

GRAND RONDE GAMING COMMISSION



MINIMUM INTERNAL CONTROL STANDARDS

(Effective June 19, 2025)

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(a) Internal Control

- (1) Statement 78 of the American Institute of Certified Public Accountants Statements on Auditing Standards defines internal control as "... a process effected by an entity's board of directors, management and other personnel designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with applicable laws and regulations."
- (2) The gaming operation shall ensure that internal controls for the gaming operation are current and they are in compliance with the MICS.

(b) General Requirements

- (1) The MICS are requirements for the minimum level of controls for the gaming operation. They are the foundation for policies and procedures required by the Regulations and implemented by the gaming operation to ensure the security and integrity of the gaming operation.
- (2) Regulation 5.1.2 requires the adoption of and adherence to policies and procedures governing gaming activities. Noncompliance with any MICS or control procedure is a violation of the Regulations.

(c) Minimum Requirements

- (1) The NIGC and State of Oregon have promulgated a minimum level of required internal control standards. The MICS meet or exceed the minimum levels required by the NIGC and State of Oregon.
- (2) Alternate internal controls that provide an equal or greater level of control are acceptable as approved by the Director.
- (3) The gaming operation shall continuously adhere to the minimum requirements set forth by the MICS.

(d) Approval of MICS Amendments

- (1) Any amendments to the MICS require Commission approval in accordance with the Regulations.
- (2) The gaming operation shall ensure that prior to any changes in gaming activities, appropriate changes in the MICS and policies and procedures are completed.

(e) Patron Data Protection

- (1) Access or connection to the corporate network shall be authorized by Management and approved by the Director.
- (2) Patron data shall not be released to any outside parties unless authorized by Management and approved by the Director.
- (3) In the event of an operational error that results in a compromise of patron data that could be used to identify the patron, the Director shall be notified within twenty-four (24) hours and the patron shall be notified in writing within ten (10)

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business days. The notification shall include the specific data that is compromised.

(f) Information Systems and Computers

- (1) If applicable, all departments shall have back-up procedures in place for instances relating to computerized system failures. Manual procedures shall provide controls that provide an equal or greater degree of control.
- (2) If a gaming system becomes temporarily inoperable:
 - A. cashiers shall redeem and cancel complete and legible vouchers only;
 - B. for any voucher \$500 or more presented for payment, Surveillance shall be notified;
 - C. redeemed vouchers shall be entered promptly after the system is restored; and
 - D. if the system is inoperable for more than four (4) hours, written notice shall be submitted to the Director.
- (3) Passwords or other authentication methods to information systems shall remain confidential and/or maintained by the individual user unless alternative methods are approved by the Director.

(g) Segregation of Duties and Nepotism

- (1) The gaming operation shall ensure that all job duties are sufficiently segregated to minimize weaknesses in internal control.
- (2) Immediate family members shall not participate in gaming activities where a potential for collusion would jeopardize assets. The gaming operation shall develop rules and procedures for the segregation of duties among incompatible positions for immediate family members.

(h) Documentation/Record Retention

- (1) Documentation of gaming activities and other proprietary information shall be restricted to authorized personnel.
- (2) Unless otherwise specified in the MICS, corrections to original information entered on any gaming record shall be made by crossing out the error, entering the correct figure and include the initials and badge number of the employee making the change.
- (3) In accordance with the Regulations, all documents and records shall be maintained for not less than five (5) years unless waived by the Director.
- (4) Prior to the establishment of any record retention schedule and the destruction of any records or documentation, the gaming operation shall ensure that the elapsed time is in compliance with the Regulations and any waivers in effect.
- (5) The record retention location and accessibility shall be approved by the Director.

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(i) Verifications

- (1) Signatures and employee identification numbers of participating employees shall evidence any procedure requiring verification.
- (2) Kiosks that issue and receive banks will be considered a verification of funds for any MICS requiring a second count.

(End of Section)

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CHAPTER 2: DEFINITIONS

Actual hold: Coins-in less coins-out, less manual payouts for VLT's.

Authorized Personnel: Authorized individuals, employees or persons whose functions are authorized by management and are required to be defined in approved policies and procedures.

Authentication methods: The means to verify an individual's identity to a computerized system including passwords, electronic scan devices and biometrics.

Bank: The inventory of cash, coins, chips and other monetary instruments, in the cage and gaming areas.

Base amount: The starting amount of a progressive jackpot.

Base level: The average win-to-drop percentage for the previous business year.

Bill validator: A locked device attached to a VLT or kiosk that accepts currency and/or vouchers.

Boxperson: A table games employee that operates and supervises a craps game.

Business day: Any twenty-four (24) hour day other than Saturday, Sunday, or a federal legal holiday.

Cage: A secure work area within the gaming facility for cashiers, and a storage area for banks, keys and other sensitive assets. The cage does not include bingo or keno.

Card game (Poker): A game in which the gaming operation is not party to wagers, and receives compensation in the form of a rake-off, a time buy-in or other fee or payment from a player for the privilege of playing.

Chip: A non-metal or partly metal representation of value, issued by the gaming operation for use at table games or poker games at the gaming facility.

Closer: The original form on which a table inventory is recorded at the end of a shift.

Coin-in: The total amount wagered from credits played.

Commission: Members of the Grand Ronde Gaming Commission appointed in accordance with the Ordinance.

Complimentary: Merchandise or services issued or authorized for the purpose of attracting new patrons, rewarding frequent patrons, or retaining existing patrons. Merchandise or services may include, but are not limited to, travel, lodging, food, beverages or entertainment.

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Count:

- (a) The total funds counted for a particular game, shift or other period.
- (b) The count of the drop box contents.

Count sheet: A form used to record the count of a bank or window drawer.

Credit: A transaction whereby a supply of chips, coins, or currency is transferred from a gaming station to the cage.

Credit slip: A three-part, pre-numbered form used to record the return of monetary value from a gaming activity to the cage.

Critical IT systems: All hardware, application software, and data file components that are integral to the gaming environment including server and peripherals for gaming systems, accounting, essential phone systems, and door access and warning systems; with the exception of video lottery terminals and user workstations.

Dealer: An employee who conducts a table game, or poker game, in the gaming facility.

Digital Video Recording: A recording of images on digital media.

Director: The Director of the Grand Ronde Gaming Commission or his/her designee.

Drop:

- (a) The act of removing drop boxes from tables or VLT's and transporting them to the count room or secured area during the designated drop time.
- (b) The total amount of cash and/or chips contained in and removed from the drop box.

Drop box:

- (a) A locked container permanently marked with the game, shift and a number corresponding to a permanent number on a table; or
- (b) A locked container inside a locked bill validator.

Drop box release key: The key used to release a drop box from a bill validator or table.

Drop storage rack key: The key used to release drop boxes from the storage rack.

Electronic Promotion and Bonus Systems: Method of providing free or bonus play on video lottery terminals.

Electronic validation: Method to validate a payout by computerized assignment to a player or by use of a personal identification number.

Emergency drop: Any drop performed at a time other than the designated drop time.

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Event Wagering System: The hardware, software and other equipment that support participation of players to place and manage wagers, and provide operators the means to support the operation of a Sports Pool. The system facilitates player participation providing the player with the means to place and manage wagers and providing the operator with the means to review player accounts, if supported, suspend events, generate various wagering/financial transaction and account reports, input outcomes for events, and set any configurable parameters.

Fill: A transaction whereby a supply of chips, coins, or currency is transferred from a cage to a gaming station.

Fill slip: A three-part, pre-numbered form to record the fill.

Fixed camera: A camera fixed into a set position and can only be moved manually.

Front Money: All money stored on deposit by the Gaming Operation belonging to, and stored in an account for, any patron.

Funds: Cash, coins, chips, and other monetary instruments.

Game: Any Class II or Class III game approved by the Commission.

Gaming day: The designated 24-hour period by which the gaming operation keeps its books and records for business, accounting and tax purposes.

Game Software: Electronic media used to store, transmit, and receive digitized information for electronic gaming devices and monitoring and control systems.

Gaming activity: Any process related to the operation of a game, including play, surveillance, security, revenue collection, accounting for, reporting and auditing of the results produced.

Gaming area: Any approved location at the gaming facility designated for the operation of a game.

Gaming facility: The buildings and grounds located on the Tribe's land and any property that is used by the Tribe in connection with gaming, including any property used to store gaming equipment, supplies or records.

Gaming station: Any table, counter, electronic player station, or VLT designated for the acceptance of a wager.

Gross gaming revenue: The net win from games.

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Hand pay: Manual payment of a VLT payout.

Hold: The ratio of win to currency wagered and/or credits wagered for VLT's, and electronic player stations, and win to drop for other games.

Internal progressive systems: One or more electronic gaming devices at the gaming facility, not networked with other gaming jurisdictions, involving a common progressive jackpot(s) for participating players.

Jackpot payout: Direct payment to a player as a result of a wager, including:

- (a) cash, coins, chips or check;
- (b) credit to the player's bank account;
- (c) the actual cost to the gaming operation to offer a personal property award; or
- (d) cash paid directly to an independent financial institution by the gaming operation for the purchase of an annuity to pay a player's winnings.

Jackpot payout form: A form on which a jackpot payout is recorded.

Kiosk: A device made available to players on the gaming floor for:

- (a) voucher redemption and/or cage functionality; or
- (b) participation in gaming or promotional events.

Key: A key, badge, fob, biometrics or any other device or method that is intended to allow access to an area, device or compartment.

Known patron: A patron in which the gaming operation has all required personal identification on file.

Lammer: A type of chip used to evidence transfers between table banks and a cage.

Linked progressive systems: Electronic gaming devices, monitored by an independent vendor, networked with other gaming jurisdictions involving a common progressive jackpot(s) for participating players.

Manual pay: A hand payment to a player as a result of a VLT voucher error. Also referred to as short pay.

Master game report (stiff sheet): A form used to record, by day, each table game's winnings and losses. This form reflects the opening and closing table inventories, fills and credits, and the drop and win.

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Meter: An electronic or a mechanical apparatus in a VLT that records the number of credits wagered, the number of times the handle was pulled and the number of credits paid out to winning players.

MICS: Grand Ronde Gaming Commission Minimum Internal Control Standards.

Multi-game VLT: A VLT that includes more than one type of game.

Net win: The difference between gaming wins and losses before deducting costs and expenses.

Opener: The form on which the table inventory at the beginning of a shift is recorded.

Order for credit: A document prepared to authorize the preparation of a credit slip.

Order for fill: A document prepared to authorize the preparation of a fill slip.

Pan-tilt-zoom (PTZ): A camera that has the capabilities of panning right and left, up and down, and adjusting the focus on a specific area.

Par sheet: A specification sheet provided by the manufacturer for a VLT that shows hold percentages, model number, hit frequency reel combination, number of reels, reel strip listing, and number of credits that can be accepted.

Payout: The amount paid out on a winning wager.

Payout schedule: A statement printed on cards, paper, plexiglass, or other suitable material showing the payouts or awards applicable to a particular game or device.

Pit: An area in the gaming facility enclosed or encircled by gaming tables.

Player: Any individual that places a wager on any game at the gaming facility.

Patron data: Personal information provided by the patron to the gaming operation.

Progressive jackpot: A jackpot that increases over time or as a game is played.

Promotion: A gift, coupon prize, bonus or award, exclusive of player club points and promotional advertising gifts, given as an inducement to game.

Promotional advertising gifts: minor gifts less than \$25 given to the public to increase "brand" awareness of the gaming operation.

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

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Rake: A fee, or percentage of the total amount wagered by players during a hand in a poker game, that may be taken by the gaming operation, for maintaining or dealing the game.

Random number generator: A computer program that is capable of producing numbers, within a prescribed range, such that each possible value of the resulting number has an equal chance of occurring.

Recording device: Any device used to record audio and/or video images.

Reel symbols: Symbols listed on reel strips of VLT's.

Secured area: A locked area in the gaming facility generally containing sensitive gaming supplies, funds, computer hardware and software, surveillance equipment, financial information, and any other locations as designated by the Director.

Sensitive gaming supplies: Any gaming supplies that may affect the outcome or payouts of games including playing cards, dice, bingo balls, bingo paper, and other equipment as designated by the Director.

Sensitive key: A key to any secured area or gaming equipment including cages, count room and any areas where sensitive gaming supplies are stored.

Shift: A designated time period within the gaming operation's gaming day, for accounting and drop purposes, not to exceed twenty-four (24) hours.

Signature: At a minimum, an initial followed by the complete last name.

Sports Pool: The business of accepting wagers on sporting or other events.

Table game: An approved game:

- (a) that is banked by the house or a pool whereby the house or the pool pays all winning bets and collects all losing bets; and
- (b) does not include VLT games, keno and off-track pari-mutuel wagering.

Table inventory: Total gaming operation chips at a table.

Theoretical hold: The intended hold percentage or win of a VLT as computed by reference to its payout schedule or game software.

Title 31: Title 31 Code of Federal Regulations (CFR Chapter X).

Tribe: The Confederated Tribes of the Grand Ronde Community of Oregon.

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Vault: A secure room within a cage where currency, coins, checks, and chips are stored.

Video lottery terminal (VLT):

Any electronic or other device or machine:

- (a) where the game outcome is determined predominantly by the application of the element of chance with the amount won determined by the possible prizes displayed. The game outcome may involve skill as long as the element of chance plays a pre-dominate role;
- (b) which is activated by the payment of any consideration which awards game credits; and
- (c) which displays game outcome, win amounts and current credits available to play or cash out.

VLT bill-in meter: A VLT meter that tracks the number of bills by denomination accepted by the bill validator.

VLT payout: The number of credits paid out by a VLT as the result of a winning combination.

VLT payout form: A document used to record jackpots and manual pays.

Voucher: A printed document issued by a casino management system that represents cash redeemable at a gaming machine, kiosk or cage.

Wager: A sum of money, chips, promotional funds, or coupon risked on an uncertain occurrence.

(End of Section)

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(a) Drop - General

- (1) The drop shall begin only at the designated drop time.
- (2) The drop team supervisor shall ensure the Surveillance Department is notified when the drop is to begin.
- (3) Adequate security shall be provided for drop boxes and the drop cart at all times during the drop to prevent unauthorized access to drop boxes.
- (4) The Security Officer shall notify the Surveillance Department of any deviations from the normal drop process and when a drop cart is to be removed from the cart storage area/count room or from a gaming area.
- (5) The cart used to transport drop boxes shall be:
 - A. fully enclosed;
 - B. lockable; and
 - C. secured at all times.
- (6) Drop boxes from a gaming department shall be placed in a separate area on the drop cart, and not be commingled with boxes from another gaming department.
- (7) Upon completion of the drop, the cart shall be locked and transported directly to the count room by a Security Officer and two (2) drop team members. The cart shall remain locked until the count takes place.
- (8) Procedures for handling replacement drop boxes shall be approved by the Director including storage location and authorized access.
- (9) Empty drop boxes for the scheduled drop shall be stored in the count room, and access shall require a minimum of two authorized personnel independent of the cage and gaming departments.
- (10) If an emergency occurs during the drop process, the drop boxes shall be returned to the count room and secured.
- (11) An emergency drop shall not be performed by less than two individuals, including one independent of the gaming department. Emergency drop procedures shall be approved by the Director.
- (12) The drop team shall not participate in the count of the drop.
- (13) Locked drop boxes shall be used for funds accepted by VLT's, kiosks, table games and poker.
- (14) Full drop boxes shall be identified during the drop by gaming station number. An automated drop system may be used for identifying and accounting for drop boxes during and after the drop. An automated drop system shall include a secure method for:
 - A. electronically identifying the drop box to the gaming station; and
 - B. identifying and reporting all boxes dropped and not dropped.

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(b) Drop - Table Games/Poker

- (1) All tables shall have drop boxes that are:
 - A. a locked container used only for cash, coins, chips or coupons received and forms used in connection with table accountability;
 - B. locked to the table and separately keyed from the container itself; and
 - C. permanently marked to indicate the game, table number and shift clearly visible at a distance of twenty feet.
- (2) Drop slot openings shall be designed or protected to prevent playing cards, or other unintended items, from entering the drop box.
- (3) Emergency drop boxes may be maintained without numbers or markings, provided the word "Emergency" is temporarily imprinted thereon and, when put into use, shall be marked with the table number, game and shift.
- (4) The setting out of empty drop boxes shall be a continuous process.
- (5) The drop shall be performed by a minimum of two Security Officers.
- (6) All tables with drop boxes attached shall be dropped each gaming day.
- (7) The drop team member removing drop boxes from the tables shall not have more than one drop box in possession for table games and two boxes in possession for poker.
- (8) A drop team member shall transport no more than four full drop boxes to the storage cart at one time.

(c) Drop – Bill Validators

- (1) The drop shall be performed by a minimum of one Security Officer, and two employees independent of the gaming department.
- (2) The Security Officer shall be responsible for observing the drop process and providing security over the cart.
- (3) As each bill validator compartment is opened, the drop box shall be identified with the respective gaming station number or electronically transmitted.
- (4) The drop team member removing drop boxes shall not have more than one drop box in possession.
- (5) Full drop boxes shall remain in the possession of the drop team member until placed in the storage cart.
- (6) A drop team member shall transport no more than four full drop boxes to the storage cart at one time.
- (7) RESERVED.

(d) Count Room

- (1) The count room shall remain locked at all times with access restricted to authorized personnel.

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- (2) The count supervisor shall notify the Surveillance Department prior to the start and at the conclusion of the count.
 - (3) Any items or audio transmissions extraneous to the count shall not be allowed in any area where the count is taking place.
 - (4) All trash in the count room shall be placed in a transparent bag and removed at the end of the count by a Security Officer for inspection and disposal.
 - (5) The Surveillance Department shall be notified prior to any person entering or exiting the count room.
 - (6) Except for emergencies, funds shall not be left unsecured in the count room. A Security Officer shall accompany anyone other than the count team if unsecured funds are in the count room.
 - (7) Counts from separate revenue centers occurring simultaneously in the count room shall not be commingled.
 - (8) The count team shall consist of a minimum of three persons and meet the following requirements:
 - A. The count team shall be independent of the cage, revenue transactions and subsequent accounting for the drop.
 - B. Count team members shall be rotated on a routine basis, where the count team is not consistently the same three individuals more than seven consecutive days.
 - C. While the count is in process, the count team shall wear pocketless coveralls that shall have loosely fitted sleeves, pant legs with no cuffs, no collars and zipper in the front that shall remain fully closed, as approved by the Director.
 - D. The count team shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. At no time when uncounted and unsecured funds are present shall there be less than three count team members in the count room.

(e) Count Process

- (1) Management shall authorize forms and reports for documenting the count.
- (2) General count process.
 - A. All drop carts shall remain locked until ready for the count unless waived by the Director.
 - B. Full drop boxes shall be transferred to a work area designated for recording box information and emptying contents.
 - C. The count team member who empties the box shall announce audibly, for recording by an audio recording device, the identifying box number for bill validators, and for table games and poker, the box number and game.

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- D. After the box is emptied, the inside of the box shall be shown to another member of the count team and to the surveillance camera.
 - E. After the boxes have been emptied and returned to the cart, the number of boxes shall be verified and the cart locked. All boxes shall be accounted for prior to completion of the count.
 - F. If currency counters or automated count machines are used, the loading and unloading of all currency and redeemed vouchers shall be observable by another count team member.
 - G. Corrections to original information entered on count documents shall be made in ink by crossing out the error, entering the correct figure above the error, and include initials and badge number of the two employees verifying the change.
 - H. The count sheet and/or report shall be reconciled to the drop by a count team member who does not act as the sole recorder.
 - I. After the currency count has been totaled and recorded on the count sheet final report each count team member, one of whom is a supervisor, shall attest to the accuracy of the count by signature, and employee identification number on the count sheet.
 - J. All funds shall:
 - i. be verified by an independent cage employee without knowledge or record of the drop proceeds;
 - ii. be certified by signature and employee identification number as to the accuracy of the amounts transferred; and
 - iii. include a detailed count of loose currency and bulk count of strapped bundles of currency in the presence of a count team member.
 - K. Any discrepancy between the original count sheet and the cage verification shall be documented and investigated as follows:
 - i. the Surveillance Department shall be notified;
 - ii. a cashier independent of the first cashier shall recount the currency;
 - iii. any unreconciled discrepancies shall be promptly communicated to the Casino Controller; and
 - iv. a report shall be promptly prepared and forwarded to the Director.
 - L. The count sheet, with all supporting documentation, shall be delivered to the Accounting Department by an employee independent of the cage or stored in a locked container controlled by the Accounting Department.
- (3) Automated count process.
- A. The currency and voucher count shall be performed by an automated count machine capable of accepting, processing, and reporting all currency and vouchers collected from each day's drop.

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- B. Each drop box shall be identified by gaming station number, which shall be electronically transmitted or manually entered into the system. A machine readable form shall be printed to identify and segregate box contents for count purposes. Preprinted forms may be used if compatible with the machine.
 - C. Each box shall be individually opened, contents removed, placed in a clear tray with the printed form in a manner to be correctly accepted for processing, and not commingled with contents from other boxes.
 - D. Preliminary count reports shall be reviewed to ensure that all boxes were counted. The boxes identified by the count machine shall be reconciled to the boxes dropped as recorded in the drop system. Any discrepancies shall be resolved prior to the completion of the count.
 - E. If the automated count machine malfunctions, and the count can be reasonably delayed until repairs are made, all funds shall be secured until repairs are completed and the count process restarted. If the count cannot be reasonably delayed, the count shall be performed in accordance with the manual count process.
- (4) Manual count process.
- A. Drop boxes shall be individually emptied on the count room table.
 - B. The contents of each box shall be segregated into separate stacks on the count table by denominations of currency and document type in full view of surveillance cameras.
 - C. The currency shall be counted separately by at least two count team members who have no knowledge of the other's total count. Currency counters may be used to assist in the count, if available.
 - D. The accuracy of the count shall be confirmed by at least one other count team member and immediately recorded in ink on a count sheet prior to combining currency and redeemed vouchers from other counted currency and redeemed vouchers.
- (5) Table Games.
- A. Breaks shall not be scheduled during the table games count.
 - B. At no time, other than in an emergency, shall a team member be replaced by a new member after the table games count has commenced.
 - C. The contents of each box shall be emptied on the count table and sorted by cash, coins, coupons and documents, in such a manner to prevent the comingling of funds between drop boxes.
 - D. The following information shall be recorded on the count sheet by game, table number and shift:
 - i. total amount of currency and other items counted;
 - ii. amount of the opener and closer;

MICS 3: DROP AND COUNT

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 3: DROP AND COUNT

- iii. slip number and amount of each fill and credit;
 - iv. total amount of all fills and credits; and
 - v. win or loss.
- E. The original and first copy of fill/credit slips shall be matched or otherwise reconciled by the count team to verify that the total dollar amounts for the shift are identical. All orders for fill/credit shall also be matched to the fill/credit slips.

(End of Section)

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 4: CAGE

(a) General

- (1) The Cage Department shall be responsible for all cages and accountable for cage inventories. Procedures and documentation requirements for similar transactions shall be standardized for all cages and other areas performing cage functions.
- (2) Cage personnel shall maintain custody of cage inventories comprising of cash, coins, checks, chips, accountability forms, documents and records.
- (3) Cage personnel shall perform the following functions with procedures approved by the Director:
 - A. receive funds from count rooms;
 - B. receive, distribute, and redeem chips in accordance with the Regulations and MICS;
 - C. perform periodic verification of chip security features;
 - D. issue fills and receive credits from gaming areas;
 - E. pay and cancel gaming station vouchers; and
 - F. pay winnings in accordance with the MICS.
 - G. Process withdrawals and deposits to Front Money accounts within the Gaming Operation.
- (4) Cashier banks shall be:
 - A. maintained on an imprest basis;
 - B. contained in a secure area with access allowed only to the individual responsible for the bank; and
 - C. locked when left unattended.
- (5) Access to the cage shall be restricted to authorized personnel.
- (6) Transfer of funds.
 - A. All inter-cage transfers shall be completed prior to shift change or the transfer shall be verified by the incoming cashier.
 - B. If a cage window is closing the transfer shall be verified by the cashier or supervisor performing the second count.
 - C. Transfers of cash \$5,000 or more shall require notification to the Security and Surveillance Departments and be accompanied by a security officer. If a security officer is unavailable for inter-cage transfers, a Cage Supervisor may accompany transfers.
 - D. Voided transactions recorded on pre-numbered forms required for transfer of funds shall include signatures and badge numbers of the cashier and another employee.
 - E. The transportation of funds to/from the gaming facility shall be performed by an insured, reputable armored car service.
 - F. All incoming funds shall be verified upon receipt and placed immediately into the vault.

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 4: CAGE

G. Funds shall be verified prior to transfers between gaming departments and cages.

- (7) If the voucher validation system becomes temporarily inoperable, cashiers shall follow the procedures of MICS 18(c)(9).

(b) Variances

- (1) All variances shall be recorded on a variance log showing the cage where the variance occurred including:
- A. Cashier;
 - B. Date;
 - C. Shift;
 - D. Amount; and
 - E. an explanation of the error, if known.

(c) Documentation

- (1) Management shall authorize all forms and reports for documenting cage activity.
- (2) Cage activity shall be summarized per shift on a cage accountability form.
- (3) Increases and decreases to the cage inventory shall be supported by documentation.
- (4) Cage inventories shall be:
 - A. Independently counted and verified by the outgoing cashier and incoming cashier or supervisor; and
 - B. supported by count sheets that include signatures and employee identification numbers of verifiers.
- (5) All inventory transfers to/from and within the cage shall be accounted for and documented on a transfer form.
- (6) Any discrepancies in cage counts shall be documented and investigated.
- (7) At the conclusion of each shift, copies of count, inventory and related documentation for each cashier that counted out during the shift, shall be forwarded to the Accounting Department or stored in a locked container controlled by the Accounting Department.
- (8) Chip inventory documentation shall be maintained including purchase, receipt, balances on hand, storage and destruction.
- (9) Corrections to original information entered on count documents shall be made by crossing out the error, entering the correct figure and include initials and badge numbers by the two employees verifying the change.

(d) Fills and Credits

- (1) Slip preparation.
 - A. Fill and credits shall be prepared in accordance with MICS 13(c).

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 4: CAGE

- B. The Surveillance Department shall be notified of the time when a fill/credit will be made.
- (2) Void slips.
 - A. The cashier shall clearly mark "void" across the face of the original and first copy.
 - B. The cashier and runner shall sign their name and employee identification number on both the original and first copy.
 - C. The cashier shall submit the original and first copy to the Accounting Department.
- (3) Personnel from the cage or gaming departments shall not have access to restricted copies of fill/credit slips.

(e) Electronic or wire transfers accounts

- (1) A File shall be created for each player account with all documentation retained.
- (2) Upon notification by the Finance Department, a cage supervisor shall record the following information on a transfer log:
 - A. date;
 - B. name and badge number of the cashier who received notification of the transfer;
 - C. amount of funds;
 - D. the name of the player, address and player card number, if applicable;
 - E. name and badge number of verification by a supervisor.
- (3) Cage cashiers shall process a patron request to withdraw or deposit funds to their Front Money accounts utilizing a transfer/withdrawal form which includes the following information:
 - A. patron unique account number;
 - B. amount of transaction alpha and numeric;
 - C. type of transaction;
 - D. guest signature; and
 - E. cashier and supervisor signatures and employee identification numbers.

(f) Check Cashing

The cashier shall comply with examination and documentation requirements of the issuer of guaranteed drafts/checks.

(g) Safekeeping Deposits

- (1) All safekeeping deposits and withdrawals shall be recorded on a receipt with the date, time, customer name, customer permanent address, social security number (if known) and the type and amount of transaction.
- (2) The nature of any non-cash deposit shall be documented on the receipt form.

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 4: CAGE

(h) Kiosks

- (1) Kiosks cassettes shall be dropped and refilled on a schedule approved by the Director.
- (2) The Cage Department shall be responsible for maintaining, verifying and replenishing funds designated for these machines.
- (3) Funds shall be counted and verified prior to replenishment, and subject to the documentation requirements of MICS 4(c).
- (4) Cash cassettes shall be locked or sealed with tamper proof seals.

(i) Procedures Requiring Approval by the Director

The following require Director approval prior to implementation:

- (1) cashing of checks allowed by the Regulations;
- (2) procedures that address extraneous items (e.g., coats, purses, boxes) transported to/from the cage;
- (3) procedures for the removal of trash from the vault and cages;
- (4) chip acquisitions and redemption s in accordance with the Regulations;
- (5) procedures for cash dispensing machines including filling, dropping, and storage of cassettes; and
- (6) procedures for temporary retention of unpaid winnings.

(End of Section)

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 5: ACCOUNTING

(a) General

- (1) Accounting functions shall be performed by personnel who are independent of the transaction's origin.
- (2) The gaming operation shall maintain a list by job title/position of purchasing signature authority and limits.
- (3) Any unusual transactions and cash variances that are required by the Regulations to be reported to the Director shall be investigated and the results recorded for audit purposes.
- (4) All accounting procedures shall be documented in writing and be performed to ensure that all transactions are accurately accounted for, recorded and reported.
- (5) Accounting procedures shall be performed for gaming revenue and expense transactions within seven (7) days of the transaction date and include daily reconciliations of totals.
- (6) Accounting employees shall prepare reports identifying any exceptions to the Regulations and MICS, and forward to the department director and manager for review. Follow-up documentation shall be maintained.

(b) Record-keeping

- (1) All documents and records prepared shall be accurate, complete and legible.
- (2) All accounting and proprietary information shall be maintained and controlled by the accounting department and shall remain confidential.
- (3) All accounting information required by the Regulations and MICS shall be recorded in ink, on information system storage media or other permanent form.
- (4) Whenever multiple copies are required of a form, record or document:
 - A. the original, duplicate and triplicate copies shall be color coded except when computer generated and each copy shall be distinguishable; and
 - B. all copies shall be compared and any exceptions promptly investigated.
- (5) Unless otherwise specified in the Regulations, MICS or waived by the Director, all forms, records and documents required shall:
 - A. have the title imprinted or pre-printed thereon;
 - B. be retained within the gaming facility; and
 - C. be retained for a period of at least five (5) years.
- (6) All pre-numbered forms required by the MICS shall be:
 - A. accounted for by series number; and
 - B. alphanumeric if the series is repeated during the business year.
- (7) Procedures for pre-numbered forms shall be approved by the Director and include receipt, issuance, and current inventory.
- (8) All investigations shall be documented and include date, personnel involved, results and corrective action taken. Variance investigations shall be completed within seven (7) days of the variance date.

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 5: ACCOUNTING

(c) Reporting

- (1) Reports shall remain confidential with access to reports restricted to authorized individuals only.
- (2) All system produced exception reports including void transactions shall be reviewed daily, in a method approved by the Director, to determine the propriety of underlying transactions and any improper transactions or unusual occurrences shall be investigated.
- (3) Comparative financial statements shall be prepared that include all financial activities of the gaming operation for the current month and year-to-date and shall be submitted to management for review.

(d) Tips

Tip procedures shall be approved by the Director and include:

- (1) The gaming operation shall establish procedures consistent with state or federal laws or regulations for accounting for all tips received by employees.
- (2) Procedures shall be established for the identification and approval, if required, of tips received by all employees and will require that tips received by employees of gaming departments are not commingled with imprest funds or gaming revenue.
- (3) Tips received shall be retained by employees or pooled among employees in such manner as determined by the gaming operation.

(e) Patron deposit accounts

- (1) Application for an electronic or wire transfer account.
 - A. A wire or electronic funds transfer may be accepted from a player from personal domestic accounts, for the purpose of funding a Front Money account.
 - B. Applications for the creation of a new Front Money account shall follow the requirements of MICS 19(b), Patron Deposit Accounts.
- (2) Transfers in/out of a financial institution.
 - A. Upon notification the bank has received a transfer into the gaming operation account, the Finance Department shall prepare a transfer form which shall include the following information:
 - i. name of player;
 - ii. unique account number assigned to the player;
 - iii. transfer number;
 - iv. type of transfer;
 - v. date of transfer;
 - vi. amount received; and
 - vii. signature of the finance associate completing the form.

(End of Section)

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 6: CURRENCY TRANSACTION REPORTING

(a) General

- (1) CTR and SAR forms shall be completed in accordance with the Bank Secrecy Act (Title 31).
- (2) For any patron identified for purposes of Title 31 reporting, the gaming operation shall perform identity verification including tax identification number (TIN), Office of Foreign Asset Control (OFAC) and Death Master List (DML) checks.

(b) Currency Transaction Reports (CTR)

- (1) Access to CTR forms shall be restricted to designated compliance personnel.
- (2) When a patron or patron's agent completes or attempts to complete a transaction or aggregate transactions that exceeds \$10,000 in cash, the employee handling the transaction shall obtain the patron's name, social security number, permanent address and appropriate identification credential including the expiration date.
- (3) As an option to requesting the necessary identification and other data from a known patron or patron's agent, information on file may be used if the information is updated with current expiration dates and identification credentials.
- (4) The transaction shall be terminated in any situation where the identification requirements cannot be completed.
- (5) In any situation where identification requirements are not complied with, the patron shall be prohibited from further gaming and a CTR shall be prepared. Once the required information is obtained to file an amended CTR, the prohibition may be removed.
- (6) When an agent or agents represent one or more individuals, then the information on the agent in addition to the individual's information shall be included on the CTR. Where more than one agent acts in behalf of an individual, the transactions shall be aggregated.

(c) Multiple Transaction Log (MTL)

- (1) A MTL is a computerized log maintained for purposes of recording cash transaction information. The log shall record all MTL transactions per gaming day.
- (2) Single or aggregate transactions \$3,000 or more for each gaming department shall be logged on an MTL.
- (3) A MTL shall contain the following information for each loggable transaction:
 - A. description of the patron, and agent, if possible;
 - B. patron and agent's name, if known;
 - C. location where the transaction occurred;
 - D. time and date of the transaction;
 - E. type of Title 31 transaction;
 - F. U.S. dollar amount of the transaction;
 - G. the amount and type of foreign currency, if applicable; and
 - H. identification of the person recording each transaction.

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 6: CURRENCY TRANSACTION REPORTING

- (4) To prevent the circumvention of Title 31, employees in each monitoring area shall:
 - A. immediately record loggable transactions on the MTL and monitor patron's transactions for possible reportable transactions; and
 - B. at the beginning of each shift and periodically during the shift, review the MTL to become familiar with descriptions of individuals whose transactions are being monitored; and
 - C. notify other personnel in the same monitoring area that the monitoring process has been initiated for a particular patron.
- (5) For a single chip redemption \$3,000 or more, the cage shall contact the pit to verify if the transaction belongs to the patron redeeming the chips for the current gaming day.
- (6) At the beginning of the gaming day a new MTL log is started and recording of information on the previous MTL will cease.

(d) Suspicious Activity Reports (SAR)

- (1) A SAR form shall contain the information required by Title 31 and any other available information that is requested on the form for all suspicious transactions.
- (2) A completed SAR is considered a confidential document and the patron is not to be informed that a report was completed.
- (3) Forms shall be made available to all departments that may encounter suspicious transactions.
- (4) When an employee determines that a possible suspicious transaction has occurred, a report is prepared and submitted to the Compliance Officer within twenty-four (24) hours after the end of the gaming day.
- (5) The Compliance Officer shall review each report to determine whether or not a suspicious transaction has occurred.
- (6) The Compliance Officer shall complete and file a SAR for any report determined to be a suspicious transaction.
- (7) For each SAR investigation, documentation shall be maintained and filed with the SAR or with the report explaining why a SAR was not filed.

(e) Negotiable Instrument Records

- (1) A separate check log that contains a chronological list of each transaction between the gaming operation and patrons shall be maintained for transactions \$3,000 or more involving personal checks including gaming operation checks, business checks, cashier's checks, third-party checks, traveler's checks and money orders.
- (2) The check log shall include:
 - A. the time, date and amount of the transaction;
 - B. patron name;
 - C. type of instrument;
 - D. name of drawee or issuer of the instrument;

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 6: CURRENCY TRANSACTION REPORTING

- E. instrument reference numbers; and
 - F. initials, employee identification number of the employee who completed the transaction.
- (3) Copies of both sides of any instrument \$3,000 or more shall be made and retained.

(f) Foreign Currency Transactions

- (1) Patrons using foreign currency shall be tracked by using the equivalent threshold level in U.S. currency of \$3,000 and a CTR must be completed for a patron who has exceeded \$10,000.
- (2) A foreign patron may use their passport and another appropriate identification. The second form of identification shall be the equivalent type of U.S. identification approved by FinCEN and the IRS, such as a driver's license, etc. At least one form of identification must contain a photograph.

(g) Job Responsibilities

- (1) Job responsibilities of all gaming employees include:
 - A. being familiar with Title 31 and related internal control standards and procedures.
 - B. ensuring that prohibited transactions do not occur;
 - C. recording Title 31 transactions when applicable;
 - D. observing all MTL procedures to prevent the circumvention of Title 31 requirements; and
 - E. being familiar with what is considered a suspicious transaction.
- (2) Job responsibilities of the Compliance Officer include:
 - A. ensuring that Title 31 procedure manuals and documentation are current and available to employees when needed;
 - B. ensuring an effective training program is implemented and maintained;
 - C. maintaining an effective system of internal control relative to Title 31;
 - D. reviewing and evaluating Title 31 for exceptions and areas of noncompliance including internal audit and independent accountant findings; and
 - E. maintaining independence from the generation and recording of Title 31 transactions.
- (3) The Compliance Officer or designee shall:
 - A. receive reports of suspicious activity;
 - B. review all documents and system generated reports for compliance with Title 31 and related Regulations and MICS;
 - C. determine and document the extent of missing information and make reasonable attempts to obtain any missing information;
 - D. document exceptions and forward to appropriate personnel;
 - E. review and sign CTR's and prepare and sign SAR's; and

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 6: CURRENCY TRANSACTION REPORTING

F. maintain copies of CTR's, SAR's and original MTL's in chronological order.

(h) Training Program

- (1) A training coordinator shall oversee the training program.
- (2) Records shall be maintained to document training provided, employees receiving and passing training and the content of the training session.
- (3) Employees shall receive and pass training before they are permitted to function in any capacity that may include Title 31 reporting, record keeping, and compliance.
- (4) Additional training for these employees shall be provided annually.
- (5) Training shall include, but is not limited to:
 - A. presenting materials such as copies of Title 31, MICS, CTR, SAR, Title 31 transaction guidelines, MTL and any appropriate procedure manuals and forms;
 - B. reviewing and explaining the purpose, use and completion requirements of each Title 31 document and a record of and how they are used;
 - C. explaining prohibited transactions, loggable transactions, reportable transactions and suspicious transactions;
 - D. reviewing duties, responsibilities and procedures associated with each employee's position;
 - E. reviewing the definition of a patron and "known patron" and when known patron information on file may be used on a CTR; and
 - F. explaining the consequences of noncompliance with Title 31.

(End of Section)

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 7: COMPLIMENTARIES, PROMOTIONS AND PLAYER POINTS

(a) Complimentaries

- (1) No complimentary (comp) shall be granted unless authorized by management.
- (2) Management shall establish specific, amounts, limits and conditions under which comps are granted. These amounts, limits and conditions shall at a minimum include:
 - A. Comps shall not be granted to employees of the gaming operation. Employees shall not accept, as a gift or gratuity, any goods or services received by grantees from comp redemptions.
 - B. Comps shall not be granted by an employee in a position that would result in a conflict of interest, or to an immediate relative or member of the household of the grantor of the comp.
 - C. Comps shall be for goods or services of a specified amount and not redeemable, in whole or part, for cash, chips or other monetary equivalents.
 - D. Comps shall not be redeemed for an amount in excess of the specified amount.
 - E. A comp shall expire not later than three days after the effective date, which shall be not more than 30 days from the date the comp is written.
 - F. Comp amounts shall be charged to the department responsible for the expense.
- (3) Alcohol may be included in the redemption of a comp at food venues approved by the Director subject to the following requirements:
- (4) No more than two alcoholic beverages per person per meal.
- (5) Comps forms shall be pre-numbered or consecutively numbered for an electronic system.
- (6) Reports on comps shall be made available to the Director and the National Indian Gaming Commission upon request.
- (7) Disciplinary action shall be taken in any instance where a comp has been granted without proper authorization.
- (8) Comp procedures shall be approved by the Director prior to implementation.

(b) Promotions

- (1) Rules for participation in promotions and prize schedules shall be approved by management and made available for each promotion by posting and/or upon request including:
 - A. type and value of prize or cash award;
 - B. restrictions or limitations on participant eligibility to participate and claim entries;
 - C. date, time and location of event and/or selection of winner(s); and
 - D. any additional rules or conditions for third party or joint promotions.

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 7: COMPLIMENTARIES, PROMOTIONS AND PLAYER POINTS

- (2) Each promotion and promotional payout form shall at a minimum include the following information:
 - A. date and time;
 - B. identification of the game or event as applicable;
 - C. dollar amount of payout or prize value;
 - D. description of any personal property;
 - E. type of promotion;
 - F. signature and employee identification number of at least one employee authorizing the transaction;
 - G. signature and employee identification number of at least one employee completing the transaction unless electronically validated or waived by the Director; and
 - H. signature of the recipient and confirmation that identity was verified unless electronically validated or waived by the Director.
- (3) Each promotion and tournament shall be documented and summarized to include:
 - A. description of the event;
 - B. method for determination of winners;
 - C. reconciliation of total prizes available, payouts and remaining inventory;
 - D. signature of the department manager; and
 - E. description of method used to obtain signatures as required in 7(b)(2)G-H.
- (4) Drawings and other processes used to identify winners, and promotional cash payouts greater than \$5,000 shall be under surveillance cameras. The process shall be witnessed by an individual independent of the department responsible for the event, evidenced by signature and identification number.
- (5) Prizes purchased shall be charged to the department responsible for the event and expensed in the year in which the prize was won.
- (6) Programs involving the exchange of coupons for cash, chips, or another program require Director approval prior to implementation.

(c) Electronic Promotion and Bonus Systems

- (1) Electronic promotion and bonus systems shall be secured to ensure accuracy and integrity of transactions and player account information. Procedures shall include:
 - A. changes to account parameters shall be approved by the Director and performed by personnel independent of the VLT department and authorized by management with changes documented;
 - B. limits on the number of workstations where application programs and data can be accessed;
 - C. authorized access levels for users that are not in conflict with other user responsibilities;

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 7: COMPLIMENTARIES, PROMOTIONS AND PLAYER POINTS

- D. management independent of the gaming machine department shall approve promotion and bonus award criteria and maximum limits on awards; and
- E. Notification to players of changes to account balances or other significant account information changes.

(d) Complimentary and Promotional Form Control

- (1) Complimentary forms, promotional certificates, and drawing tickets shall be printed or marked to minimize counterfeiting or unauthorized copying.
- (2) The inventory of complimentary forms, promotional certificates, and drawing tickets shall be documented and secured. Access to inventories shall be limited to authorized employees.

(e) Player Points

- (1) Rules for player tracking accounts including the awarding, redeeming, and expiration of points shall be prominently displayed or available for customer review and approved by the Director.
- (2) The addition or deletion, inclusive of closure of inactive accounts, of points to players' accounts shall be made only by an authorized employee, or electronically through an automated system as approved by management.
- (3) Additions and deletions of points to players' accounts and any adjustments shall be documented in a manner that provides a clear audit trail.
- (4) Player cards:
 - A. Player identification shall be required prior to issuance of player cards.
 - B. Procedures for lost cards shall be approved by the Director.
- (5) Employees who redeem points for players shall not have access to:
 - A. lost cards; or
 - B. inactive or closed accounts without prior supervisor approval and documented.
- (6) Any changes to the player tracking system, such as point structures and employee access, shall be performed by supervisory employees independent of gaming departments and documented.
- (7) Adjustments to player account balances shall be:
 - A. made only by an authorized employee independent of gaming departments;
 - B. recorded for audit purposes including the beginning balance, specific adjustments, ending balance and reason for the adjustments; and
 - C. approved by a supervisor.
- (8) Player points shall:
 - A. expire after a period of inactivity not to exceed twenty-four (24) months; and
 - B. shall be purged from the player database within a reasonable time period after expiration.
- (9) Redemption requirements:

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 7: COMPLIMENTARIES, PROMOTIONS AND PLAYER POINTS

- A. The redemption dollar value for player points shall be equal for all players and approved by management.
 - B. Redemptions for amounts that exceed point balances shall not be allowed.
 - C. The method to convert points to cash or credits for play shall be approved by the Director.
 - D. Player identification shall be required prior to accepting a player card presented for payment of goods or services.
- (10) Automated point redemption:
- A. MICS 7(c)(1) shall also apply to point redemption systems that make available, through downloading to gaming stations, credits for play.
 - B. Only employees independent of gaming departments and player point redemptions shall be authorized to modify system parameters.
 - C. Player points may be converted to credits on any gaming station capable of electronically accepting down-loaded credit values.
 - D. Management shall set reasonable amounts and time limitations for redemption of points for credits and cash out of unused point redemption credits.
 - E. Player points converted to credits shall not be returned to player accounts.

(End of Section)

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 8: INFORMATION TECHNOLOGY

(a) General

- (1) The Information Technology Department shall implement procedures for monitoring systems for security incidents and unusual activity.
- (2) Incident response procedures shall be approved by the Director and include:
 - A. response criteria;
 - B. investigation procedures; and
 - C. resolution, documentation, and reporting requirements.

(b) Backups

- (1) The IT department shall develop and implement adequate daily backup and recovery procedures which shall address at a minimum the following:
 - A. a mirrored or redundant data source;
 - B. redundant or backup hardware;
 - C. application data for files that have been updated;
 - D. application executable files for files that cannot be reinstalled; and
 - E. database contents and transaction log(s).
- (2) Upon completion of the backup process, the backup media shall:
 - A. be transferred as soon as practicable to a location separate from the location housing the system's servers and data being backed up or protected in some other manner, as approved by the Director, that will ensure the safety of the files and programs in the event of a fire or other disaster;
 - B. be secured to prevent unauthorized access; and
 - C. provide adequate protection to prevent the permanent loss of any data.
- (3) Backup system logs, if provided by the system, shall be reviewed daily by IT personnel to ensure that backup jobs execute correctly and on schedule. The logs shall be maintained for a minimum of two years.
- (4) Data, application and hardware recovery procedures shall be tested using actual data at least annually with documentation, review and IT managerial verification of results.

(c) Equipment Maintenance and Security

- (1) The IT Department shall be responsible for computer hardware and software maintenance.
- (2) Maintenance shall be routinely performed on all system equipment and software to ensure the security and integrity of gaming activities.
- (3) Maintenance personnel shall report significant gaming system problems to management independent of the gaming department for a follow-up investigation.
- (4) A log shall be maintained for system failures involving the VLT monitoring and control system, table games accounting, keno and bingo, which at a minimum contains the following:

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 8: INFORMATION TECHNOLOGY

- A. date and time of system failure;
- B. reason for failure; and
- C. date and time the system was restored.

(d) Network Security

- (1) Traffic on guest networks shall be non-routable to the network serving gaming and financial related applications and devices.
- (2) Wireless networks, if offered as part of the corporate network: shall:
 - A. incorporate the highest encryption capable at the application level;
 - B. follow industry best practices for security; and
 - C. include a mobile device management system for connected devices as approved by the Director.
- (3) Corporate networks serving gaming systems shall be secured from outside traffic by firewalls and routers such that systems are configured to detect and report security related events (security logs).
- (4) Adequate protection devices shall be utilized to prevent unauthorized access and segregate the gaming and non-gaming portions of the network to ensure the integrity of the gaming systems.
- (5) If configurable, the system shall log the following:
 - A. unauthorized logins;
 - B. failed login attempts; and
 - C. other security related events including changes to live data files and any other unusual transactions.
- (6) If configurable, the system shall deactivate all unused physical and logical ports and any in-bound connections originating from outside the network.
- (7) Network shared drives containing application files and data for all gaming and financial related applications shall be secured such that only authorized personnel may gain access.
- (8) Server consoles and unattended user terminals in gaming areas shall be configured to automatically secure themselves after a period of inactivity as determined by IT management. Users shall supply proper login credentials to regain access to the terminal or console.
- (9) Login accounts and passwords required to administer network equipment shall be secured as follows:
 - A. only authorized personnel may gain access to these devices;
 - B. passwords for these accounts shall meet system security parameters in accordance with IT policies and procedures;
 - C. immediately disabled when IT personnel are terminated; and
 - D. the Director shall be immediately notified of such terminations.

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 8: INFORMATION TECHNOLOGY

(e) User Accounts

- (1) Management personnel, or persons independent of the department being controlled, shall establish user accounts to ensure that:
 - A. assigned application functions match the employee's current job responsibilities, unless otherwise authorized by management; and
 - B. ensure adequate segregation of duties.
- (2) Reviews shall ensure that any previously assigned application function access for the employee's user account is changed to inactive or disabled prior to the employee accessing their new user account for their role or position in a new department.
- (3) When multiple user accounts for one employee per application are used, only one user account may be in use at a time. The user account shall contain a unique prefix/suffix to easily identify the users with multiple user accounts within one application.
- (4) The system administrator or designee shall be notified when an employee is terminated or a user's authorized access is suspended or revoked. Upon notification the system administrator shall change the status of the employee's user account from active to inactive/disabled status.
- (5) Generic user accounts shall be:
 - A. configured at the operating system level so that upon logging in the user is automatically brought to the logon screen and is automatically logged out upon exiting the application;
 - B. configured at the application level so that user access is restricted to inquiry and read only functions; and
 - C. approved by the Director for each generic account. The request for approval shall include a full description of how the account will be utilized.
- (6) Service accounts shall be administered in a manner that prevents unauthorized and inappropriate use. Service accounts shall be:
 - A. configured such that the account cannot be used to directly log into the console of a server or workstation; and
 - B. service account passwords, if configurable, shall be changed at least every ninety (90) days, and deactivated immediately upon the completion of services provided.
- (7) User accounts created by default upon installation of any operating system, database or application shall be disabled, if supported by the vendor to minimize the possibility that these accounts may be utilized to gain unauthorized access to system resources and data.
- (8) Any other default accounts that are not administrator, service, or guest accounts shall be disabled unless they are necessary for proper operation of the system. If these accounts must remain enabled, the passwords shall be changed at least once every ninety (90) days, if configurable.

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 8: INFORMATION TECHNOLOGY

(f) Access

- (1) Access to administer the network, operating system, applications, and database security and system parameters shall be limited to authorized employees of the IT department.
- (2) Systems being administered shall be enabled to log usage of all administrative accounts, if provided by the system. Such logs shall be maintained for thirty (30) days and include:
 - A. Time
 - B. Date
 - C. login account name
 - D. description of event, and
 - E. the value before and after the change.
- (3) The critical IT systems and equipment for each gaming and financial application shall be maintained in a physically secured area. Each area shall be equipped with the following:
 - A. an uninterruptible power supply to reduce the risk of data loss in the event of an interruption to commercial power; and
 - B. a security mechanism to prevent unauthorized access, such as traditional key locks, biometrics, combination door lock, or electronic key card system.
- (4) Access to areas housing critical IT systems and equipment for gaming and financial applications, including vendor supported systems, shall be limited to authorized IT personnel as approved by the Director.
- (5) Non-IT personnel shall only be allowed access to areas housing critical IT systems when authorized by management and approved by the Director.
- (6) An access log of each access by non-IT personnel shall be maintained to include the following:
 - A. name of visitor;
 - B. reason for access;
 - C. time and date of entry;
 - D. company, organization, or department;
 - E. name of authorized person escorting visitor; and
 - F. date and time of departure.
- (7) Personnel and/or access records shall be monitored for each access.
- (8) In an emergency, access shall be immediately reported to IT management and Surveillance.
- (9) IT personnel shall be precluded from:
 - A. having access to gaming related forms, wagering instruments, cash or other liquid assets; and
 - B. initiating general or subsidiary ledger entries.

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 8: INFORMATION TECHNOLOGY

(g) Documentation

- (1) Critical IT system documentation for all in-use versions of applications, databases, network hardware, and operating systems shall be readily available, including descriptions of:
 - A. Hardware;
 - B. Software;
 - C. Version numbers;
 - D. user/operator manuals; and
 - E. any other documentation necessary for system maintenance.
- (2) System administrators shall maintain a current list of all enabled system and default accounts. The list shall be reviewed by IT management, or designee, on an annual basis to identify any unauthorized or outdated accounts. The documentation shall include the following:
 - A. name of system;
 - B. user account login name;
 - C. description of the account's purpose; and
 - D. a record (or reference to the record) of the authorization for the account to remain enabled.
- (3) The IT department shall maintain current documentation with respect to:
 - A. the network topology;
 - B. deployment of servers housing applications and databases; and
 - C. inventory of software and hardware deployed.
- (4) Documentation shall be maintained for the process of managing changes to the corporate environment. Controls shall include all changes that relate to critical IT, systems. This process includes:
 - A. proposed changes to the corporate environment shall be evaluated sufficiently by management personnel prior to implementation;
 - B. proposed changes shall be properly and sufficiently tested prior to implementation into the corporate environment;
 - C. a strategy of reverting back to the last implementation (rollback plan) shall be used if the installation is unsuccessful. The rollback plan shall be tested prior to implementation to the corporate environment; and
 - D. sufficient documentation shall be maintained evidencing management approvals, testing procedures and results, rollback plans, and any issues/resolutions encountered during implementation.
- (5) If source code for gaming and/or financial related software is developed or modified internally, a systems development life cycle (SDLC) shall be adopted to manage this in-house development. The process shall address, at a minimum:

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CHAPTER 8: INFORMATION TECHNOLOGY

- A. requests for new programs or program changes shall be reviewed by IT management with approvals to begin work on the program documented;
 - B. a written plan of implementation for new and modified programs shall be maintained and include:
 - i. the date the program is to be placed into service;
 - ii. the nature of the change (if applicable);
 - iii. a description of procedures required in order to bring the new or modified program into service: and
 - iv. an indication of who is to perform all such procedures.
 - C. sufficiently documenting software development and testing procedures through SDLC or other suitable, management approved process including documentation of approvals, systems development, testing, results of testing, and implementation into production shall include a record of the final program or program changes, including:
 - i. evidence of user acceptance;
 - ii. date in service;
 - iii. programmer; and
 - iv. reason for changes.
 - D. physical and logical segregation of the development and testing environment from the production environments;
 - E. adequate segregation of duties such that those who develop/test code do not have access to introduce new or modified code into the production environment.
 - F. system administrator shall be precluded from developing code which will be introduced into the production environment;
 - G. secured repositories for maintaining code history;
 - H. end-user guides/manuals; and
 - I. Director approval prior to implementation.
- (6) For critical IT systems software, other than in-house developed programs, documentation shall be maintained and include:
- A. the nature of the change;
 - B. date of installation or change;
 - C. a description of procedures required in order to bring the new or modified system into service; and
 - D. identification of the IT technicians who performed the procedures.
- (7) Testing of new and modified programs shall be documented prior to full implementation, subject to Director approval.
- (8) A system event log for critical IT systems, shall be configured to track the following events, if capable:
- A. failed login attempts;

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- B. changes to live data files occurring outside of normal program and operating system execution;
 - C. changes to operating system, database, network, and application policies and parameters;
 - D. record of information changed by administrator accounts; and
 - E. changes to date/time on master time server.
- (9) Daily system event logs shall be reviewed at least once weekly, for each day of the previous week, by IT personnel other than the system administrator, or by an automated tool.
- (10) The system event logs shall be maintained for a minimum of the preceding seven (7) days. Documentation of this review shall be maintained for a minimum of ninety (90) days and include the following:
- A. date and time;
 - B. name of individual performing the review;
 - C. exceptions noted; and
 - D. details of any follow-up of the noted exceptions.
- (11) User access listings shall be maintained and include, if the system is capable of providing such information:
- A. employee name, title or position, and/or identification number;
 - B. user login name;
 - C. full list and description of application functions that each group/user account may execute.
 - D. date and time account created;
 - E. date and time of last login;
 - F. date of last password change;
 - G. date and time account disabled/deactivated; and
 - H. group membership of user account, if applicable.
- (12) User access listings for gaming applications at the application layer shall be reviewed quarterly by personnel independent of the authorization and creation processes.
- A. The review shall consist of examining a sample of at least twenty-five (25) users;
 - B. The reviewer shall maintain documentation of the results of the review; and
 - C. For each of the randomly selected users, the reviewer shall determine whether:
 - i. the assigned system functions are being used as authorized and are appropriate for the user's job position;
 - ii. the assigned functions provide an adequate segregation of duties;
 - iii. terminated users' accounts have been changed to inactive/disabled status;

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- iv. passwords have been changed within the last ninety (90) days. (The review applies regardless of whether the system parameter has been configured to forcefully request a password change.); and
 - v. there are no inappropriate assigned functions for group membership, if applicable.
- (13) Exception reports, if capable, for changes to system parameters, corrections, overrides, and voids shall be maintained and include:
- A. date and time of alteration;
 - B. identification of user that performed alteration;
 - C. data or parameter altered; and
 - D. data or parameter value prior to and after alteration.
- (14) Records shall be maintained delineating any systems that are not configurable for the requirements of Regulation 5.4.3(b).

(h) Storage Media

- (1) Documents may be scanned or directly stored to unalterable storage media with the following conditions:
 - A. the storage media shall contain the exact duplicate of the original document; and
 - B. all documents on storage media shall be maintained with a detailed index containing the department and date.
- (2) Controls shall exist to ensure the accurate reproduction of records up to and including the printing of stored documents used for auditing purposes.
- (3) The storage media shall be retained for a minimum of five (5) years.
- (4) Original documents shall be retained until the annual audit has been performed by an independent certified public accountant.

(End of Section)

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 9: REVENUE AUDIT

(a) General

- (1) Revenue Audit shall comply with all requirements of MICS 5(a)-(c)(1)(2).

(b) Record-keeping

- (1) Records shall be maintained for all games and tables which include win, sales or drop, and hold percentage for:
 - A. each session and/or shift;
 - B. each day;
 - C. month-to-date; and
 - D. year-to-date.
- (2) All gaming revenue shall be properly recorded in the general ledger by revenue day and reconciled to bank deposits and supporting documentation.

(c) Reporting

- (1) All accounting reports required by the MICS shall be produced for all gaming activities.
- (2) A daily recap shall be prepared for all games showing day and month-to-date win and gross revenue.
- (3) Unless otherwise specified in the MICS, management independent of gaming departments shall review accounting reports at least monthly and investigate, with departmental supervisory personnel, any fluctuations in excess of three percent (3%) over or under the base level.

(d) Drop and Count

Unannounced currency counter test shall be performed on a quarterly basis with results documented, including all denominations of currency processed.

(e) Cage

- (1) The cage accountability shall be:
 - A. reconciled to supporting documentation for each revenue day; and
 - B. reconciled to the general ledger not less than monthly.
- (2) Monthly the bank deposits shall be traced to the bank statements.
- (3) Twice annually observe a count of cage funds and trace to the corresponding accountability forms including all chips by denomination and type and individual straps, bags, and imprest banks on a sample basis. All funds shall be counted within the same gaming day and the procedures shall be approved by the Director.
- (4) Annually select a sample of invoices for chip purchases and trace to the documentation showing the increase to cage accountability.
- (5) Chip liability shall be maintained on a perpetual basis showing adjustments and changes to the liability account including adjustments for chip float.

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CHAPTER 9: REVENUE AUDIT

- (6) For each revenue day, the originals and copies of the count reports and supporting documentation shall be:
 - A. compared for agreement with each other, on a test basis, by persons with no recording responsibilities and, if applicable, compared to triplicates or stored data;
 - B. reviewed for appropriate number and propriety of signatures on a test basis;
 - C. tested for proper calculation and summarization; and
 - D. related transactions subsequently recorded.
- (7) Unclaimed jackpots shall be properly accounted for to reflect final disposition.
- (8) For each drop period, cage reconciliations shall be reviewed and kiosk bill-in/voucher meter readings shall be compared to the drop amount. Any discrepancies shall be investigated.
- (9) Procedures for reconciliation of kiosks shall be approved by the Director.

(f) Bingo

- (1) The following shall be reviewed daily for proper authorizations, accuracy and completeness:
 - A. bingo card sales;
 - B. payout summaries;
 - C. random sample of payouts less than \$1,200;
 - D. all payouts of \$1,200 or more; and
 - E. voided payouts and sales.
- (2) The following shall be performed daily:
 - A. Review void sales, large payouts authorized by a supervisor who sells cards or makes payouts during a session, payout adjustments, or transaction overrides and other exceptions.
 - B. Review promotional coupons for proper cancellation.
 - C. Verify that inventory transfers are authorized and properly recorded.
 - D. Verify that controlled forms have been accounted for.
 - E. Reconcile activity report totals to transaction detail.
 - F. Compare net cash proceeds to the win/loss by session.
 - G. Regrade at least one winning card per session and all winning cards greater than \$10,000 using the payout schedule and draw information.
 - H. Verify increases and decreases to in-house jackpots.
- (3) The following shall be performed monthly:
 - A. Verify the bingo paper inventory balance by counting the paper on hand. Any variances shall be investigated.
 - B. Unresolved discrepancies shall be reported to the Director.

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 9: REVENUE AUDIT

(g) Keno

- (1) For at least one shift every other month:
 - A. the payouts shall be footed and traced to the total of the payout report; and
 - B. at least one percent (1%) of the wins shall be regraded using the payout schedule and proof of win report.
- (2) The following procedures shall also be performed:
 - A. Comparison of the net cash proceeds to the win/loss by shift, and investigation of any cash overages or shortages in excess of twenty-five dollars;
 - B. Reviewing and regrading all winning tickets of \$5,000 or more, including all forms documenting that authorizations have been obtained and verifications performed, if applicable.
 - C. Reviewing any large or frequent payout adjustments;
 - D. Reviewing weekly the random number generator numerical frequency distribution for patterns; and
 - E. Reviewing all voids made outside the computer system for void designation and supervisory approval.
- (3) The write on the restricted copy of the keno transaction report shall, for a minimum of one shift, be footed at least on an annual basis and compared to the total documented by the computer.

(h) Poker

- (1) Increases to the progressive meter and/or sign shall be reconciled daily.
- (2) Progressive and promotional payouts shall be reviewed to ensure the payout was conducted in accordance with posted rules.
- (3) Payouts shall be reconciled to cage accountability supporting documentation.
- (4) The general ledger poker progressive liability account shall be reconciled daily to ensure accuracy of recorded amounts.
- (5) The accuracy of entry fees and prize awards shown on the tournament sheet shall be verified.

(i) Table Games

- (1) Originals and copies of the System reports, orders for fills and credits, fill and credit slips, and openers and closers for each revenue day shall be:
 - A. compared for agreement with each other on a test basis;
 - B. reviewed for appropriate number and propriety of signatures on a test basis. All manual slips shall be compared to the system report;
 - C. accounted for by series number, if applicable; and
 - D. tested for proper calculation, summarization, and recording.
- (2) One day per month all fill and credit slips shall be footed and compared to the system report.

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CHAPTER 9: REVENUE AUDIT

- (3) The following procedures shall be performed for voided fill and credit slips:
 - A. Review for void designation;
 - B. Reviewed for appropriate number and propriety of signatures;
 - C. Trace to the system reports; and
 - D. Determine that all parts have been received.

(j) VLT

- (1) The following shall be performed daily:
 - A. All payout forms shall be reviewed for proper completion, including voided forms;
 - B. Reconcile all payout forms to the cage accountability and/or system reports;
 - C. Verify the total payout amounts are recorded in the system and accounting records;
 - D. For one cashier foot and trace the totals of a sample of cashout vouchers and trace the totals on the cage accountability and the computerized accounting system; and
 - E. Review voucher liability for reasonableness.
- (2) One day per month jackpot and manual pay slips shall be reviewed for continuous sequencing.
- (3) All meter readings shall be reviewed for reasonableness using pre-established parameters.
- (4) Prior to final preparation of statistical reports, meter readings that do not appear reasonable shall be reviewed with the VLT Department and exceptions documented.
- (5) At least monthly the continuing accuracy of the coin-in meter readings as recorded in the VLT statistical report shall be verified.
- (6) For each drop period, the bill-in meters and the voucher-in meters shall be compared to the drop amounts. Any discrepancies shall be resolved prior to generation and distribution of VLT statistical reports.
- (7) An investigation shall be performed for each VLT having any of the following variances:
 - A. more than \$25 and more than three percent between actual currency drop and voucher drop and the meter readings;
 - B. more than \$100 and more than one percent for hand payouts, which shall include a review of payout amounts for internal progressives and a review of operator payouts for linked progressives;
 - C. more than \$100 and more than one percent for win;
 - D. any variance between VLT meters and system meters for player accounts.
- (8) For games that have recorded 100,000 or more in wagering transactions, variances more than three percent (3%) between theoretical hold and actual hold shall

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 9: REVENUE AUDIT

be investigated, resolved and findings documented by an independent department on a monthly basis.

- (9) For VLT conversions, additions and relocations, the following shall be verified:
 - A. machine number;
 - B. manufacturer;
 - C. game theme;
 - D. par;
 - E. actual and meter denomination;
 - F. location; and
 - G. type ID.
- (10) For multi-game and/or multi-denominational VLT's, the adjusted theoretical hold percentage shall be calculated in accordance with MICS 18(b)(3).
- (11) For in-house progressive jackpot meters (excluding machines designated by the Director):
 - A. Explanations for meter reading decreases shall be maintained with the progressive meter sheets.
 - B. In cases where the payment of a jackpot is the explanation for a decrease in the meter reading, the gaming operation shall record the jackpot form number on the sheet or have the number reasonably available.
- (12) Linked system provider billings shall be reconciled to meter readings.

(k) Sports Pool

- (1) The following shall be performed daily for all winning tickets \$10,000 or greater and a random sample of five other tickets:
 - A. Tickets should be regraded and traced to the system reports;
 - B. The date recorded on the winning tickets shall be compared to the system reports;
 - C. Terms of wagers (point spreads, money lines, etc.) shall be compared to the system reports;
- (2) The system's summary report shall be traced to an independent source for suspicious and/or questionable transactions;
- (3) Void tickets shall be traced to the event wagering system and reviewed for void designation and proper signatures;
- (4) Payout adjustments made outside the event wagering system shall be reviewed for accuracy and investigate any large or frequent payments;
- (5) System exception reports shall be reviewed for propriety of transactions and unusual occurrences including changes in odds, cut-off times, results; and event data.
- (6) The following shall be performed for at least one day per calendar quarter:

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- A. Review two sports pool winning tickets to verify that the wager was accepted and payouts made in accordance with game rules.
- B. Review the amounts held for patron deposit accounts.

(l) Patron Deposit Accounts

- (1) Front money deposits, withdrawals, and adjustments shall be verified daily.
- (2) The following shall be performed at least weekly:
 - A. Reconcile patron deposit account liability to the system record. If a system record is not available, a manual reconciliation shall be performed.
 - B. Review manual increases and decreases to/from player accounts to ensure adjustments were properly authorized.

(m) Complimentaries, Promotional Pay-outs and Player Points

- (1) Reports shall be prepared that include the following information for any complimentary (comp) that exceeds \$100;
 - A. name of the patron who received the comp;
 - B. name(s) of employee(s) who issued and/or authorized the comp;
 - C. issued and redeemed amounts;
 - D. type of comp (i.e., food, beverage, etc.); and
 - E. date the comp was issued.
- (2) An accounting supervisor shall review required reports at least weekly.
- (3) Appropriate review procedures shall be performed to determine that complimentaries, promotional payouts and player points have been properly authorized, issued and recorded according to approved rules provided to customers, as applicable.
- (4) Adjustments made to player accounts without a promotional form shall be reviewed monthly and follow-up performed for any unusual or inadequately documented entries. A sample of the adjustments that include a promotional form shall be reviewed.
- (5) Player point additions and redemptions shall be reviewed and reconciled monthly to system totals on a test basis.
- (6) Exception reports shall be reviewed monthly for transfers between accounts and access to inactive or closed accounts.
- (7) Computerized player tracking accounts shall be reviewed and tested annually for accuracy of system parameters including verification of management approval for any changes made to the systems including:
 - A. review of configuration parameters for accuracy; and
 - B. verification of the accuracy for awarding of points based on amount wagered.
- (8) Promotional event summaries for contest, tournaments, drawings, promotional payouts and giveaway programs shall be:
 - A. reviewed monthly for proper accounting treatment; and

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- B. reconciled for entry fees collected and payouts made in accordance with posted rules.
- (9) Promotional documentation for contest, tournaments, drawings, and giveaway programs shall be maintained and filed by event including:
 - A. copies of information provided to customers describing the event;
 - B. effective dates;
 - C. accounting treatment including account number; and
 - D. identification of any organizations conducting the event in conjunction with the gaming operation including the respective responsibilities.
- (10) Promotional credit downloads to gaming stations.
 - A. System parameters shall be reviewed monthly for proper management authorization of changes made.
 - B. Decreases in player account balances resulting from downloads to gaming stations shall be reconciled to related gaming activity on a daily basis.

(n) Electronic Key Control Systems – Drop and Count Keys

- (1) Daily reviews of key control administrator transactions shall be performed for:
 - A. changes to user access; and
 - B. unauthorized removal or return of sensitive keys.
- (2) One day per month access reports shall be reviewed for any unusual transactions.
- (3) A quarterly review of a sample of users assigned to keys for appropriate access assignment relative to job title and/or functions shall be performed.
- (4) Quarterly a key inventory shall be performed on an unannounced basis.
- (5) All unusual or improper transactions shall be investigated.

(o) Controlled Inventory

At least monthly, verify the receipt, issuance, and use of controlled inventory including cards, dice, bingo paper, bingo balls, sensitive keys and pre-numbered forms.

(End of Section)

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 10: SURVEILLANCE

(a) Surveillance Department

- (1) The Surveillance Department shall be responsible for the following:
 - A. clandestine surveillance and monitoring and recording of gaming activities;
 - B. monitoring and recording other gaming and non-gaming areas as designated by the Director;
 - C. recording and detection of illegal activities at the gaming facility;
 - D. establishing and maintaining an evidence storage area with security controls that ensure the chain of custody and integrity of stored evidence;
 - E. investigating any unresolved count discrepancies as required by the Director;
 - F. notifying appropriate supervisory employees and the Director of any incident or activity which may negatively reflect on the integrity of gaming;
 - G. notifying appropriate supervisory employees and the Director upon the detection of suspicious activities;
 - H. notifying appropriate supervisory employees, the Director and law enforcement upon the detection of illegal activities; provided however, for thefts of \$100 or less only the Director must be notified; and
 - I. receiving and forwarding all sensitive gaming supplies and/or equipment suspected to have been tampered with to the Director no later than the beginning of the next Commission business day.
- (2) The surveillance monitor and server rooms shall remain locked and access restricted to authorized personnel as approved by the Director. The Director and OSP shall have immediate access. Entrances to the monitor room shall not be visible from public areas.
- (3) Communications equipment shall be secured from unauthorized access.
- (4) The Surveillance Department shall be adequately staffed during all shifts. Surveillance Department employees shall not be employed by any other department in the gaming operation.
- (5) A communication system shall be maintained that includes strategically placed telephones on the gaming floor, with a direct line to the surveillance room and radio communication with security employees.

(b) Equipment

- (1) The surveillance equipment shall:
 - A. be a matrix-type switching system with the capabilities of PTZ;
 - B. have the capability to bring up any camera throughout the gaming facility to a designated monitor;
 - C. record date, time, camera number and/or location which shall be recorded in a manner that does not significantly obstruct the recorded image;
 - D. include sufficient numbers of monitors and recorders to simultaneously display and record multiple activities;

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 10: SURVEILLANCE

- E. have override capability over all surveillance equipment located outside the surveillance room;
 - F. have resolution sufficient to produce a video record that is a complete and accurate representation of the activity observed, as determined by the Director, and be maintained to ensure clarity of recordings; and
 - G. be used for monitoring and recording purposes only.
- (2) Each video camera shall:
- A. be installed in a manner that will prevent it from being readily obstructed, tampered with or disabled;
 - B. be connected to standard recording equipment that continuously records each camera; and
 - C. have adequate lighting present to ensure clarity of the recording.
- (3) Surveillance video storage systems shall include:
- A. viewing and recording image size at a minimum of four CIF (the Common Intermediate Format);
 - B. failure notification with audible and visual warning;
 - C. dedicated uninterruptible power supply; and
 - D. Director approval of any encryption software.
- (4) An auxiliary or backup power source shall be available and capable of providing immediate restoration of power to all elements of the surveillance system.
- (5) Reasonable efforts shall be made to repair malfunctions of surveillance equipment within seventy-two (72) hours after the malfunction has been discovered. Storage media must be repaired within eight hours after failure or replaced. Alternate procedures shall be implemented to ensure adequate security is available while a malfunction exists.

(c) System Security

- (1) All systems implementations and modifications shall be approved by the Director prior to installation.
- (2) A Supervisory employee shall be designated to monitor and oversee Surveillance system security.
- (3) User account administration shall be performed by a department independent of Surveillance including account creation, modification, and deactivation as approved by the Director.
- (4) The following shall be secured from unauthorized access:
 - A. system software, application programs, and data transmissions;
 - B. network communication equipment; and
 - C. unused services and non-essential ports shall be disabled;
- (5) If configurable, systems shall be secured with passwords as follows:
 - A. each user shall have their own individual password;
 - B. passwords shall be changed quarterly;

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 10: SURVEILLANCE

- C. passwords shall not be re-used for a period of 18 months if the system maintains an electronic record of old and previously used passwords; and
 - D. user accounts shall be deactivated within twenty-four (24) hours for terminated users.
- (6) The system shall be a closed network and remote access shall be by a secure method approved by the Director.
- (7) Backup procedures shall include:
- A. daily backup of critical information;
 - B. daily backup of critical programs or the ability to reinstall the exact programs as needed;
 - C. secure storage of backup data files as approved by the Director;
 - D. data, program, and hardware restoration procedures shall be implemented and tested at least annually with results documented.

(d) Documentation

- (1) The Surveillance department shall maintain current documentation with respect to:
- A. The network topology;
 - B. Deployment of all surveillance system components; and
 - C. Inventory of software and hardware deployed including the requirements of 10(d)(5), as applicable.
- (2) Records shall be maintained for implementations and modifications to Surveillance systems including:
- A. date of implementation or modification;
 - B. nature or type of the change;
 - C. verification of Director approval;
 - D. identity of personnel performing the implementation/modification; and
 - E. user guides and manuals describing the systems in use.
- (3) Hand written sign-in logs or computerized access records shall be maintained for authorized personnel entering the surveillance monitor and server rooms.
- (4) A daily activity log shall be maintained to document all surveillance activities monitored by surveillance personnel. At a minimum, the following information and activities shall be recorded:
- A. date and time the surveillance commenced and terminated;
 - B. identifier of each employee who initiated, performed or supervised the surveillance;
 - C. reason for the surveillance, including the name or alias, if known, and description of each individual monitored, and description of the activity monitored;
 - D. time at which each suspected offense is observed; and
 - E. summary of the results of the surveillance.

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- (5) A current inventory list of all equipment, whether in use or in storage, including:
 - A. date purchased;
 - B. serial number;
 - C. model number;
 - D. manufacturer;
 - E. cost;
 - F. description;
 - G. location;
 - H. camera number, if applicable; and
 - I. date and method of disposal.
- (6) A video library log, or alternate procedures as approved by the Director, shall be maintained to document compliance with the required storage, identification and retention standards.
- (7) A malfunction and repair log shall be maintained including the following information:
 - A. date, time and nature of each malfunction;
 - B. efforts made to repair the malfunction;
 - C. reasons for any delays in repairing the malfunction;
 - D. date of repair; and
 - E. any alternate security measures taken.
- (8) System password records shall be maintained including:
 - A. user name;
 - B. date the user was granted access and date of last password change; and
 - C. description of the access level assigned to each user; and
- (9) Remote access records shall be maintained and include:
 - A. name of employee authorizing access;
 - B. name of employee accessing the system;
 - C. reason for access;
 - D. description of work performed;
 - E. date and time of start of remote access session; and
 - F. date and time of conclusion of remote access session;

(e) Training Program

- (1) The Surveillance Department shall have a training program to ensure that all Surveillance staff have adequate skills and knowledge to perform their duties and responsibilities:
 - A. Surveillance staff shall be trained in the use of equipment, games, money handling, cheating and scams, report writing and casino data analysis, regulatory requirements, and casino policies and procedures;

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B. Technicians shall be trained in repair and maintenance of surveillance systems and equipment.

(2) The training program shall be approved by the Director.

(f) Record Retention

(1) All recordings required by the MICS shall be retained for a minimum of seven (7) days.

(2) Recordings involving the following shall be retained for a minimum of thirty (30) days:

A. Suspected unlawful activity.

B. Evidence of unresolved cage or count variances greater than \$500.

(3) Video shall not be destroyed or deleted without approval from the Director.

(4) Documents and original recordings as evidence in confirmed crimes shall be retained until the case has been concluded.

(5) Surveillance logs shall be made available to the Director for inspection at any time.

(6) Original recordings and/or copies shall be provided to the Director upon request.

(g) Facility Coverage

(1) Exterior.

A. All main entrances and exits to the gaming facility shall have camera coverage sufficient to allow for identification of all persons entering or leaving the facility.

B. All emergency entrances and exits shall be recorded by fixed cameras or equipped with an alarm system that provides immediate notification to the Security Department. The Security Department shall immediately notify Surveillance upon the receipt of any exterior alarm. The Director shall be notified of any changes to surveillance coverage of entrances and exits.

C. Activity associated with tripped alarms shall be monitored and recorded.

D. External cameras shall be positioned to enable coverage of parking lot activity.

(2) Cage.

A. Each cashier station shall have one fixed overhead camera to record the transaction area, and each cash drawer.

B. An additional camera shall be placed to provide an overview of cash transactions, including customers, employees and the surrounding area.

C. Sufficient fixed camera coverage shall be placed to prevent blind spots. A minimum of one PTZ shall be placed for monitoring and recording activities.

D. The PTZ recording chip fill and credit transactions shall be a color camera.

E. The area designated for fills and credits shall be recorded by a color fixed camera to identify the chip values and amounts on the fill and credit slips.

F. The interior of elevators shall be recorded while used to transport money or other sensitive assets.

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- G. Inter-cage transfers of \$5,000 or more shall be monitored and recorded.
- (3) Vault.
 - A. A fixed overhead camera shall record activity at each work station.
 - B. Sufficient fixed camera coverage shall be placed to prevent blind spots.
 - C. A minimum of one PTZ shall be placed to monitor and record activities.
 - D. Entrances and exits to the vault shall be monitored with fixed cameras.
- (4) Drop.
 - A. The movement of cash, chips and drop boxes, and activities of employees involved in the drop, shall be monitored and recorded
 - B. The removal and transport of drop boxes, at times other than scheduled drop times, shall be monitored and recorded.
- (5) Count.
 - A. Count rooms shall have sufficient fixed camera coverage placed to prevent blind spots; an overhead fixed camera for each work station; a minimum of one color PTZ camera; and audio capability.
 - B. The entire count process and other activities in the count room shall be monitored and recorded.
 - C. The emptying of drop boxes shall be recorded to identify that contents have been removed. The audio recording shall include the announcement of the game, station number and shift.
 - D. The counting surface area shall be monitored and recorded during the count process by a fixed camera.
 - E. All areas where cash, coins and chips may be stored or counted shall be recorded.
 - F. All doors to count rooms shall be recorded.
 - G. Personnel entering and exiting, and activity within the count room during non-count times, shall be recorded.
- (6) Sensitive Gaming Supplies.
 - A. All areas containing sensitive gaming supplies shall be recorded.
 - B. Personnel entering and exiting a secured area containing sensitive gaming supplies shall be monitored and recorded by a fixed camera.
 - C. The receipt of shipments and destruction/cancellation of sensitive gaming supplies shall be recorded.
 - D. Transport of sensitive gaming supplies in the gaming facility shall be monitored and recorded.
 - E. Opening of containers and/or inspection of sensitive gaming supplies shall be monitored and recorded.
- (7) **RESERVED.**
- (8) Bingo.

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- A. The ball drawing device, or random number generator, shall be recorded during the course of the draw by a fixed camera to identify the balls drawn or numbers selected.
- B. The game board and the activities of the employees responsible for drawing, calling and entering the balls drawn or numbers selected shall be recorded.
- (9) Blackjack and Other Card Games.
 - A. Each table shall have a minimum of one, color fixed overhead camera to record activity at the table.
 - B. PTZ coverage shall be available for all tables with a minimum of one PTZ available for three tables.
 - C. Cameras shall be capable of identifying players, employees, card values, table layout symbols or numbers, gaming station number, table inventories, money and chip denominations, and a clear overview of pit and podium activity.
 - D. Removal of table inventory trays for table maintenance shall be monitored and recorded.
 - E. Fill and credit transactions shall be monitored and recorded.
- (10) Progressive Table Games and Poker.
 - A. The progressive meter or posted jackpot amount shall be recorded by a fixed camera for each progressive game with a potential jackpot greater than \$25,000.
 - B. Card suits shall be identifiable.
 - C. Dedicated camera(s) shall be used to provide an overview of tournament activities including areas where cash or cash equivalents are exchanged.
- (11) Craps.
 - A. All craps tables shall have sufficient camera coverage to record the ends of the table, and PTZ coverage to record the playing area of each table, and identify players, employees and wagers.
 - B. The inspection of dice to be used during the shift and the cancellation of dice from the previous shift shall be monitored and recorded.
- (12) Roulette.
 - A. All roulette tables shall have sufficient camera coverage to record the wheel and the table.
 - B. PTZ coverage shall be capable of recording the playing area of each table to identify players, employees and wagers.
- (13) Keno.
 - A. A fixed camera shall record the draw to identify the numbers selected.
 - B. General activities shall be recorded for each game area to identify the employees performing different functions.
- (14) VLT.
 - A. All VLT's on the gaming floor shall be capable of being monitored and recorded by a minimum of one PTZ.

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- B. Tech room activity shall be recorded by minimum of one fixed camera.
 - C. Nonprogressive VLT's offering payouts of more than \$250,000, all nonlinked progressive VLT's offering payouts of more than \$100,000, and linked progressive VLT's offering payouts of \$1,000,000 or more, shall be monitored and recorded by a fixed camera to identify the game, players, employees, and payout line(s) of the VLT.
 - D. Any jackpot payout of \$10,000 or more shall be monitored and recorded to include VLT number, payout lines, jackpot won, credits accumulated, remaining credits, winning player and employees involved in the payout.
 - E. All manual pays \$500 or greater shall be monitored and recorded.
- (15) Sports Pool.
- A. General activities shall be recorded for each game area to identify employees performing different functions.
 - B. Cash payouts of \$5,000 or more shall be monitored and recorded.
- (16) Promotional Events.
- A. Drawings and other processes used to identify winners shall be monitored and recorded.
 - B. Cash payouts greater than \$5,000 shall be monitored and recorded.
- (17) Non-gaming Areas.
- Areas where funds are accepted or paid out shall be monitored and recorded.
- (18) Kiosks.
- All Kiosks shall be monitored and recorded by a dedicated fixed overview camera, and able to be viewed by at least one PTZ camera.
- (19) Surveillance.
- The Monitor and Server rooms shall be recorded by fixed cameras to allow coverage of general activities.

(End of Section)

MINIMUM INTERNAL CONTROL STANDARDS

CHAPTER 11: SENSITIVE GAMING SUPPLIES

(a) General

- (1) Sensitive gaming supplies includes playing cards, dice, bingo balls, and bingo paper as delineated in Chapter 2 under the definition of sensitive gaming supplies.
- (2) Surveillance shall be notified upon the receipt of shipments of sensitive gaming supplies.
- (3) A departmental supervisor and an employee independent of the gaming department shall inspect all shipments received from gaming vendors to ensure:
 - A. containers or packages are sealed and intact; and
 - B. there is no evidence of tampering.
- (4) Any containers or shipments suspected of having been tampered with shall be set aside and secured, and the Director shall be immediately notified.
- (5) After inspection of shipments, receiving documentation shall be completed including:
 - A. date received;
 - B. quantities received; and
 - C. names of individuals performing the inspection.
- (6) All containers shall be transported to the secured area and inventory records updated showing the shipment.
- (7) Sensitive gaming supplies shall be maintained in locked and secured areas requiring:
 - A. access authorized by management and approved by the Director;
 - B. notification to the Surveillance Department prior to entry;
 - C. a log recording the signature and employee identification number of employees entering. Computerized access records may be used in lieu of a written log for all authorized personnel; and
 - D. access by not less than two authorized persons.
- (8) The gaming operation shall maintain perpetual inventory records of sensitive gaming supplies, from receipt of shipment until use or permanent removal from inventory that allows for the immediate verification of balances on hand.
- (9) A perpetual inventory system shall include a record of the following:
 - A. name of the manufacturer;
 - B. time, date, location and amount added or removed from the inventory including necessary signatures and employee identification numbers of the employee(s) performing and verifying the transaction; and
 - C. balance on hand.
- (10) A physical inventory shall be:
 - A. conducted at least once every month;
 - B. performed by an employee independent of the gaming department; and

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- C. verified to recorded balances with any discrepancies reported to the Director not later than beginning of the next Commission business day.
- (11) Sensitive gaming supplies permanently removed from play shall be:
 - A. maintained in a secure location;
 - B. accounted for prior to destruction and discrepancies immediately investigated and an incident report forwarded to the Director not later than the beginning of the Commission's next business day; and
 - C. cancelled or destroyed, in a manner and timeframe approved by the Director.
- (12) For sensitive gaming supplies that are to be returned to the supplier:
 - A. the inventory being returned shall be stored in a secure location;
 - B. a report shall be forwarded to the Director indicating the location of the inventory, reason for the return, and expected date and method of shipment; and
 - C. inventory records shall be updated showing the removal from inventory.
- (13) Envelopes used to transport sensitive gaming supplies within the gaming facility shall be sealed and designed to show signs of tampering, as approved by the Director.
- (14) Transport of sensitive gaming supplies in the gaming facility shall be accompanied by a security officer and under surveillance cameras.
- (15) Surveillance shall be notified prior to opening containers and/or inspection of sensitive gaming supplies.
- (16) Employees responsible for custody of sensitive gaming supplies shall securely maintain custody of the supplies from the time of checkout, until the supplies are returned to a secure area or transferred with proper authorization.

(b) Card Control

- (1) Changes to design and color of playing cards shall be approved by the Director.
- (2) All table game playing cards shall have a playing cycle not to exceed twenty-four (24) hours.
- (3) Card inventory in playing areas shall be maintained on an imprest basis.
- (4) Poker playing cards are subject to the following restrictions:
 - A. cards may be used for a maximum of seven (7) days before being removed from play; and
 - B. plastic cards may be used for up to three (3) months if the cards are washed or cleaned in a manner and time period approved by the Director.
- (5) Any playing card marked, altered, flawed, scratched, nicked, crimped, discolored, or at the request of the Director:
 - A. Shall be removed from play and maintained in a secure place within the pit until collection by a Surveillance Agent.

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- B. The cards shall be placed in a sealed envelope identifying the table number, date and time, and signature and employee identification number of the supervisor and dealer.
- C. The Director shall be notified.
- (6) A security officer and a table games employee shall retrieve and transport all cards between the secured area and the pit area.
- (7) The exchange of cards in playing areas shall be documented and verified to ensure the number of decks received is equal to the number of decks removed.
- (8) The total number of cards, values and denominations shall be verified prior to use in a game.

(c) Dice

- (1) The Table Games Supervisor, in the presence of a security officer and under surveillance cameras shall:
 - A. retrieve from the secured area the exact number of dice as required for a gaming day; and
 - B. transport the dice directly to the pit podium where they shall be secured.
- (2) Under surveillance cameras and at the pit podium, the incoming Table Games Supervisor, in the presence of another Table Games Supervisor, shall inspect the dice to be used during the next eight hours and shall cancel the dice used from the previous eight hours.
- (3) Dice inspection shall be performed as follows:
 - A. with a micrometer, or other instrument approved by the Director, which performs the same function; and
 - B. on a flat surface under surveillance cameras and visible to any person in the immediate vicinity of the pit podium.
- (4) Dice inspection instruments shall be securely maintained at the pit podium and shall be at all times readily available for inspection or use by the Director.
- (5) After completion of the inspection, the Table Games Supervisor who inspected the dice shall distribute the dice to each craps table, and in the presence of a dealer/boxperson, shall place the dice on the table.
- (6) Dice shall not be left unattended while at the table.
- (7) Dice shall be removed from play upon any indication of tampering, flaws or other defects, or at the request of the Director.
- (8) At the end of each shift, or as necessary, dice shall be visually inspected for evidence of tampering as follows:
 - A. by a supervisor other than the one who originally inspected the dice;
 - B. dice showing evidence of tampering shall be placed in a sealed envelope identifying the table number, date and time, signature and employee identification

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CHAPTER 11: SENSITIVE GAMING SUPPLIES**

number of the supervisor, dealer and the Surveillance Agent responsible for collection;

- C. all dice that show no evidence of tampering shall be canceled by placing an off-center indent on the middle spot of the number five (5) side of each die, and placed in the envelope which identifies the table number, date and time, signature and employee identification number of the supervisor; and
- D. the envelope shall be appropriately sealed and maintained in a secure place within the pit and not less than once each gaming day collected by a security officer and transported to the secured area.

(d) Bingo Paper

- (1) Bingo paper issued from secure storage shall be controlled as follows:
 - A. paper shall be inventoried and secured by an individual independent from bingo sales;
 - B. issuance of paper to cashiers shall be documented by signatures of the inventory clerk and cashier;
 - C. the paper numerical sequence or series shall be logged;
 - D. all paper issuances and returns shall be recorded in the inventory accounting system;
 - E. system totals shall be verified with a count of the inventory on hand at the end of each session;
 - F. any discrepancies in inventory shall be documented and investigated; and
 - G. a copy of the paper control log shall be given to the caller for verification of the win.
- (2) All unsold bingo paper shall be returned to inventory after a session.
- (3) Bingo paper returned from refunds shall be marked void and accounted in the bingo system.
- (4) Procedures for the destruction of bingo paper shall be approved by the Director.
- (5) Bingo paper associated with an investigation must be retained intact outside of the established removal and cancellation process.

(End of Section)

MINIMUM INTERNAL CONTROL STANDARDS

CHAPTER 12: SENSITIVE KEY CONTROL

(a) General

- (1) All original and duplicate sensitive keys shall be accounted for by the Security Department from the time of receipt through destruction including:
 - A. unique identifier for each key;
 - B. key storage location;
 - C. number of keys made, duplicated, and destroyed; and
 - D. authorization for access.
- (2) All original and duplicate sensitive keys shall be keyed differently than any other key unless approved by the Director.
- (3) Keys shall not be duplicated without prior written approval from management. Spare keys shall be maintained to provide the same degree of control as required for original keys.
- (4) Sensitive locks and keys shall be ordered, received, and destroyed by authorized individuals.
 - A. Sensitive locks and keys shall be ordered from lock and key vendors licensed by the Commission.
 - B. Broken or unusable keys shall be destroyed.
 - C. The destruction of sensitive locks and keys shall be documented with date, time, key usage description, signatures and badge numbers of the individual that destroyed the key and the individual witnessing the destruction.
 - D. Surveillance shall be notified prior to the destruction of sensitive locks and keys.
- (5) Management shall authorize levels of access to employees by department and job title who are allowed access to keys.
- (6) A current key list shall be maintained for each key box to document employees who are authorized access to keys and the location of the key box. For non-automated key boxes, the list shall be maintained at each key box. The list shall include:
 - A. key ring number;
 - B. key identifier or name; and
 - C. location of the key.
- (7) Changes to the access levels and authorization lists shall be evidenced by management's written approval.
- (8) Access to keys shall be allowed only to authorized employees.
- (9) A log, manual or electronic, of all employees accessing keys shall be maintained by each department having responsibility for keys. The log shall include:
 - A. key name;
 - B. date;
 - C. time;
 - D. signatures or electronic record of employees; and
 - E. employee identification numbers.

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CHAPTER 12: SENSITIVE KEY CONTROL

- (10) All keys checked out shall be returned promptly after requirements are completed.
 - A. Keys shall not be transferred to another individual without prior authorization and documentation of the transfer.
 - B. The key custodian shall ensure that all keys checked out are returned and properly secured.
 - C. A report shall be completed and forwarded to the Director for any key lost, stolen, or removed from the gaming operation. Keys that cannot be accounted for shall be replaced with a new unique key.
- (11) Boxes used to secure accounting records shall be restricted to employees of the Accounting and Auditing departments.

(b) Table Games and Poker

- (1) Keys to table game and poker inventory trays shall be maintained in a lock box that requires sign-in and sign-out by the Table Games or Poker Supervisor.
- (2) Table game and poker inventory tray keys shall not be accessible to cage employees or to any employee responsible for transporting inventories to or from tables.
- (3) Table Games progressive controller keys shall be maintained by a department independent of the Table Games department.

(c) Bingo

- (1) Access to keys for locked cabinets containing gaming equipment and computer hardware/software shall be restricted to Bingo supervisory employees.

(d) VLT

- (1) VLT door keys shall be maintained to ensure that only authorized employees have access into the VLT.
- (2) VLT logic board compartment keys shall be maintained to ensure that only authorized VLT technicians may have access to the logic board.
- (3) VLT reset and privileged option keys shall be securely maintained by the VLT department to ensure that only authorized employees have access.
- (4) VLT progressive controller keys shall be maintained by a department independent of the VLT department.

(e) Drop Keys

- (1) Three drop team members shall be present to access and return drop keys and Surveillance shall be notified.
- (2) Drop Box Release Keys.
 - A. One employee independent of the gaming department subject to the drop and an additional employee shall accompany drop keys while checked out.
 - B. Drop box release keys shall be maintained by a department independent of the gaming department and shall be keyed differently from any other key.

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CHAPTER 12: SENSITIVE KEY CONTROL

- C. Only the employee authorized to remove drop boxes shall be allowed access to the release keys. Count team members may have access to release keys during the count in order to reset the drop boxes.
 - D. Employees authorized to remove drop boxes shall be precluded from having access to contents keys.
- (3) Drop Cart Keys.
- A. An employee independent of the gaming department shall be required to accompany the drop cart keys and observe each time drop boxes are removed from or placed on cart storage racks.
 - B. Drop cart keys shall be maintained by a department independent of the gaming department, and shall be keyed differently from any other key.
 - C. Employees, other than the count team, authorized to obtain drop cart keys shall be precluded from having access to contents keys.

(f) Count Room Keys

- (1) At least three count team members shall be required to be present at the time count room keys and other count keys are issued for the count.
- (2) Count room keys shall be maintained and controlled by two separate departments independent of the Table Games, Poker, and VLT departments with the exception of the count team.
- (3) Drop Box Contents Keys.
 - A. Only count team members during the count process shall be allowed access to contents keys.
 - B. Drop box contents keys shall be maintained by a department independent of the gaming department, and shall be keyed differently from any other key.
 - C. Three supervisory employees from separate departments shall be required to access drop box contents keys when the count is not in process. The reason shall be documented with signatures and employee identification numbers of all participants.
 - D. Two employees shall be responsible for physical custody of the drop box contents keys.
 - E. The Surveillance Department shall be notified prior to the checkout of contents keys.

(g) Kiosks Cassettes

- (1) Cage personnel shall have access to keys for empty kiosk cassettes for the purpose of filling with currency.
- (2) Access to cassettes at the machine requires personnel from two separate departments who shall accompany the key and observe each time the cassettes are accessed. Cassettes shall not be opened in public areas.

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CHAPTER 12: SENSITIVE KEY CONTROL

(h) Electronic Key Control Systems

- (1) An electronic access system that creates a reliable and auditable historical record of door activity and/or key access may serve as an acceptable alternative as follows:
 - A. specific application shall be approved by the Director;
 - B. access shall be denied unless the minimum access requirements are met;
 - C. the access system shall be maintained by a designated access control system administrator (administrator);
 - D. written authorization for access shall be obtained from management; and
 - E. authorizations and historical entry records shall be immediately available to the Director.
- (2) Back-up access procedures shall be in place that ensure security of sensitive areas and that minimum logging requirements for check out of sensitive keys are met.
- (3) Emergency keys that allow manual access to key boxes require:
 - A. three supervisory personnel from separate departments to check out emergency keys to key boxes containing drop and count keys, two of which shall maintain custody while checked out;
 - B. two supervisory personnel from separate departments to check out and maintain custody of emergency keys to all other key boxes; and
 - C. a record of key name, date, time, reason for access, signatures and identification numbers of persons checking out emergency keys.
- (4) Maintenance requiring entry into key boxes by the administrator shall be documented.

(End of Section)

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 13: TABLE GAMES

(a) Equipment Security and Maintenance

- (1) Access to gaming equipment shall be restricted to authorized personnel.
- (2) Computer hardware/software shall be maintained on a periodic basis by a department independent of the Table Games Department.
- (3) In the event of malfunction of any table game computer system, the game, or portion of the game affected by the malfunction, shall cease until repairs are made.

(b) Table Inventories

- (1) Two-part table inventory forms, and three-part opener/closer forms, shall be maintained and controlled by a Table Games supervisor.
- (2) Completed inventory forms and opener/closer forms shall contain the following information:
 - A. shift identification and date;
 - B. game and table number;
 - C. total value of each denomination of chips remaining at the table;
 - D. the total value of all chips remaining at the table; and
 - E. signatures and employee identification numbers of employees who counted and verified the inventory.
- (3) Whenever tables are to be opened for gaming activity, the inventory tray shall be unlocked by a Table Games supervisor in the presence of the dealer/box-person.
- (4) Upon opening a table, the table inventory shall be counted by the dealer assigned to the table; verified by a Table Games supervisor; and both shall sign the inventory form. The dealer shall place the form in the drop box.
- (5) Any discrepancy between the inventory count and the recorded amount shall be immediately reported to the shift supervisor. For discrepancies of \$100 or more, the Surveillance Department shall be notified.
- (6) Chips shall not be added to or removed from table inventories during the gaming day unless:
 - A. in exchange for cash;
 - B. in payment of winning wagers and collection of losing wagers;
 - C. in exchange for chips having an equal aggregate face value received from a player; or
 - D. by authorized fill and credit transactions.
- (7) All transfers of table inventories to/from the cage shall be documented. Transfers between tables are prohibited.
- (8) At the close of each gaming day, the inventory shall be independently counted and recorded on an opener/closer form which shall be completed by:

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CHAPTER 13: TABLE GAMES

- A. the outgoing Table Games supervisor and dealer, if available; or
 - B. another Table Games supervisor; or
 - C. a supervisor from another gaming department.
- (9) The verifications shall be evidenced by signatures and employee identification numbers on the opener/closer form.
- (10) The closer shall be placed in the outgoing drop box, and the opener shall be placed in the incoming drop box by a security officer. The copy shall be forwarded to the Accounting Department.
- (11) Upon closing a table, the table inventory shall be independently counted by the dealer assigned to the table and verified by a Table Games supervisor. An inventory form shall be completed by the supervisor and evidenced by signatures of the supervisor and dealer/boxperson. One copy of the form shall be placed in the drop box by the dealer.
- (12) Each table inventory, and the inventory form, shall be stored when the table is closed in a locked and clear inventory tray secured to the table or in the cage.
- (13) The information on the inventory form shall be visible from the outside of the inventory tray.
- (14) Surveillance shall be notified prior to removal of table inventory trays. Inventory trays removed from tables for maintenance shall be secured by a Table Games supervisor and transported to the cage under surveillance cameras.
- (15) In the event of an emergency, the inventory tray shall be covered and locked, if possible, until normal play continues.

(c) Fills and Credits

- (1) Copies of fill slips shall be distinguishable from credit slips by either a different color or different title. Fill and credit slips shall be sequentially numbered. Fill and credit slips shall be printed in the cage.
- (2) The table number, date, time, and amount of fill or credit by denomination and in total, shall be noted on all copies of the fill/credit slips.
- (3) Fills and credits shall be authorized by a Table Games supervisor prior to the cage issuing or receiving the chips. Chips shall not be transported without a properly completed fill/credit slip.
- (4) The fill and credit slips shall include the signature and employee identification number of at least the following individuals to attest to the verification of the transaction:
- A. the cashier who prepared the slip and issued or received the chips;
 - B. the security officer;
 - C. the dealer/boxperson responsible for custody of the chips; and
 - D. the Table Games supervisor.
- (5) The three parts of each fill/credit slip shall be utilized as follows:

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- A. One part of the fill slip is transported by the security officer to the pit with the fill. After the appropriate signatures and employee identification numbers are obtained, the slip is deposited in the drop box.
 - B. Two parts of the credit slip are transported by the security officer to the pit. After the appropriate signatures and employee identification numbers are obtained, the slip is deposited in the drop box, and the original transported with the chips to the cage for verification.
 - C. One part is retained in the cage for reconciliation of the cashier's bank.
 - D. One part is retained intact in a locked dispenser in a continuous unbroken form, or on secured electronic storage media.
- (6) Chips shall be transported by a security officer in a closed and clear container.
 - (7) Fills and credits shall be broken down and verified by the dealer and supervisor and immediately placed in the inventory tray in view of surveillance cameras.
 - (8) The fill/credit slips shall be placed in the drop box by the dealer. The security officer shall observe the placement of the fill/credit slips in the drop box.
 - (9) Procedures for manual fills/credits shall be approved by the Director.

(d) Table Game Jackpots and Bonus Payouts

- (1) Surveillance shall be notified for jackpot and bonus payouts of \$2,000 or more:
 - A. For taxable jackpots the following additional procedures shall be performed:
 - i. The date, time, game, amounts, and winning hand shall be documented on a table games jackpot form.
 - ii. A Table Games Supervisor shall verify the hand and payout evidenced by their signature and employee identification numbers on the jackpot form.
- (2) If a malfunction occurs while a game is in play, and a progressive jackpot is won, the Surveillance Department shall verify the total to be paid.

(e) Cash Control

- (1) All cash shall be accepted by the dealer/boxperson in full view of a Table Games supervisor, and the player who presented it.
- (2) Cash shall be placed on the table face up so each bill can easily be identified and each currency denomination separated from each other.
- (3) The amount of cash, if \$100 or more, shall be announced by the dealer/boxperson accepting it and acknowledged by a Table Games supervisor.
- (4) The dealer/boxperson shall count and break down an equivalent amount of chips for the player and immediately place the cash into the drop box.
- (5) The dealer/boxperson shall immediately clear their hands upon any of the following:

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 13: TABLE GAMES

- A. the completion of a cash transaction;
- B. before touching any area of their clothing; or
- C. before leaving the table.

(f) Wagers

Minimum and maximum wagers will be posted at each table game.

(End of Section)

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 14: POKER ROOM

(a) General

- (1) Adequate supervision shall be provided in the Poker Room at all times.
- (2) If a supervisor functions as a dealer any disputes shall be resolved by:
 - A. another Poker Room Supervisor; or
 - B. a Table Games Shift Supervisor.
- (3) Dual-rated dealers may function as supervisors if not dealing the game.
- (4) The rake shall be collected in conformity with the Game Rules and in accordance with the posted rules.

(b) Table Inventories

- (1) Transfers between table inventories and the cage shall be:
 - A. authorized by a supervisor;
 - B. verified by the dealer and the runner; and
 - C. evidenced by the use of a lammer.
- (2) Table inventory forms shall contain the following information:
 - A. date and time;
 - B. table number;
 - C. value of all chips remaining on the table by denomination and in total; and
 - D. signatures and employee identification numbers of employees who counted and verified the inventory.
- (3) When a game opens or closes, the table inventories shall be counted, recorded, and reconciled on an inventory form by a Poker Room employee and supervisor. Upon closing the table, the table inventory shall be locked and secured by the Poker room employee and supervisor.
- (4) Open table inventories shall be counted by incoming dealers.

(c) Promotional Pools

- (1) Rules governing promotional pools shall be conspicuously posted in the Poker Room and designate:
 - A. amount of funds to be contributed from each pot;
 - B. type of hand to win the pool;
 - C. how the promotional funds will be paid out;
 - D. how/when the contributed funds are added to the jackpots; and
 - E. amount or percentage of funds allocated to any existing primary and secondary jackpots.
- (2) The amount of the jackpot shall be conspicuously displayed in the Poker Room. Once a day the progressive sign, or meter, shall be updated to reflect the current pool amount. A Poker Room Supervisor shall verify all jackpot calculations.

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 14: POKER ROOM

- (3) All funds contributed by players into promotional pools shall be returned to players when won in accordance with the posted rules with no commissions or fees withheld.
- (4) Promotional pool contributions shall not be placed in or near the rake circle, in the drop box, or commingled with gaming revenue.
- (5) Promotional funds shall be removed from the game in plain view of the public and placed in a drop box.
- (6) Decreases to promotional pools shall be documented with the reason for the decrease.
- (7) Promotional and progressive payout forms shall include:
 - A. name of contest or tournament;
 - B. player's name;
 - C. date of payout;
 - D. dollar amount of payout or description and value of non-cash prizes; and
 - E. signature and employee identification number of the employee making the payout.

(d) Jackpot Payouts

- (1) The Surveillance Department shall be notified upon a jackpot win.
- (2) All jackpot hands shall be verified prior to payouts by two Poker Room Supervisors, or one Poker Room Supervisor and a Supervisor independent of the Poker Room.

(e) Tournaments

- (1) Poker tournament entry fees and re-buys, shall be documented on the tournament sheet, which shall include the name of the player, and amount of fee or re-buy.
- (2) All money collected as entry fees and re-buys shall be maintained in a secured area in the Poker Room and not commingled with other funds.
- (3) The cashier shall count and calculate the total amount of entry fees collected and complete the tournament sheet.
- (4) The cashier shall calculate, segregate and record the prize amounts on the tournament sheet.
- (5) The Poker Room Supervisor shall separately count, in the presence of a cashier and under surveillance cameras, the recorded prize amounts and compare the amounts to the tournament sheet. Both individuals sign the tournament sheet.
- (6) If the amounts do not agree, the cashier and Poker Room Supervisor shall recount the money.
- (7) Each tournament sheet shall include the date, player name and amount of the prize.
- (8) The player shall sign the tournament sheet upon receipt of any prize.

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 14: POKER ROOM

- (9) The tournament sheet shall be forwarded at the end of the shift to the Accounting Department, or deposited in a lock-box controlled by the Accounting Department.

(End of Section)

MINIMUM INTERNAL CONTROL STANDARDS

CHAPTER 15: BINGO

(a) Equipment

- (1) Computerized accounting, sales systems, ball selection devices, electronic bingo cards, and other technological aids are allowed as approved by the Director.
- (2) Access to gaming equipment shall be restricted to authorized personnel.
- (3) Equipment shall be maintained and checked for accuracy on a periodic basis by a department independent of the Bingo Department.
- (4) A department independent of the Bingo department shall investigate and resolve malfunctions of any hardware or software components of the bingo system including:
 - A. determination of the cause of the malfunction;
 - B. review of relevant records, game recall, system and surveillance reports;
 - C. repair or replacement of the gaming component; and
 - D. verification of the integrity of the gaming component prior to placing in operation.
- (5) Equipment and game software removed from play shall be:
 - A. secured until sold or destroyed in accordance with the regulations; and
 - B. documented including asset number(s).
- (6) Procedures to inspect bingo balls for defects or evidence of tampering prior to being put into play and, as necessary, shall be approved by the Director.

(b) Sales

- (1) The cut-off time to purchase cards shall be established by the Bingo Manager and conspicuously posted.
- (2) The total sales and win shall be computed and recorded by shift or session.
- (3) The Bingo Manager shall approve instances in which administrative or supervisory employees sell cards and pay winnings.
- (4) Non-supervisory employees who sell cards or pay winnings shall not perform administrative functions during a session, including changing game data, inputting winners, approving void cards and payouts, and accessing accounting data.
- (5) Sales and refunds shall be recorded in the bingo system and documented with:
 - A. a customer receipt that includes date, time, shift or session, transaction identifier(s), description, total items sold, total sales; and
 - B. signature of at least one seller if manually documented or identification of device if electronically documented.
- (6) After each session an employee independent of the seller shall reconcile total sales to amount of cards sold.
 - A. The reconciliation shall be documented with the employee signature.
 - B. Variances shall be recorded and investigated.
- (7) Sales adjustments shall be immediately recorded in the bingo system, documented and approved by a supervisor.

MINIMUM INTERNAL CONTROL STANDARDS

CHAPTER 15: BINGO

- (8) Void sales.
 - A. Cards shall not be voided after the start of a game.
 - B. Returned cards shall be marked as void.
 - C. The void transaction shall be immediately recorded in the bingo system.
 - D. Void receipts shall be issued including date, time, session, identification of voided cards, total amount voided, amount refunded, and signature of a supervisor authorizing the transaction.

(c) Number Selection

- (1) Prior to the start of a session, inspection and verification that all balls are present and have not been damaged or altered shall be performed by:
 - A. a Bingo employee; and
 - B. a Bingo Supervisor or a supervisor independent of the bingo department.
- (2) Balls shall be randomly drawn, one at a time, from a ball selection device. Procedures shall be implemented to ensure the correct selection of numbers.
- (3) Only authorized employees shall have access to bingo balls.
- (4) Each ball shall be shown to a surveillance camera and clearly displayed to all players immediately after the draw. The numbers drawn shall be shown on an electronic number board, screen or monitor.
 - A. For games offering a payout of \$1,200 or more, the ball numbers shall be immediately documented and maintained for a minimum of seven (7) days.
 - B. Balls shall be returned to the selection device prior to calling the next game.

(d) Payouts

- (1) Prior to making payouts, the sequence number of cards shall be recorded in the system.
- (2) The system shall display the winning card to all players.
- (3) Payouts shall be verified by at least two employees. Computer verification may eliminate the need for a second verifier if the winning numbers are displayed on the reader board.
- (4) Payouts of \$1,200 or more require approval of a supervisor independent of the transaction.
- (5) Payouts greater than \$10,000 require notification to the Surveillance Department, and approval by a manager independent of the Bingo Department.
- (6) Payout adjustments shall be documented and approved by a supervisor.
- (7) Payout verification functions shall be adequately segregated from sales. Employees who sell cards on the floor shall not verify winning cards they had previously sold, unless the game can be verified by a computerized system.

(e) Documentation

- (1) The system shall:
 - A. record game transactions on a restricted transaction log;

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 15: BINGO

- B. generate daily sales and payout summaries and detail balance reports including dates, transaction types and numbers, sessions, amounts, void information, discounts, coupons, employees involved in the transactions, and audit logs;
 - C. be capable of printing sequential list of balls drawn in a game; and
 - D. have backup and archiving capability to ensure required data is maintained in the case of system failure.
- (2) Payout forms shall include the following:
- A. date and time;
 - B. amount of payout;
 - C. bingo card or EB CD number;
 - D. game name or number;
 - E. description of game covered; and
 - F. signatures and employee identification number of employees verifying and approving the transaction.

(f) Electronic Bingo Card Device

- (1) An EB CD shall not be placed in play if it shows any sign of tampering or problems that may affect play.
- (2) At least one EB CD shall be available to replace a malfunctioning device.
- (3) If an EB CD malfunctions, the bingo game shall not continue until the electronic cards can be played or transferred to another device.
- (4) Any remaining cards or unsold electronic cards shall be voided and removed from the EB CD prior to the next session.
- (5) The Director shall approve:
 - A. the method of electronic daubing of cards; and
 - B. the maximum number of cards allowed per game.

(g) Jackpots and Prize Pools

- (1) Jackpots and other prizes shall be conspicuously posted.
- (2) Increases and decrease to prize pools shall be recorded.
- (3) The total progressive jackpot amount shall be recorded each day and included with accounting information for reconciliation.
- (4) Inter-tribal prize pools.
 - A. Participation in inter-tribal prize pools for progressive jackpots is allowed as approved by the Commission.
 - B. Prize pool data shall be maintained by the vendor and shall include summaries of total contributions, payouts and available funds for existing and reserve jackpots.
 - C. Winners shall be confirmed at each participating site and the results verified by the system.

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 15: BINGO

(h) Cash Control

- (1) Funds shall be counted by two employees, reconciled to the recorded amounts, and recorded on an accountability form at the end of each session.
- (2) The following shall be recorded on the accountability form:
 - A. cashier bank balances;
 - B. increases and decreases to cashier banks;
 - C. transfers and/or exchanges; and
 - D. variances.
- (3) Internal and external transfers and exchanges shall be counted by at least two employees.
- (4) Employees who count and reconcile funds shall verify the accuracy on the accountability form(s).
- (5) The Surveillance Department shall be notified when a fill/credit will be made.

(End of Section)

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 16: KENO

(a) Equipment Maintenance and Security

- (1) Access to gaming equipment shall be restricted to authorized employees.
- (2) Equipment shall be maintained and checked for accuracy on a periodic basis by a department independent of the Keno Department or an authorized Keno vendor. Maintenance shall include computer program updates and hardware servicing.
- (3) If a barcode or microchip reader is used, the reader shall be tested annually for accuracy by personnel independent of the Keno Department.
- (4) Any evidence of tampering found during equipment maintenance shall be reported to management employees independent of the Keno Department for investigation.

(b) Ticket Sales

- (1) The player's ticket shall include the gaming operation name, city, state, date, game number(s), ticket sequence number, station number or writer identification number, and conditioning.
- (2) The information recorded on the ticket shall be concurrently recorded on a restricted transaction log.
- (3) Void ticket information shall be entered into the computer system prior to the start of a game. The computer shall document the following:
 - A. ticket number;
 - B. date and time of the void;
 - C. name or other identifier of employee completing the void.
- (4) Voids prepared at writer stations shall produce a void slip.
- (5) Writing of tickets shall not be performed:
 - A. after a game has been closed; or
 - B. after the number selection process for that game has begun.
- (6) Controls over tickets prepared in outstations by Keno staff shall be identical to the controls utilized in the primary game.
- (7) The restricted copy of the ticket shall be retained on computer storage media with access denied to Keno Department employees.

(c) Number Selection

- (1) The date, game number, game closing time and numbers drawn shall be recorded by the computer system.
- (2) Random number selection.
 - A. the random number generator shall directly transmit selected numbers to a computer system linked to the random number generator.
 - B. Keno personnel shall not be authorized to access the random number generator.

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 16: KENO

(d) Payouts

- (1) The sequence number of the ticket presented for payment shall be input or scanned into the computer or kiosk, and the payment amount or payout voucher given to the player.
- (2) No payments shall be made on tickets previously presented for payment, unclaimed winning tickets, voided tickets or unissued tickets. The time period for which payments are made on outstanding winning tickets shall not exceed one year.
- (3) Vouchers produced by the Keno kiosk shall follow VLT voucher requirements.
- (4) Payments made on tickets outside the computer shall require supervisor approval prior to payment and logged with signatures and badge numbers of a Keno employee and supervisor.
- (5) For winning tickets and promotional payouts \$5,000 or more:
 - A. the Surveillance Department shall be notified for verification;
 - B. approval shall be obtained from a supervisor independent of the Keno Department evidenced by signature and employee identification number;
 - C. the winning player copy shall be compared to the computer reports;
 - D. the player copy using the payout schedule and draw information shall be regraded; and
 - E. all approvals and verifications documented on a draw verification form.
- (6) The Keno system shall be capable of issuing notifications of large multi-game winners.
- (7) At shift change, oncoming Keno Department employees shall be informed of multi-game tickets still in process.
- (8) All games encompassed by a multi-game keno ticket must be completed within 14 days of the wager being placed.
- (9) Procedures for the payout of mail-in winning tickets shall be approved by the Director and shall include:
 - A. original winning tickets received shall be routed to personnel independent of the Keno department.
 - B. a mail pay log shall be maintained and include the date received, customer's name and ticket number.
 - C. the winning ticket(s) shall be forwarded to the Keno Department and entered into the computer system for validation and cancellation.
 - D. Accounting personnel shall compare the paid winning tickets to the log and the system report for paid winning tickets. Any discrepancies shall be documented by accounting and Keno management.
 - E. Accounting personnel independent of the above procedures shall verify the submitted correspondence, winning ticket, mail pay log, and system report for any discrepancies. Any discrepancies noted should be documented and investigated prior to payment to the customer.

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 16: KENO

(e) Documentation

- (1) Documentation of all keno information shall be restricted to authorized personnel and shall include:
 - A. a restricted copy of the ticket;
 - B. payout information including date, time, ticket number, and amount;
 - C. game information including game number, numbers drawn and time;
 - D. daily recap information by shift including write, payouts, and win;
 - E. win and write by either individual writer for each shift, or for each game during the shift; and
 - F. system exception information including voids, late pays, and appropriate system parameter information, such as, pay table changes, and payouts over a predetermined amount.

(f) Cash Control

- (1) Keno banks shall be contained in a secure area with access allowed only to individuals responsible for banks, and locked when left unattended.
- (2) Keno banks shall not be transferred between employees.
- (3) Funds shall be counted by two employees and reconciled to the recorded amounts at the end of each session. All variances shall be documented and investigated.
- (4) Employees who count and reconcile funds shall attest to the accuracy of the count with signatures and employee identification numbers on the appropriate accountability form(s).
- (5) Procedures for fills and credits shall be approved by the Director.
- (6) The Surveillance Department shall be notified when a fill/credit of \$5,000 or greater will be made.

(End of Section)

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 17: SPORTS POOL

(a) General

- (1) Adequate supervision shall be provided in the Sports Pool at all times.
- (2) Comprehensive wagering rules shall be available to the public by the wagering device and/or external signage, forms or brochures:
 - A. The rules shall be complete, unambiguous, and not misleading to the player.
 - B. All rules shall be presented in written form.
 - C. Rules shall be displayed to ensure that all information is clearly readable.
 - D. If wagering rules are changed for events or wager types being offered the operation shall apply the rules that were in place when the wager was accepted.

(b) Equipment Maintenance and Security

- (1) Access to gaming equipment shall be restricted to authorized personnel.
- (2) Equipment shall be maintained and checked for accuracy on a periodic basis by a department independent of the Sports Pool Department or an authorized Sports Pool vendor. If a barcode or microchip reader is used, the reader shall be tested annually for accuracy by personnel independent of the Sports Pool Department.
- (3) Any evidence of tampering found during equipment maintenance shall be reported to management employees independent of the Sports Pool Department for investigation.

(c) Sports Pool Wagers

- (1) Wagers may be accepted or paid on sporting events or other events as follows:
 - A. Professional sport or athletic events sanctioned by a governing body;
 - B. Olympic sporting or athletic events sanctioned by the International Olympic Committee;
 - C. Collegiate sporting or athletic events; and
 - D. The Tribal Gaming Operation shall not accept wagers on any other event unless:

The Tribal Gaming Commission has approved the other event in writing and;

The other event has been sanctioned by an organization included on the list of sanctioning organizations maintained by the Nevada Gaming Control Board; or

The other event is listed on the list of pre-approved other events by the Nevada Gaming Control Board.
- (2) Wagers may be paid directly by a player to a wagering device or on behalf of a player by an attendant. Players utilizing a mobile wagering device must have a Patron Deposit Account.
- (3) The method of placing a wager shall be straightforward with all selections, including the order if applicable, identified.
- (4) Players should have the ability to select the wager type to place a wager on.

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 17: SPORTS POOL

- (5) Players shall have the ability to review and confirm their selections prior to submitting the wager.
- (6) Players shall be notified if associated odds/payout or prices have changed and be given the new values.
- (7) Players shall be provided a clear indication that a wager has been accepted or rejected.
- (8) Wagers shall not be accepted once the wagering period has closed.
- (9) For players utilizing a Patron Deposit Account:
 - A. The account balance shall be readily accessible.
 - B. A wager shall not be accepted which would result in a negative balance.
 - C. The wager amount shall be immediately deducted from the player's account.
- (10) Players shall receive a ticket which includes:
 - A. Gaming operation name, city and state and redemption period;
 - B. Date and time the wager was placed;
 - C. Player choice made in the wager including wager type and line postings, wager selection, and any special conditions;
 - D. Total amount wagered including any promotional or/bonus credits if applicable;
 - E. Unique identifier or barcode of the wager; and
 - F. Unique identifier of the employee and/or the device ID in which the wager was placed

(d) Results Display

- (1) Results shall include all information which may affect the outcome of all types of wagers offered for that event including:
 - A. allowing players to obtain the results of their wagers on any decided wager type once the results have been confirmed.
 - B. making any change of results available.

(e) Payment of Winnings

- (1) The Event Wagering System shall process redemptions of a winning ticket at a writer station, kiosk, or cage. Winning tickets tied to a Patron Deposit Account will be updated in the account balance.
- (2) No payments shall be made to a player until the validity of the ticket is confirmed.
- (3) The Event Wagering System shall have the ability to identify and provide a notification in the case of invalid or unredeemable ticket for the following conditions:
 - A. Ticket cannot be found;
 - B. Ticket is not a winner;
 - C. Winning ticket has already been paid; and
 - D. Amount of the ticket differs from the amount on file.
- (4) For winning ticket and promotional payouts \$5,000 or more:

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 17: SPORTS POOL

- A. The Surveillance Department shall be notified for verification;
 - B. The winning player copy shall be compared to the computer reports;
 - C. All approvals and verifications shall be documented.
- (5) Procedures for the payout of mail-in winning tickets shall be approved by the Director and shall include:
- A. original winning tickets received shall be routed to personnel independent of the Sports Pool department.
 - B. a mail pay log shall be maintained and include the date received, customer's name and ticket number.
 - C. the winning ticket(s) shall be forwarded to the Sports Pool Department and entered into the computer system for validation and cancellation.
 - D. accounting personnel shall compare the paid winning tickets to the log and the system report for paid winning tickets. Any discrepancies shall be documented by accounting and Sports Pool management.
 - E. accounting personnel independent of the above procedures shall verify the submitted correspondence, winning ticket, mail pay log, and system report for any discrepancies. Any discrepancies noted should be documented and investigated prior to payment to the customer.

(f) Documentation

- (1) The Event Wagering System shall be able to provide the following information needed to compile one or more reports on operator revenue for each event as a whole and for each individual wager type within that event:
 - A. Date and time each event started and ended;
 - B. The total amount of wagers collected, paid to players, voided or cancelled;
 - C. Commission and fees collected, if applicable;
 - D. Event and wager type identifiers; and
 - E. Event Status.
- (2) The Event Wagering System shall be able to provide the following information needed to compile one or more reports on operator liability:
 - A. Total amount held by the gaming operation for player accounts;
 - B. Total amount of wagers placed on future events; and
 - C. The amount of winnings owed to players.
- (3) The Event Wagering System shall be able to provide the following information needed to compile one or more reports on future events in total and by wager:
 - A. Wagers placed prior to the gaming day for events prior to and on the gaming day;
 - B. Wagers placed on the gaming day for events occurring on that day and for future events;
 - C. Wagers voided and cancelled on the gaming day; and
 - D. Event and wager type identifiers.

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 17: SPORTS POOL

- (4) The Event Wagering System shall be able to provide the following information needed to compile one or more reports for significant events or adjustments as applicable:
 - A. Date and time;
 - B. Event/component identification, if applicable;
 - C. Identification of user(s) who performed and/or authorized the significant event or adjustment;
 - D. Reason/description of the significant event or adjustment, including data or parameter altered; and
 - E. Data or parameter value before and after the adjustment.

(g) Cash Control

- (1) Sports Pool banks shall be contained in a secure area with access allowed only to individuals responsible for banks, and locked when left unattended.
- (2) Sports Pool banks shall not be transferred between employees, unless waived by the Director.
- (3) Funds shall be counted by two employees and reconciled to the recorded amounts at the end of each shift. All variances shall be documented and investigated.
- (4) Employees who count and reconcile funds shall attest to the accuracy of the count with signatures and employee identification numbers on the appropriate accountability form(s).
- (5) Procedures for fills and credits shall be approved by the Director.
- (6) The Surveillance Department shall be notified when a fill/credit of \$5,000 or greater will be made from the cage.

(End of Section)

MINIMUM INTERNAL CONTROL STANDARDS

CHAPTER 18: VIDEO LOTTERY TERMINALS

(a) Equipment Maintenance and Security

- (1) All VLT's shall be maintained to minimize any problems affecting the fairness and integrity of games and verify communication with the system.
- (2) Meter reading exceptions noted by the Accounting Department shall be reviewed to determine the corrective action to be taken.
- (3) VLT maintenance work shall be approved by management and performed by authorized employees only.
- (4) Prior to performing maintenance that may affect components with random access memory containing accounting data, the following shall be recorded and reported to the Accounting Department prior to the next VLT drop:
 - A. VLT number;
 - B. date and time maintenance was performed; and
 - C. coin-in, coin-out, coin-drop, vouchers printed, vouchers redeemed, and jack-pot meters.

(b) Theoretical and Actual Hold

- (1) The master game program number, par percentage and the pay table shall be verified with the par sheet when initially received from the vendor.
- (2) Accurate and current theoretical hold par sheets shall be maintained for each VLT.
- (3) For multi-game and/or multi-denominational VLT's:
 - A. If meters are not recorded by the system, an employee independent of the VLT department shall weekly record the total coin-in meters and annually record the coin-in meters for each payable in the VLT.
 - B. The theoretical hold percentage shall be adjusted annually to a weighted average based upon the ratio of coin in for each payable. The adjusted percentage, if the adjustment exceeds +/- 0.5%, shall be recorded and shown in the VLT analysis reports not later than the first month following the quarter in which the adjustment was made.
 - C. The adjusted theoretical hold percentage may be combined for VLT's with exactly the same game mix throughout the year.
- (4) The theoretical hold percentages used in the VLT analysis reports shall be within the performance standards set by the manufacturer.
- (5) For games that have par sheets with expected hold percentage ranges, an average shall be used. Use of any other hold percentages stated on the par sheets shall not be used unless approved by the Director.
- (6) Records shall be maintained for each VLT that indicate the date(s) the machine was placed into service, removed from service and any changes in machine numbers and designations.
- (7) Changes to a VLT's theoretical hold percentages, including progressive percentage contributions, shall result in the assignment of a new VLT number and treated as a new VLT in the statistical reports. This standard does not apply to changes

MINIMUM INTERNAL CONTROL STANDARDS

CHAPTER 18: VIDEO LOTTERY TERMINALS

made for adjusting the theoretical hold for multi-game and multi-denominational machines as required by this section.

- (8) Promotional payouts and awards included on the statistical report shall not distort the actual hold percentages of the VLT.

(c) Payouts

- (1) Players may redeem vouchers at a change booth, cage, VLT or other approved validation terminal.
 - A. The vouchers are valid for a time period approved by the Director.
 - B. Procedures for remote validation of vouchers shall be approved by the Director. The maximum limit for remote validation of vouchers shall be less than \$3,000.
- (2) Data from vouchers presented to cashiers shall be manually input into the validation system or scanned with an optical bar code reader or equivalent.
- (3) Vouchers shall not be redeemed prior to the validation of vouchers.
- (4) The voucher validation information shall be transmitted to the system for verification, and communicated directly to the change booth, cage terminal, VLT, or other approved terminal.
- (5) On validation of the voucher:
 - A. the player shall be paid the validated amount;
 - B. the payment information shall be recorded in the system; and
 - C. the paid voucher shall be canceled and placed in the cashier's bank for reconciliation purposes, or retained in the VLT or other approved terminal until collected at the drop.
- (6) Procedures for the investigation and payment of locked vouchers shall be approved by the Director.
- (7) The system shall notify the cashier that one of the following conditions exist:
 - A. the voucher cannot be found on file;
 - B. the voucher has already been paid; or
 - C. the amount of the voucher differs from the amount on file.
- (8) In the event of an invalid, unreadable, altered or counterfeit voucher, the cashier shall refuse payment to the player and notify a supervisor for review.

(d) Jackpot Payouts and Manual pays

- (1) For jackpot payouts and manual pays, a prenumbered, three-part payout form shall be used including the following:
 - A. date and time;
 - B. VLT number;
 - C. alpha and numeric dollar amount of payout or description of any personal property awarded;
 - D. if applicable, game outcome, including reel symbols, card values and suits; and

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 18: VIDEO LOTTERY TERMINALS

- E. reason for payout for manual pays.
- (2) Computer generated payout forms shall be in triplicate form and have a unique identifying number.
- (3) VLT vouchers may be substituted for jackpot payout forms less than \$1,200.
- (4) The witness and verification of jackpot/manual payouts shall be evidenced by signatures and employee identification numbers as follows:
 - A. for payouts less than \$5,000, two (2) VLT employees;
 - B. for payouts of \$5,000 to \$15,000, a VLT Lead or Supervisor and a VLT employee;
 - C. for payouts greater than \$15,000, a supervisor or manager independent of the VLT Department, a VLT Supervisor and a VLT employee; or
 - D. when the validation system is inoperable and the payout is up to \$15,000, a security officer or supervisor or manager independent of the VLT Department, and a VLT Supervisor, and a VLT employee.
- (5) Surveillance shall be notified for any manual payouts of \$500 or greater.
- (6) Frequent payouts originating from the same machine shall be evaluated. If a machine malfunction is suspected, an authorized technician shall test the machine and, in the case of a malfunction, the Director shall be notified.
- (7) Surveillance shall be notified for jackpots of \$10,000 or more. The game state of the VLT shall not be altered until Surveillance has confirmed completion of required coverage.
- (8) Payout forms shall be controlled to preclude fraudulent payouts.

(e) In-House Progressive System Jackpot Meters

- (1) At least once a day the gaming operation shall record the amount shown on each progressive jackpot meter, as required by the Director, for jackpots that will be hand paid.
- (2) The gaming operation shall record the base amount of each progressive jackpot offered.

(f) Documentation

- (1) A report shall be produced at least monthly showing month-to-date, year-to-date, and life-to-date if practicable, performance by denomination and individual VLT including:
 - A. floor par;
 - B. actual hold percentage;
 - C. theoretical hold percentage;
 - D. percentage variance; and
 - E. dollar variance.
- (2) Meter readings shall be recorded, manually or electronically, at least weekly immediately prior to or subsequent to the drop by an employee independent of the drop team. The following reports shall be produced for each drop date:

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- A. Meter to actual drop;
 - B. Vouchers in to vouchers counted; and
 - C. Meter win to actual win.
- (3) If VLT's are not dropped and counted each day, the Monitoring and Control System shall read and record at the end of the gaming day attendant paid meters, drop meters, promotion meters and machine paid meters. The following reports shall be produced for each gaming day:
- A. hand paid jackpots, cancelled credits, progressive payout, bonus payouts to actual;
 - B. meter and hand paid bonus payouts to system recorded bonus payouts;
 - C. promotions in/out to system recorded promotions in/out; and
 - D. vouchers out to system recorded vouchers out.
- (4) The employee who records the meter readings shall be independent of the count team.
- (5) The statistical reports shall be reviewed monthly by both VLT department management and management employees independent of the VLT department.
- (6) Casino management system updates to reflect additions, deletions or movements of VLT's shall be:
- A. made at least weekly, prior to meter readings;
 - B. performed by VLT employees authorized by management; and
 - C. adequately documented and randomly verified on a monthly basis by employees independent of the VLT Department.
- (7) Records shall be maintained for each VLT that show:
- A. date placed into, removed from and returned to service; and
 - B. changes in VLT numbers and location.
- (8) Access into any VLT at times other than the drop shall be logged on a Machine Entry Authorization Log and returned to the inside of the VLT prior to securing the door. The log shall include:
- A. the date, time, reason for access; and
 - B. initials and legible employee identification number of the person gaining access.
- (9) Machine Entry Authorization Logs shall be maintained for a minimum of two (2) years.
- (10) Documentation shall be prepared showing maintenance performed on VLT games and related systems. The Director shall be notified of all actions taken to correct deficiencies affecting fairness and integrity of games. Notification shall include problem description, corrective actions, and date completed.

(g) Cash Control

- (1) All VLT change banks, which are active during the shift, shall be counted and recorded each shift on an accountability form.

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- (2) Funds shall not be removed from gaming areas and shall be verified at the end of each shift.
- (3) Employees who count and reconcile funds shall attest to the accuracy by signature and employee identification number on the appropriate accountability forms.

(End of Section)

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CHAPTER 19: PATRON DEPOSIT ACCOUNTS

(a) General

- (1) Terms, conditions, and privacy notifications shall be approved by the Director including:
 - A. Minimum and maximum deposits; and
 - B. Account limits if applicable.
- (2) For any account where suspicious or fraudulent activity is suspected or known, the account shall be disabled and an investigation conducted.
- (3) If electronic funds/wire 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.

(b) Establishment of patron deposit accounts

- (1) The following standards apply when a player establishes a Sports Pool account:
 - A. The player must appear at the gaming operation in person and present valid government issued picture identification with a completed account application.
 - B. The following information shall be recorded:
 - i. Type, number, and expiration date of identification;
 - ii. Player's name and address;
 - iii. Unique account identifier;
 - iv. Date the account was opened; and
 - v. The employee name and badge number.
 - C. The player must sign the account documentation prior to account activation.
 - D. The cashier shall provide the player a secure method of access.
- (2) The following standards apply for players establishing an account for electronic funds/wire transfers:
 - A. The player shall submit a copy of their government issued identification and a completed W9 form with an application requesting an account.
 - B. The following information shall be recorded:
 - i. Type, number, and expiration date of identification;
 - ii. Player's name and address;
 - iii. Unique account identifier;
 - iv. Date the account was opened; and
 - v. The employee name and badge number.
 - C. Documentation of management approval for the account shall be included with the completed application.

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(c) Patron deposits, withdrawals and adjustments

- (1) Prior to making a deposit or withdrawal from an account, the cashier or cashless system must verify the player's account, identity and availability of funds.
- (2) When a deposit, withdrawal, or adjustment is made to a player deposit account performed by a cashier, a transaction record shall be created including the following information:
 - A. Same transaction or document number on all copies;
 - B. Date, time and location of transaction;
 - C. Type of transaction (deposit, withdrawal, or adjustment);
 - D. Player name, account number;
 - E. Amount of transaction;
 - F. Signatures of cashier and player; and
 - G. For adjustments, the reason for the adjustment with supporting documentation and approved by a supervisor.
- (3) For electronic deposits or withdrawals to/from a player account:
 - A. Date time and location of transaction;
 - B. Type of transaction (deposit or withdrawal);
 - C. Unique identifier of transaction; and
 - D. Amount of transaction.
- (4) Patron Deposit account transaction records must be available to players upon request.

(End of Section)

MINIMUM INTERNAL CONTROL STANDARDS
CHAPTER 20: INTERNAL AUDIT

(a) General

All documents and records are and shall be maintained as confidential and proprietary property of the Gaming Operation.

(b) Audit Plan

- (1) Within fifteen (15) days following approval by the Audit Committee of the Board of Directors ("Audit Committee") each calendar year, Internal Audit shall submit the following to the Director:
 - A. planned audits for the year; and
 - B. the assessment and evaluation of the gaming operation's exposure to fraud.

(c) Documentation

- (1) Documentation, (e.g., checklists, audit programs, reports, etc.) shall be prepared to evidence all internal audit work performed. Such documentation shall be maintained as confidential and proprietary property of the Gaming Operation.
- (2) All material exceptions shall be investigated, resolved and reported. Observed or discovered violations of Grand Ronde Gaming Commission (GRGC) MICS or Regulations shall be immediately reported to the GRGC Director.

(d) Reporting

- (1) Reports of audits performed shall be maintained and made available to the Director and Audit Committee.
- (2) All instances of non-cooperation with requests for audit information shall be reported to the Audit Committee, management and the Director.

(End of Section)