operation's fiscal year should be adjusted accordingly as an addition to or subtraction from the drop for the year.
- E. For each counter game, gross revenue equals:
 - 1. The money accepted by the gaming operation on events or games that occur during the month or will occur in subsequent months (advance sales), less money paid out during the month to customers on winning wagers (cash basis); or,
 - 2. The money accepted by the gaming operation on events or games that occur during the month, plus money, not previously included in gross revenue, that was accepted by the gaming operation in previous months on events or games occurring in the month, less money paid out during the month to customers as winning wagers (modified accrual basis).
- F. For each card game and any other game in which the gaming operation is not a party to a wager (non- house banked games), gross revenue equals all money received by the operation as compensation for conducting the game (i.e. rake, ante, commissions, entry fee, and admission fees).
 - 1. A gaming operation shall not include either skill win or loss in gross revenue computations.
- G. In computing gross revenue for gaming machines, keno and bingo, the actual cost to the gaming operation of any personal property distributed as losses to customers may be deducted from winnings (other than costs of travel, lodging, services, food, and beverages), if the operation maintains detailed documents supporting the deduction.
- H. Each gaming operation shall establish internal control systems sufficient to ensure that currency (other than tips or gratuities) received from a patron in the gaming area is promptly placed in a locked box in the table, or, in the case of a cashier, in the appropriate place in the cashier's cage, or on those games which do not have a locked drop box / financial instrument storage component, or on card game tables, in an appropriate place on the table, in the cash register or in another approved repository.
- H. If the operation provides periodic payments to satisfy a payout resulting from a wager, the initial installment plan, when paid, and the actual cost of a payment plan, which

is funded by the operation, may be deducted from winnings. The operation is required to obtain the approval of all payment plans from the CNGC. For any funding method which merely guarantees the gaming operation's performance, and under which the operation makes payments out of cash flow (e.g. irrevocable letters of credits, surety bonds, or other similar methods), the operation may only deduct such payments when paid to the customer.

- I. For payouts by wide-area progressive gaming machine systems, a gaming operation may deduct from winnings only its pro rata share of a wide-area gaming machine system payout.
- J. Cash-out tickets issued at a gaming machine or gaming device shall be deducted from gross revenue as jackpot payouts in the month the tickets are issued by the gaming machine or gaming device. Tickets deducted from gross revenue that are not redeemed within a period, not to exceed one hundred eighty (180) days of issuance, shall be included in gross revenue. An unredeemed ticket previously included in gross revenue may be deducted from gross revenue in the month redeemed.
- K. A gaming operation may not deduct from gross revenues the unpaid balance of a credit instrument extended for purposes other than gaming.

19.3 Maintenance and Preservation of Books, Records, and Documents.

- A. 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 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:
 - 1. Casino Cage/Vault documents;
 - 2. Documentation supporting the calculation of table game win;
 - 3. Documentation supporting the calculation of gaming machine win;
 - 4. Documentation supporting the calculation of revenue received from games of pari-mutuel, keno, bingo, card games, pull-tabs, and all other gaming activities offered by the gaming operation;
 - 5. Table games statistical analysis reports;
 - 6. Gaming machine statistical analysis reports;

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7. Bingo, pull-tab, keno and pari-mutuel wagering statistical reports; and,
 8. Internal audit documentation and reports;
 9. Documentation supporting the write-off of approved credit instruments;
 10. All other books, records and documents pertaining to the conduct of wagering activities that contain original signature(s) attesting to the accuracy of the gaming related transaction.
- B. Unless otherwise specified in this part, all other books, records, and documents shall be retained until such time as the accounting records have been audited by the gaming operation's independent certified public accountants.
- C. The above requirements shall apply without regards to the medium by which the book, record, or document is generated or maintained (paper, computer- generated, magnetic media, etc.).

20.1 General Information Technology (IT) Standards.

- A. The IT department shall adhere to all standards located throughout this document, which may or may not be referenced in this Section. Standards in this section shall apply to each applicable department within the gaming operation.
- B. As used in this section only, a system is any computerized system that is related to the gaming environment. This includes, but is not limited to, the server and peripherals for gaming systems, accounting, surveillance, essential phone system, and door access and warning systems.
- C. 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. The supervisory agent must be independent of the operation of gaming machines.
- D. Controls must ensure that duties are adequately segregated and monitored to detect procedural errors and to prevent the concealment of fraud.
- E. Information technology agents having access to gaming systems may not have signatory authority over financial instruments and payout forms and must be independent of and restricted from access to:
 - 1. Financial instruments;
 - 2. Accounting, audit, and ledger entries; and,
 - 3. Payout forms.

20.2 Physical and Logical 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. Network communication equipment must be physically secured from unauthorized access.
- C. Access devices to the systems' secured physical location, such as keys, cards, or fobs, must be controlled by an independent agent.
- D. 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.
- E. Logical security. Controls must be established and procedures implemented to protect all systems and to ensure that access to the following is restricted and secured:
 - 1. Systems' software and application programs;

2. Data associated with gaming machines; and,
3. Communications facilities, systems, and information transmissions associated with gaming systems;
4. Unused services and non-essential ports must be disabled whenever possible;
5. Procedures must be implemented to ensure that all activity performed on systems is restricted and secured from unauthorized access, and logged;
6. Communications to and from systems via Network Communication Equipment must be logically secured from unauthorized access.

20.3 Installations and/or Modifications.

- A. Only CNGC 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:
 1. The date of the installation or modification;
 2. The nature of the installation or change such as new software, server repair, significant configuration modifications;
 3. Evidence of verification that the installation or the modifications are approved; and,
 4. The identity of the agent(s) performing the installation/modification;
 5. Documentation must be maintained, such as manuals and user guides, describing the systems in use and the operation, including hardware.
- C. Software Downloads/Verification.
 1. Downloads for Class II gaming systems, either automatic or manual, must be performed in accordance with 25 CFR 547.12.
 2. Following downloads of any gaming system software; the gaming system must verify the downloaded software using a software signature verification method. Using any method it deems appropriate, the CNGC must confirm the verification.

20.4 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 assign and control access to system functions.

- C. Access credentials such as passwords, PINs, or cards must be controlled as follows:
 - 1. Each user must have his or her own individual access credential;
 - 2. Access credentials must be changed at an established interval approved by the CNGC; and,
 - 3. 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.
- D. Lost or compromised access credentials must be deactivated, secured or destroyed within an established time period approved by the CNGC.
- E. Access credentials of terminated users must be deactivated within an established time period approved by the CNGC.
- F. Only authorized agents may have access to inactive or closed accounts of other users, such as player tracking accounts and terminated user accounts.

20.5 Backups.

- A. Controls must include adequate backup, including, but not limited to, the following:
 - 1. Daily data backup of critical IT systems;
 - 2. Data backup of critical programs or the ability to reinstall the exact programs as needed;
 - 3. Secured storage of all backup data files and programs, or other adequate protection;
 - 4. Mirrored or redundant data source; and,
 - 5. Redundant and/or backup hardware.
- B. Controls must include recovery procedures, including, but:
 - 1. Data backup restoration;
 - 2. Program restoration; and,
 - 3. Redundant or backup hardware restoration.

- C. Recovery procedures must be tested on a sample basis at specified intervals at least annually. Results must be documented.
- D. 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.

20.6 Remote Access.

- A. 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:
 - 1. Name of agent authorizing the access;
 - 2. Name of agent accessing the system;
 - 3. Verification of the agent's authorization;
 - 4. Reason for remote access;
 - 5. Description of work to be performed;
 - 6. Date and time of start of end-user remote access session; and,
 - 7. Date and time of conclusion of end-user remote access session.
- B. All remote access must be performed via a secured method.

20.7 Incident Monitoring and Reporting.

- A. Procedures must be implemented for responding to, monitoring, investigating, resolving, documenting, and reporting security incidents associated with information technology systems.
- B. All security incidents must be responded to within an established time period approved by the CNGC and formally documented.

21.1 General.

- A. Supervision. Supervision must be provided as needed for gaming operations by an agent with authority equal to or greater than those being supervised.
- B. Audits must be performed by employees independent of the transactions being audited.
- C. The performance of revenue audit procedures, the exceptions noted, and the follow up of all revenue audit exceptions must be documented and maintained.
- D. Controls must be established and procedures implemented to audit of each of the following operational areas in this document.

21.2 Bingo Audit Standards.

- A. 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 variances noted.
- B. Daily, reconcile supporting records and documents to summarized paperwork or electronic records (e.g. total sales and payouts per shift and/or day).
- C. At least monthly, review variances related to bingo accounting data in accordance with an established threshold, 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.
- D. At least monthly, review statistical reports for any deviations from the mathematical expectations exceeding a threshold established by the CNGC. Investigate and document any deviations compared to the mathematical expectations required to be submitted per §547.4 of the NIGC Technical Standards.
- E. 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.

21.3 Pull Tab Audit Standards.

- A. Daily, verify the total amount of winning pull tabs redeemed each day.
- B. At the end of each month, verify the accuracy of the ending balance in the pull tab control log by reconciling the pull tabs on hand. Investigate and document any variance noted.
- C. At least monthly, compare for reasonableness the amount of pull tabs sold from the pull tab control log to the amount of pull tab sales.
- D. At least monthly, review statistical reports for any deviations exceeding a specified threshold, as defined by the CNGC. Investigate and document any large and unusual fluctuations noted.

21.4 Card Games Audit Standards.

- A. Daily, reconcile the amount indicated on the progressive sign/meter to the cash counted or received by the cage and the payouts made for each promotional progressive pot and pool. This reconciliation must be sufficiently documented, including substantiation of differences and adjustments.
- B. At least monthly, review all payouts for the promotional progressive pots, pools, or other promotions to verify payout accuracy and proper accounting treatment and that they are conducted in accordance with conditions provided to the patrons.
- C. At the conclusion of each contest/tournament, reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document.

21.5 Gaming Promotions and Player Tracking Audit Standards.

- A. 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.
- B. At least monthly, for computerized player tracking systems, perform the following procedures:
 - 1. Review authorization documentation for all manual point additions/deletions for propriety;
 - 2. Review exception reports, including transfers between accounts; and,
 - 3. Review documentation related to access to inactive and closed accounts.
- C. At least annually, all computerized player tracking systems must be reviewed by employees 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.

21.6 Complimentary Services or Items Audit Standards.

- A. At least monthly, review the reports required in Section 16 – Complimentaries. These reports must be made available to those entities authorized by the CNGC or by tribal law or ordinance.
- B. [Reserved].

21.7 Audit Standards for Patron Deposit Accounts.

- A. At least weekly, reconcile patron deposit account liability (deposits ± adjustments – withdrawals = total account balance) to the system record.
- B. At least weekly, review manual increases and decreases to/from player deposit accounts to ensure proper adjustments were authorized.

21.8 Drop and Count Audit Standards.

- A. 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 CNGC. The results of these tests must be documented and signed by the employee(s) performing the test.
- B. For computerized key security systems controlling access to drop and count keys, perform the following procedures:
 - 1. 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;
 - 2. At least quarterly, review the report generated by the computerized key security system indicating all transaction performed to determine whether any unusual drop and count key removals or key returns occurred; and,
 - 3. 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.
- C. 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.

21.9 Cage, Vault, Cash, and Cash Equivalents Audit Standards.

- A. At least monthly, the cage accountability must be reconciled to the general ledger.
- B. At least monthly, trace the amount of cage deposits to the amounts indicated in the bank statements.
- C. 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

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accounting accountability form. The count must be completed within the same gaming day for all areas.

1. 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.
 2. Internal audit may perform and/or observe the two counts.
- D. 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.
- E. 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.
- F. At least monthly, review a sample of returned checks to determine that the required information was recorded by cage employee(s) when the check was cashed.
- G. 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.
- H. 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.

21.10 Inventory Audit Standards.

- A. At least monthly, verify receipt, issuance, and use of controlled inventory, including, but not limited to, bingo cards, pull tabs, playing cards, keys, pre-numbered and/or multi-part forms.
- B. Periodically perform minimum bankroll calculations to ensure that the gaming operation maintains cash in an amount sufficient to satisfy the gaming operation's obligations.

22.1 Definitions.

Definitions used in previous and subsequent sections retain their meaning unless modified below:

Surveillance Room – a secure location(s) in a gaming operation used primarily for casino surveillance.

Surveillance System – a system of video cameras, monitors, recorders, video printers, switches, selectors, and other ancillary equipment used for casino surveillance.

22.2 General.

A. Surveillance Staffing.

1. Tier A gaming operations must, at a minimum, maintain and operate an unstaffed surveillance system in a secured location whereby the areas under surveillance are continually recorded.
2. For Tier B and C, the surveillance system shall be maintained and operated from a staffed surveillance room and shall provide surveillance over gaming areas.
3. Supervision. Supervision must be provided as needed for surveillance by an agent(s) with authority equal to or greater than those being supervised.

B. Location.

The entrance to the surveillance room shall be located so that it is not readily accessible by either gaming operation employees who work primarily on the casino floor, or the general public.

C. Access.

1. Access to the secured room or surveillance room, as appropriate, shall be limited to surveillance personnel, designated employees, and other persons authorized in accordance with the surveillance department policy. Such policy shall be approved by the CNGC. The surveillance department shall maintain a sign-in log of other authorized persons entering the surveillance room. Such policy shall be approved by the CNGC. The surveillance department shall maintain a sign-in log of other authorized persons entering the surveillance room.

D. Training.

1. The surveillance department shall strive to ensure staff is trained in the use of the equipment, knowledge of the games, and house rules.

E. Reporting.

1. CNGC-approved procedures must be implemented for reporting suspected crimes and suspicious activities.

22.3 Equipment.

A. For Tier A, controls must be established and procedures implemented that include the following equipment standards:

1. The surveillance system must be maintained and operated from a secured location, such as a locked cabinet. The surveillance system shall include date and time generators that possess the capability to accurately record and display the date and time of recorded events on video and/or digital recordings. The displayed date and time shall not significantly obstruct the recorded view.
2. Each camera required by the standards in this Section shall be installed in a manner that will prevent it from being readily obstructed, tampered with, or disabled by patrons or staff.
3. Each camera required by the standards in this Section shall possess the capability of having its picture recorded. The surveillance system shall include sufficient numbers of recorders to simultaneously record multiple gaming and count room activities, and record the views of all dedicated cameras and motion activated dedicated cameras.
4. The Surveillance room equipment shall have total override capability over all other satellite surveillance equipment located outside the surveillance operation room.
5. In the event of power loss to the surveillance system, alternative security procedures, such as additional supervisory/managerial or security personnel, must be implemented immediately.
6. The surveillance system must have the capability to display all camera views on a monitor.

B. For Tier B and C – in addition to Tier A standards listed above, the following shall apply:

1. The surveillance system must be maintained and operated from a staffed surveillance operation room(s). The surveillance system shall include sufficient numbers of monitors to simultaneously display gaming and count room activities.
2. In the event of power loss to the surveillance system, an auxiliary or backup power source shall be available and capable of providing immediate restoration of power to all elements of the surveillance system that enable Surveillance personnel to observe the table games remaining open for play and all areas covered by dedicated cameras. For Tier C, auxiliary or backup power sources such as a UPS System, backup generator, or an alternate utility supplier, will satisfy this requirement.

22.4 Surveillance Activity Logs.

A. Logs must be maintained and demonstrate the following:

1. Compliance with the storage, identification, and retention standards required in this section;

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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.
- B. For Tiers B and C, Surveillance personnel shall maintain a log of all surveillance activities. Such log shall be maintained by Surveillance operation room personnel and shall be stored securely within the Surveillance department. At a minimum, the following information shall be recorded in a surveillance log:
1. Date;
 2. Time commenced and terminated;
 3. Activity observed or performed; and,
 4. The name or license credential number of each person who initiates, performs, or supervises the surveillance.
- C. Surveillance personnel shall also record a summary of the results of the surveillance of any suspicious activity. This summary may be maintained in a separate log.
- D. Surveillance logs shall be maintained by the gaming operation and made available for inspection by the SCA for no less than three (3) years from the date generated. Surveillance logs may, at the discretion of the gaming operation, be destroyed if no incident has been reported within one (1) year following the date such records were made. Records shall include video tapes and any other storage media.

22.5 Malfunction and Repair.

A. Malfunction and Repair Log.

1. Surveillance personnel shall maintain a log or alternative procedure approved by the CNGC that documents each malfunction and repair of the surveillance system as defined in this Section.
 2. The log shall state the time, date, and nature of each malfunction, the efforts expended to repair the malfunction, and the date of each effort, the reasons for any delays in repairing the malfunction, the date the malfunction is repaired, and where applicable, any alternative security measures that were taken.
- B. In the event of a dedicated camera malfunction, the operation and/or the Surveillance department shall immediately, upon identification of the malfunction, provide alternative camera coverage or other security measures, such as additional supervisory or security personnel, to protect the subject activity.
- C. 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. The CNGC shall be notified of any camera(s) that

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has malfunctioned for more than twenty-four (24) hours and the alternative security measures being implemented.

22.6 Video/Digital Records and Retention.

- A. All video recordings and/or digital records of coverage provided by the dedicated cameras or motion-activated dedicated cameras required by the standards in this section shall be retained for a minimum of seven (7) days.
- B. A video library log, or comparable alternative procedure approved by the CNGC, shall be maintained to demonstrate compliance with the storage, identification, and retention standards required in this Section.
- C. Recordings involving suspected or confirmed gaming crimes, unlawful activity, or detentions by security personnel, must be copied and retained for a time period, not less than one year.
- D. Duly authenticated copies of video recordings and/or digital records shall be provided to the CNGC upon request.

22.7 Bingo.

- A. For manual draws, the surveillance system must monitor the bingo ball drawing device or mechanical random number generator, which must be recorded during the course of the draw by a dedicated camera to identify the numbers or other designations drawn.
- B. The surveillance system shall possess the capability to monitor the bingo ball drawing device or random number generator, which shall be recorded during the course of the drawing by a dedicated camera with sufficient clarity to identify the balls drawn or numbers selected.
- C. The surveillance system shall monitor and record the game board and the activities of the employees responsible for drawing, calling, and entering the balls drawn or numbers selected.

22.8 Gaming Machines.

- A. Except as otherwise provided in paragraphs 22.8(B) and (C) of this Section, gaming machines offering a payout of more than \$250,000 shall be monitored and recorded by a dedicated camera(s) to provide coverage of:
 - 1. All customers and employees at the gaming machine; and,
 - 2. The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine.
- B. In-house progressive gaming machines offering a base payout amount (jackpot reset amount) of more than One Hundred Thousand Dollars (\$100,000.00) shall be recorded by a dedicated camera(s) to provide coverage of:
 - 1. All guests and employees at the gaming machine; and,

2. The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine.

C. Wide-area progressive:

1. Wide-area progressive gaming machines offering a base payout amount of One Million Dollars (\$1,000,000.00) or more and monitored by an independent vendor utilizing an on-line progressive computer system shall be recorded by a dedicated camera(s) to provide coverage of:
 - a. All customers and employees at the gaming machine; and,
 - b. The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine.

- D. Notwithstanding paragraph 22.8(A) of this Section, if the gaming machine is a progressive or multi- game machine, the CNGC, or the operations subject to the approval of the CNGC, may develop and implement alternative procedures to verify payouts.

22.9 Table Games.

- A. Except as otherwise provided in Section 22.11 below, the surveillance system of gaming operations operating four (4) or more table games shall provide at a minimum one (1) pan-tilt-zoom camera per two (2) tables and surveillance must be capable of taping:
1. With sufficient clarity to identify customers and dealers; and,
 2. With sufficient coverage and clarity to simultaneously view the table bank and determine the configuration of wagers, card values, and game outcome.
- B. One (1) dedicated camera per table and one (1) PTZ camera per four (4) tables may be an acceptable alternative procedure to satisfy the requirements of subsection (A) in this standard.
- C. The surveillance system of operations operating three (3) or fewer table games shall:
1. Comply with the requirements of paragraph 23.12(A) of this Section; or
 2. Have one (1) overhead camera at each table.
- D. Progressive table games with a guaranteed base jackpot of Twenty-five Thousand Dollars (\$25,000.00) or more shall be recorded and monitored by dedicated cameras that provide coverage of the following:
1. The table surface sufficient that the card values and card suits can be clearly identified.

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2. An overall view of the entire table with sufficient clarity to identify customers and dealers.
3. A view of the progressive meter jackpot amount. If several tables are linked to the same progressive jackpot meter, only one (1) meter need be recorded.

22.10 Card Games.

- A. Progressive card games with a progressive jackpot of \$25,000 or more shall be monitored and recorded by dedicated cameras that provide coverage of:
 1. The table surface, sufficient that the card values and card suits can be clearly identified;
 2. An overall view of the entire table with sufficient clarity to identify customers and dealer; and,
 3. A view of the posted jackpot amount.
- B. Except for card game tournaments, a dedicated camera(s) with sufficient clarity must be used to provide:
 1. An overview of the activities on each card table surface, including card faces and cash and/or cash equivalents;
 2. An overview of card game activities, including patrons and dealers; and,
 3. An unobstructed view of all posted progressive pool amounts.
- C. The surveillance system shall record the general activities in each card room and be capable of identifying the employees performing the different functions. For Tiers B and C only, the surveillance system shall monitor and record general activities in each card room with sufficient clarity to identify the employees performing the different functions.

22.11 Craps/Roulette/Big Wheel.

- A. All craps tables shall have two (2) dedicated cross view cameras covering both ends of the table.
- B. All roulette areas shall have one (1) overhead dedicated camera covering the roulette wheel and shall also have one (1) dedicated camera covering the play of the table.
- C. All big wheel games shall have one (1) dedicated camera viewing the wheel.

22.12 Tournaments.

For card game tournaments, a dedicated camera(s) must be used to provide an overview of tournament activities, and any area where cash or cash equivalents are exchanged.

22.13 Pari-Mutuel Wagering.

For Tiers B and C only, the surveillance system shall monitor and record general activities occurring in the pari-mutuel area, to include the ticket writer/cashier and customers, with sufficient clarity to identify the employees performing the different functions.

22.14 Kiosks.

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.

22.15 Main Cage/Vaults/Soft Count/Drop and Issue.

A. Cage/Vault/Soft Count.

1. The surveillance system shall monitor and record a general overview of activities occurring in each cage and vault area with sufficient clarity to identify employees within the cage and customers and employees at the counter areas, and to confirm the amount of each cash transaction.
2. Each cashier station shall be equipped with one (1) dedicated overhead camera covering the transaction area.
3. For Tiers B and C only, the surveillance system shall provide an overview of cash transactions. This overview should include the customer, the employee, and the surrounding area.
4. 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.

B. Fills and Credits.

1. The cage or vault area in which fills and credits are transacted shall be monitored and recorded by a dedicated camera or motion activated dedicated camera that provides

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coverage with sufficient clarity to identify the chip values and the amounts on the Fill and Credit slips.

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

C. Currency and Coin.

1. For Tier A, the surveillance system shall record a general overview of all areas where currency or coin may be stored or counted. For Tiers B and C only, the surveillance system shall monitor and record with sufficient clarity all areas where currency or coin may be stored or counted. For Tier C only, audio capability of the soft count room shall also be maintained.
2. For Tiers B and C only, the surveillance system shall provide for:
 - a. Coverage of currency counters shall be sufficiently clear to view any attempted manipulation of the recorded data.
 - b. Monitoring and recording of the table game drop box / financial instrument storage component storage rack or area by either a dedicated camera or a motion activated camera.
 - c. Monitoring and recording of soft count room, including all doors to the room, all table game drop box / financial instrument storage components, safes, and counting surfaces, and all count team personnel. The counting surface area must be continuously monitored and recorded by a dedicated camera during the soft count.
 - d. Monitoring and recording of all areas where currency is sorted, stacked, counted, verified, or stored during the soft count process.
 - e. Monitoring and recording of all areas where coin may be stored or counted, including the hard count room, all doors to the hard count room, all scales and wrapping machines, and all areas where uncounted coin may be stored during the drop and count process.
3. The surveillance system shall monitor and record a general overview of the activities occurring in each gaming machine cashiers station.

23.1 Departmental Standards.

- A. Internal auditor(s) report directly to the Cherokee Nation, CNGC, audit committee, or other entity designated by the Cherokee Nation.
- B. For Tiers A and B gaming operations, a separate internal audit department must be maintained. Alternatively, designating personnel (who are independent with respect to the departments/procedures being examined) to perform internal audit work satisfies the requirements of this paragraph. For Tier C gaming operations, a separate internal audit department shall be maintained whose primary function is performing internal audit work and that is independent with respect to the departments subject to audit.
- C. Internal auditor(s) are independent of gaming operations with respect to the departments subject to audit (auditors internal to the operation, officers of the CNGC, or outside CPA firm may perform this function).

23.2 CPA Review of Internal Audit.

- A. The CPA must determine compliance by the gaming operation with the internal audit requirements in Section 2.7(F) by:
 - 1. Completing the internal audit checklist;
 - 2. Ensuring that the internal auditor completed checklists for each gaming department of the operation;
 - 3. Verifying that any areas of non-compliance have been identified;
 - 4. Ensuring that audit reports are completed and include responses from management; and,
 - 5. Verifying that appropriate follow-up on audit findings has been conducted and necessary corrective measures have been taken to effectively mitigate the noted risks.
- B. 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.

23.3 Audits.

- A. 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:
 - 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.

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2. Pull tabs - including, supervision, pull tab inventory, pull tab sales, winning pull tabs, pull tab operating funds, statistical records, and revenue audit procedures.
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.
4. Pari-Mutuel Wagering - including, but not limited to: write and payout procedures and pari-mutuel auditing procedures.
5. Table games - including but 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 return currency or coin(s).
7. 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.
8. 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.
9. Gaming promotions and player tracking procedures, including supervision, gaming promotion rules and player tracking systems.
10. Complimentary services or items, including procedures for issuing, authorizing, redeeming, and reporting complimentary service items.
11. Patron deposit accounts and cashless systems procedures, including supervision, patron deposit accounts and cashless systems, as well as patron deposits, withdrawals and adjustments.

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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.
 13. Accounting – including, but not limited to: Accounting records, maintenance and preservation of financial records and relevant supporting documentation.
 14. Keno, including but not limited to, game write and payout procedures, sensitive key location and control, and a review of keno auditing procedures.
 15. Lines of credit procedures, if applicable, including establishment of lines of credit policy.
 16. Any other internal audits as required by the Cherokee Nation, CNGC, audit committee, or other entity designated by the Cherokee Nation.
- B. In addition to the observation and examinations performed under paragraph (A) of this section, follow-up observations and examinations shall be performed to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit, the independent accountant, and/or the NIGC. The verification shall be performed within six (6) months following the date of notification.
- C. Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without the employees being forewarned that their activities will be observed). Additionally, if the independent accountant also performs the internal audit function, the accountant shall perform separate observations of the table games/gaming machine drops and counts to satisfy the internal audit observation requirements and independent accountant tests of controls as required by the American Institute of Certified Public Accountants guide.

23.4 Documentation.

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

23.5 Reports.

- A. Reports documenting audits performed shall be maintained and made available to the NIGC, upon request.
- B. Such audit reports shall include the following information:
 1. Audit objectives;

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

C. Audit reports and supporting documentation shall be retained for a period of three (3) years.

23.6 Material Exceptions.

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

23.7 Role of Management.

- A. Internal audit findings are reported to management, responded to by management stating corrective measures to be taken to avoid recurrence of the audit exception, and included in the report delivered to management, the Cherokee Nation, CNGC, audit committee, or other entity designated by the Cherokee Nation for corrective action.
- B. Such management responses shall be included in the internal audit report that will be delivered to management, the Nation, audit committee, the CNGC, or other entity designated by the Nation.