



**National Indian Gaming Commission  
Minimum Internal Control Standards  
(MICS)**



**Choctaw Nation Gaming Commission  
Tribal Internal Control Standards  
(TICS)**

**Implementation Date: October 1, 2023**

# Choctaw Nation

## Gaming Commission

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## INTRODUCTION

The Choctaw Nation Gaming Commission has compiled this document to provide all Choctaw Casino Associates access to the most current regulations that govern Choctaw Casinos.

This document contains the following regulations:

- National Indian Gaming Commission (NIGC) - Minimum Internal Control Standards (MICS) Part 542 (Class III) and MICS Part 543 (Class II);
- Choctaw Nation Gaming Commission (CNGC) - Tribal Internal Control Standards (TICS); and
- NIGC - Technical Standards Part 547.

It is the responsibility of each Choctaw Casino to ensure compliance with **ALL** applicable regulations for each department. Regardless of gaming machine classification(s) offered at the facility, the Choctaw Nation Gaming Commission has elected to enforce MICS 542, MICS 543, TICS and SICS (System of Internal Controls) at all Choctaw Casinos, as well as the responsibilities set forth by the Choctaw Nation of Oklahoma and State of Oklahoma Gaming Compact. In addition to all applicable departmental gaming regulations, all Choctaw Casinos Associates and Vendors are required to abide by the "General TICS for All Departments" section of this document. All amenities offered at any gaming operation are subject to Choctaw Nation Gaming Commission regulation. In the event a new amenity is offered within the fiscal year, CNGC will assume the MICS/TICS regulations have been adopted into this document as evidenced by the policy and procedure. Any such changes will additionally be reflected in the following fiscal year's update to this document.

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

# Definitions

## § 542.2 & 543.2 What are the definitions for this part?

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

**Account access card:** An instrument used to access customer accounts for wagering at a gaming machine. Account access cards are used in connection with a computerized account database. Account access cards are not “smart cards.”

**Accountability:** (1) All items of cash, chips, coins, tokens, plaques, receivables, and customer deposits constituting the total amount for which the bankroll custodian is responsible at a given time. (2) All financial instruments, receivables, and patron deposits constituting the total amount for which the bankroll custodian is responsible at a given time.

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

**Actual hold percentage:** The percentage calculated by dividing the win by the drop or coin-in (number of credits wagered). Can be calculated for individual tables or gaming machines, type of table games, or gaming machines on a per day or cumulative basis.

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

**Ante:** A player's initial wager or predetermined contribution to the pot before the dealing of the first hand.

**Automated cash dispenser:** An automated system used to dispense funds to conduct currency transactions. The standards found in 543.18 (d) relating to Kiosks apply to all other automated cash dispensers maintained by the gaming operation.

**Automated payout:** A payment issued by a machine.

**Betting station:** The area designated in a pari-mutuel area that accepts wagers and pays winning bets.

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

**Bill acceptor:** The device that accepts and reads cash by denomination in order to accurately register customer credits.

**Bill acceptor canister:** The box attached to the bill acceptor used to contain cash received by bill acceptors.

**Bill acceptor canister release key:** The key used to release the bill acceptor canister from the bill acceptor device.

**Bill acceptor canister storage rack key:** The key used to access the storage rack where bill acceptor canisters are secured.

**Bill acceptor drop:** Cash contained in bill acceptor canisters.

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

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

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

**Cage:** A secure work area within the gaming operation for cashiers and a storage area for the gaming operation bankroll.

**Cage accountability form:** An itemized list of the components that make up the cage accountability.

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

**Cage marker form:** A document, signed by the customer, evidencing an extension of credit at the cage to the customer by the gaming operation.

**Calibration module:** The section of a weigh scale used to set the scale to a specific amount or number of coins to be counted.

**Call bets:** A wager made without cash or chips, reserved for a known customer and includes marked bets (which are supplemental bets made during a hand of play). For the purpose of settling a call bet, a hand of play in craps is defined as a natural winner (e.g., seven or eleven on the come-out roll), a natural loser (e.g., a two, three or twelve on the come-out roll), a seven-out, or the player making his point, whichever comes first.

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

**Card room bank:** The operating fund assigned to the card room or main card room bank.

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

**Cash/chip handling associates:** Associates responsible for the handling, receiving, transporting and depositing of cash or chips. The term cash includes: currency, checks, money orders, negotiable instruments and chips. This excludes Security when acting as a "runner" transporting chips.

**Cash handling departments:** Any department making a minimum of two (2) or more deposits a month with the Vault Department.

**Cash-out ticket:** An instrument of value generated by a gaming machine representing a cash amount owed to a customer at a specific gaming machine. This instrument may be wagered at other machines by depositing the cash-out ticket in the machine bill acceptor.

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

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

**Chair:** The Chair of the National Indian Gaming Commission.

**Chips:** Cash substitutes, in various denominations, issued by a gaming operation and used for wagering.

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

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

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

**Coin meter count machine:** A device used in a coin room to count coin.

**Coin room:** An area where coins and tokens are stored.

**Coin room inventory:** Coins and tokens stored in the coin room that are generally used for gaming machine department operation.

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

**Compliance Department:** Although various titles may be utilized to identify the department designated to monitor compliance at the casino, the responsibility of this department includes, but is not limited to: ensuring and monitoring BSA/AML/OFAC compliance at the casinos and electronic/computerized key security systems.

**Complimentary services and items:** (1) Services and items provided to a patron at the discretion of an agent on behalf of the gaming operation or by a third party on behalf of the gaming operation. Services and items may include, but are not limited to, travel, lodging, food, beverages, or entertainment expenses. (2) A service or item provided at no cost, or at a reduced cost, to a customer.

**Computerized key security system:** An electronic/computerized system used to securely house and keep record of all removals and returns of sensitive keys. Also known as keybox.

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

**Count room:** (1) A secured room where the count is performed in which the cash and cash equivalents are counted. (2) A room where the coin and cash drop from gaming machines, table games, or other games are transported to and counted.

**Count team:** Personnel that perform either the count of the gaming machine drop and/or the table game drop.

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

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

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

**Credit:** The right granted by a gaming operation to a customer to defer payment of debt or to incur debt and defer its payment.

**Credit limit:** The maximum dollar amount of credit assigned to a customer by the gaming operation.

**Credit slip:** A form used to record either:

- (1) The return of chips from a gaming table to the cage; or
- (2) The transfer of IOUs, markers, or negotiable checks from a gaming table to a cage or bankroll.

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

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

**Deal:** A specific pull-tab game that has a specific serial number associated with each game.

**Dealer:** An employee who operates a game, individually or as a part of a crew, administering House Rules and making payoffs.

**Dedicated camera:** A video camera required to continuously record a specific activity.

**Designated associate:** See agent.

**Deskman:** A person who authorizes payment of winning tickets and verifies payouts for keno games.

**Discretionary comps:** Comps that are handed out by authorized casino associates. While generally based on the level of play of a Guest, it is a subjective decision made by the authorized associate. These may include drinks, meals, event tickets and rooms.

**Draw ticket:** A blank keno ticket whose numbers are punched out when balls are drawn for the game. Used to verify winning tickets.

**Drop (for gaming machines):** The total amount of cash, cash-out tickets, coupons, coins, and tokens removed from drop buckets and/or bill acceptor canisters.

**Drop (for table games):** The total amount of cash, chips, and tokens removed from drop boxes, plus the amount of credit issued at the tables.

**Drop box:** (1) A locked container affixed to the gaming table into which the drop is placed. The game type, table number, and shift are indicated on the box. (2) A locked container in which cash or cash equivalents are placed at the time of a transaction, typically used in card games.

**Drop box contents keys:** The key used to open drop boxes.

**Drop box release keys:** The key used to release drop boxes from tables.

**Drop box storage rack keys:** The key used to access the storage rack where drop boxes are secured.

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

**Drop cabinet:** The wooden or metal base of the gaming machine that contains the gaming machine drop bucket.

**Drop period:** The period of time that occurs between sequential drops.

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

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

**Electronic access control card:** A card used to authorize entry to restricted areas secured via an electronic access control system. Also known as scan card or scan badge.

**Electronic signature:** If a computerized system is utilized and each associate is identified by an individual username and password (or other approved individualized authentication method), the electronic documentation such as an individual username will suffice the associate signature requirement, provided that the individual username is indicated on the report(s).

**EPROM:** Erasable programmable read-only memory or other equivalent game software media.

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

**Executive-level management:** An associate having at least a General Manager title or higher.

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

**Fill slip:** A document evidencing a fill.

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

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

**Flare:** The information sheet provided by the manufacturer that sets forth the rules of a particular pull-tab game and that is associated with a specific deal of pull-tabs. The flare shall contain the following information:

- (1) Name of the game;
- (2) Manufacturer name or manufacturer's logo;
- (3) Ticket count; and
- (4) Prize structure, which shall include the number of winning pull-tabs by denomination, with their respective winning symbols, numbers, or both.

**Front money:** Cash, wired funds, or negotiable instruments that are deposited with the casino by a Guest who will draw down from those funds for gambling. Front money accounts are sometimes described as safekeeping accounts.

**Future wagers:** Bets on races to be run in the future (e.g., Kentucky Derby).

**Game server:** An electronic selection device, utilizing a random number generator.

**Gaming machine:** An electronic or electromechanical machine that allows a player to play games of chance, some of which may be affected by skill, which contains a microprocessor with random number generator capability for outcome selection or computer terminal that accesses an outcome that is subsequently and randomly selected in drawings that are electronically conducted by central computer or other such methods of chance selection, whether mechanical or electronic. The machine is activated by the insertion of cash or cash equivalents and which awards cash, cash equivalents, merchandise, or a written statement of the player's accumulated credits, which written statements may be redeemable for cash.

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

**Gaming machine booths and change banks:** A booth or small cage in the gaming machine area used to provide change to players, store change aprons and extra coin, and account for jackpot and other payouts.

**Gaming machine count:** The total amount of coins, tokens, and cash removed from a gaming machine. The amount counted is entered on the Gaming Machine Count Sheet and is considered the drop. Also, the procedure of counting the coins, tokens, and cash or the process of verifying gaming machine coin and token inventory.

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

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

**Gaming operator (also known as a vendor):** A party or parties that lawfully operate a gaming system.

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

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

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

**Geo-Fence:** A virtual boundary within which mobile gaming devices are authorized to operate, and as controlled through a short-range communications protocol such as Wi-Fi.



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

**Gross gaming revenue:** Annual total amount of cash wagered on Class II and Class III games and admission fees (including table or card fees), less any amounts paid out as prizes or paid for prizes awarded.

**Hand pay:** A condition where a slot machine is unable to pay the Guest in the typical manner, thereby requiring the casino staff to pay the Guest out manually.

**Hold:** The relationship of win to coin-in for gaming machines and win to drop for table games.

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

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

**In-house progressive gaming machine:** A gaming machine with a payoff indicator, in which the payoff increases as it is played (i.e. deferred payout). The payoff amount is accumulated, displayed on a machine and will remain until paid out. A progressive gaming machine may be linked to other gaming machines within the facility or may be a stand-alone progressive gaming machine.

**Internal audit:** Persons who perform an audit function of a gaming operation that are independent of the department subject to audit. Independence is obtained through the organizational reporting relationship, as the internal audit department shall not report to management of the gaming operation. Internal audit activities should be conducted in a manner that permits objective evaluation of areas examined. Internal audit personnel may provide audit coverage to more than one operation within a Tribe's gaming operation holdings.

**Internal Policy Department:** The responsibility of this department includes, but is not limited to: compiling and reviewing policies, procedures, logs/forms and guidances.

**Issue slip:** A copy of a credit instrument that is retained for numerical sequence control purposes.

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

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

**Lammer button:** A type of chip that is placed on a gaming table to indicate that the amount of chips designated thereon has been given to the customer for wagering on credit before completion of the credit instrument. Lammer button may also mean a type of chip used to evidence transfers between table banks and card room banks.

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

- (1) Defer payment of debt; or
- (2) Incur debt and defer its payment under specific terms and conditions.

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

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

**Manual payout:** Any non-automated payout.

**Marker:** A document, signed by the customer, evidencing an extension of credit to him by the gaming operation.

**Marker credit play:** Players are allowed to purchase chips using credit in the form of a marker.

**Marker inventory form:** A form maintained at table games or in the gaming operation pit that are used to track marker inventories at the individual table or pit.

**Marker transfer form:** A form used to document transfers of markers from the pit to the cage.

**Master credit record:** A form to record the date, time, shift, game, table, amount of credit given, and the signatures or initials of the persons extending the credit.

**Master game program number:** The game program number listed on a gaming machine EPROM.

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

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

**Meter:** An electronic (soft) or mechanical (hard) apparatus in a gaming machine. May record the number of coins wagered, the number of coins dropped, the number of times the handle was pulled, or the number of coins paid out to winning players.

**MICS:** Minimum Internal Control Standards in [parts 542 and 543](#).

**Mobile gaming (also known as wireless gaming):** The placing of wagers with a gaming operation through a wireless server-based gaming system using a computer network through which the gaming operation may offer authorized games to Guests who have established a mobile gaming account with the gaming operation and who are physically present within the authorized gaming area, as approved by CNGC.

**Mobile gaming account (also known as wireless gaming account):** An account established by a gaming operation that a Guest may use for the deposit and withdrawal of funds used for mobile gaming.

**Mobile gaming device:** A device, including software, which displays information related to a mobile game and enables a Guest to place a wager on a mobile game from an approved location using money placed into a mobile gaming account maintained under the rules of the CNGC or enables a Guest to play for free or fun using an internet connection.

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

**Multi-game machine:** A gaming machine that includes more than one type of game option.

**Multi-race ticket:** A keno ticket that is played in multiple games.

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

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

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

**Outstation:** Areas other than the main keno area where bets may be placed and tickets paid.

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

**Par sheet:** A specification sheet for a gaming machine that provides machine hold percentage, model number, hit frequency, reel combination, number of reels, number of coins that can be accepted, and reel strip listing.

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

**Patron:** A person who is a customer or guest of the gaming operation and may interact with a Class II or Class III game. Also may be referred to as a "player".

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

**Payment slip:** That part of a marker form on which customer payments are recorded.

**Payout:** A transaction associated with a winning event.

**Peer-to-peer gaming:** All gaming activity, such as poker, where Guests are competing against each other.

**PIN:** The personal identification number used to access a player's account.

**Pit podium:** A stand located in the middle of the tables used by gaming operation supervisory personnel as a workspace and a record storage area.

**Pit supervisor:** The employee who supervises all games in a pit.

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

**Player tracking system:** A system typically used in gaming machine departments that can record the gaming machine play of individual customers.

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

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

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

**Progressive gaming machine:** A gaming machine, with a payoff indicator, in which the payoff increases as it is played (i.e., deferred payout). The payoff amount is accumulated, displayed on a machine, and will remain until a player lines up the jackpot symbols that result in the progressive amount being paid.

**Progressive jackpot:** Deferred payout from a progressive gaming machine.

**Progressive table game:** Table games that offer progressive jackpots.

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

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

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

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

**Rake circle:** The area of a table where rake is placed.

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

**Reel symbols:** Symbols listed on reel strips of gaming machines.

**Rim credit:** Extensions of credit that are not evidenced by the immediate preparation of a marker and does not include call bets.

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

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

**Sensitive keys:** Used on gaming machines, secured areas, etc.

**Series number:** The unique identifying number printed on each sheet of bingo paper that identifies the bingo paper as a series or packet. The series number is not the free space or center space number located on the bingo paper.

**Server-based gaming:** All gaming activity conducted via a client terminal where the outcome of a game is determined by a random number generator maintained on a server.

**Server-based gaming system:** All hardware, software, and communications that comprise a system utilized for the purpose of offering electronic versions of authorized gaming operation games where material aspects of game functionality occur at the server level.

**Shift:** A time period, unless otherwise approved by the tribal gaming regulatory authority, not to exceed 24 hours.

**Shill:** An agent financed by the gaming operation and acting as a player.

**Short pay:** A payoff from a gaming machine that is less than the listed amount.

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

**Soft count:** The count of the contents in a drop box or a bill acceptor canister.

**Splash method:** The dealer will perform a controlled fan of the chips to prove the amount in the stack.

**Statistical drop:** Total amount of money, chips and tokens contained in the drop boxes, plus pit credit issued, minus pit credit payments in cash in the pit.

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

**Sufficient clarity:** (1) Use of monitoring and recording at a minimum of twenty (20) frames per second. Multiplexer tape recordings are insufficient to satisfy the requirement of sufficient clarity. (2) The capacity of a surveillance system to record images at a minimum of 20 frames per second or equivalent recording speed and at a resolution sufficient to clearly identify the intended activity, person, object, or location.

**Surveillance operation room(s):** (1) A secure location(s) in a gaming operation used primarily for casino surveillance. (2) The secured area(s) where surveillance takes place and/or where active surveillance equipment is located.

**Surveillance system:** A system of video cameras, monitors, recorders, video printers, switches, selectors, and other ancillary equipment used for casino surveillance.

**Suspicious Activity Report (SAR):** A report of any suspicious activity that is believed to be relevant to the possible violation of any law or regulation. For specific requirements regarding SAR reporting refer to Chapter X of the Bank Secrecy Act.

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

**Table games:** Games that are banked by the house or a pool whereby the house or the pool pays all winning bets and collects from all losing bets.

**Table inventory:** The total coins, chips, and markers at a table.

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

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

**Take:** The same as earned and unearned take.

**Theoretical hold:** The intended hold percentage or win of an individual gaming machine as computed by reference to its payout schedule and reel strip settings or EPROM.

**Theoretical hold worksheet:** A worksheet provided by the manufacturer for all gaming machines that indicate the theoretical percentages that the gaming machine should hold based on adequate levels of coin-in. The worksheet also indicates the reel strip settings, number of credits that may be played, the payout schedule, the number of reels and other information descriptive of the particular type of gaming machine.

**Tier A (Class II-543):** Gaming operations with annual gross gaming revenues of more than \$3 million but not more than \$8 million.

**Tier A (Class III-542):** Gaming operations with annual gross gaming revenues of more than \$1 million but not more than \$5 million.

**Tier B (Class II-543):** Gaming operations with annual gross gaming revenues of more than \$8 million but not more than \$15 million.

**Tier B (Class III-542):** Gaming operations with annual gross gaming revenues of more than \$5 million but not more than \$15 million.

**Tier C (Class II-543):** Gaming operations with annual gross gaming revenues of more than \$15 million.

**Tier C (Class III-542):** Gaming operations with annual gross gaming revenues of more than \$15 million.

**Tokens:** A coin-like cash substitute, in various denominations, used for gambling transactions.

**Tribal gaming regulatory authority (TGRA):** (1) The tribally designated entity responsible for gaming regulation. (2) Tribal gaming regulatory authority, which is the entity authorized by tribal law to regulate gaming conducted pursuant to the Indian Gaming Regulatory Act.

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

**Vault:** A secure area within the gaming operation where tokens, checks, cash, coins, and chips are stored.

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

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

**Weigh/count:** The value of coins and tokens counted by a weigh machine.

**Weigh scale calibration module:** The device used to adjust a coin weigh scale.

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

**Weigh tape:** The tape where weighed coin is recorded.

**Wide area progressive gaming machine:** A progressive gaming machine that is linked to machines in other operations and play on the machines affect the progressive amount. As wagers are placed, the progressive meters on all of the linked machines increase.

**Win:** The net win resulting from all gaming activities. Net win results from deducting all gaming losses from all wins prior to considering associated operating expenses.

**Win-to-write hold percentage:** Win divided by write to determine hold percentage.

**Wireless gaming system:** All hardware, software, and communications that comprise a server-based system for the purpose of offering electronic versions of authorized gaming operation games to be played on mobile gaming devices within the authorized gaming area, as approved by CNGC, if/when wagered play is involved.

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

**Write:** The total amount wagered in keno, bingo, pull-tabs, and pari-mutuel operations.

**Writer:** An employee who writes keno, bingo, pull-tabs, or pari-mutuel tickets. A keno writer usually also makes payouts.

*[MICS Revision 542 October 2008]*

## § 542.3 How Do I Comply With This Part?

### Section Table of Contents

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### §542.3 How do I comply with this part?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

**(a) Compliance based upon tier.**

- (1) Tier A gaming operations must comply with §§542.1 through 542.18, and §§542.20 through 542.23.
- (2) Tier B gaming operations must comply with §§542.1 through 542.18, and §§542.30 through 542.33.
- (3) Tier C gaming operations must comply with §§542.1 through 542.18, and §§542.40 through 542.43.

**(b) Determination of tier.**

- (1) The determination of tier level shall be made based upon the annual gross gaming revenues indicated within the gaming operation's audited financial statements. Gaming operations moving from one tier to another shall have nine (9) months from the date of the independent certified public accountant's audit report to achieve compliance with the requirements of the new tier.
- (2) The Tribal gaming regulatory authority may extend the deadline by an additional six (6) months if written notice is provided to the Commission no later than two weeks before the expiration of the nine (9) month period.

**(c) Tribal internal control standards.** Within six (6) months of June 27, 2002, each Tribal gaming regulatory authority shall, in accordance with the Tribal gaming ordinance, establish and implement tribal internal control standards that shall:

- (1) Provide a level of control that equals or exceeds those set forth in this part;
- (2) Contain standards for currency transaction reporting that comply with 31 CFR part 103;
- (3) Establish standards for games that are not addressed in this part; and
- (4) Establish a deadline, which shall not exceed nine (9) months from June 27, 2002, by which a gaming operation must come into compliance with the tribal internal control standards. However, the Tribal gaming regulatory authority may extend the deadline by an additional six (6) months if written notice is provided to the Commission no later than two weeks before the expiration of the nine (9) month period.

**(d) Gaming operations.** Each gaming operation shall develop and implement an internal control system that, at a minimum, complies with the tribal internal control standards.

- (1) *Existing gaming operations.* All gaming operations that are operating on or before June 27, 2002, shall comply with this part within the time requirements established in paragraph (c) of this section. In the interim, such operations shall continue to comply with existing tribal internal control standards.
- (2) *New gaming operations.* All gaming operations that commence operations after August 26, 2002, shall comply with this part before commencement of operations.

**(e) Submission to Commission.** Tribal regulations promulgated pursuant to this part shall not be required to be submitted to the Commission pursuant to 25 CFR 522.3(b).

**(f) CPA testing.**

- (1) An independent certified public accountant (CPA) shall be engaged to perform "Agreed-Upon Procedures" to verify that the gaming operation is in compliance with the minimum internal control standards (MICS) set forth in this part or a Tribally approved variance thereto that has received Commission concurrence. The CPA shall report each event and procedure discovered by or brought to the CPA's attention that the CPA believes does not satisfy the minimum standards or Tribally approved variance that has received Commission concurrence. The "Agreed-Upon Procedures" may be performed in conjunction with the annual audit. The CPA shall report its findings to the Tribe, Tribal gaming regulatory authority, and management. The Tribe shall submit two copies of the report to the Commission within 120 days of the gaming operation's fiscal year end. This regulation is intended to communicate the Commission's position on the minimum agreed-upon procedures to be performed by the CPA. Throughout these regulations, the CPA's engagement and reporting are based on Statements on Standards for Attestation Engagements (SSAEs) in effect as of December 31, 2003, specifically SSAE 10 ("Revision and Recodification Agreed-Upon Procedures Engagements."). If future revisions are made to the SSAEs or new SSAEs are adopted that are applicable to this type of engagement, the CPA is to comply with any new or revised professional standards in conducting engagements pursuant to these regulations and the issuance of the agreed-upon procedures report. The CPA shall perform the "Agreed-Upon Procedures" in accordance with the following:
  - (i) As a prerequisite to the evaluation of the gaming operation's internal control systems, it is recommended that the CPA obtain and review an organization chart depicting segregation of functions and responsibilities, a description of the duties

and responsibilities of each position shown on the organization chart, and an accurate, detailed narrative description of the gaming operation's procedures in effect that demonstrate compliance.

- (ii) Complete the CPA NIGC MICS Compliance checklists or other comparable testing procedures. The checklists should measure compliance on a sampling basis by performing walk-throughs, observations and substantive testing. The CPA shall complete separate checklists for each gaming revenue center, cage and credit, internal audit, surveillance, information technology and complimentary services or items. All questions on each applicable checklist should be completed. Work-paper references are suggested for all "no" responses for the results obtained during testing (unless a note in the "W/P Ref" can explain the exception).
- (iii) The CPA shall perform, at a minimum, the following procedures in conjunction with the completion of the checklists:
  - (A) At least one unannounced observation of each of the following: Gaming machine coin drop, currency acceptor count, and table games count. The AICPA's "Audits of Casinos" Audit and Accounting Guide states that "observations of operations in the casino cage and count room should not be announced in advance \* \* \*" For purposes of these procedures, "unannounced" means that no officers, directors, or employees are given advance information regarding the dates or times of such observations. The independent accountant should make arrangements with the gaming operation and Tribal gaming regulatory authority to ensure proper identification of the CPA's personnel and to provide for their prompt access to the count rooms.
    - 1) The gaming machine coin count observation would include a weigh scale test of all denominations using pre-counted coin. The count would be in process when these tests are performed, and would be conducted prior to the commencement of any other walk-through procedures. For computerized weigh scales, the test can be conducted at the conclusion of the count, but before the final totals are generated.
    - 2) The checklists should provide for drop/count observations, inclusive of hard drop/count, soft drop/count and currency acceptor drop/count. The count room would not be entered until the count is in process and the CPA would not leave the room until the monies have been counted and verified to the count sheet by the CPA and accepted into accountability. If the drop teams are unaware of the drop observations and the count observations would be unexpected, the hard count and soft count rooms may be entered simultaneously. Additionally, if the gaming machine currency acceptor count begins immediately after the table games count in the same location, by the same count team, and using the same equipment, the currency acceptor count observation can be conducted on the same day as the table games count observation, provided the CPA remains until monies are transferred to the vault/cashier.
  - (B) Observations of the gaming operation's employees as they perform their duties.
  - (C) Interviews with the gaming operation's employees who perform the relevant procedures.
  - (D) Compliance testing of various documents relevant to the procedures. The scope of such testing should be indicated on the checklist where applicable.
  - (E) For new gaming operations that have been in operation for three months or less at the end of their business year, performance of this regulation, section 542.3(f), is not required for the partial period.
- (2) Alternatively, at the discretion of the Tribe, the Tribe may engage an independent certified public accountant (CPA) to perform the testing, observations and procedures reflected in paragraphs (f)(1)(i), (ii), and (iii) of this section utilizing the Tribal internal control standards adopted by the Tribal gaming regulatory authority or Tribally approved variance that has received Commission concurrence. Accordingly, the CPA will verify compliance by the gaming operation with the Tribal internal control standards. Should the Tribe elect this alternative, as a prerequisite, the CPA will perform the following:
  - (i) The CPA shall compare the Tribal internal control standards to the MICS to ascertain whether the criteria set forth in the MICS or Commission approved variances are adequately addressed.
  - (ii) The CPA may utilize personnel of the Tribal gaming regulatory authority to cross-reference the Tribal internal control standards to the MICS, provided the CPA performs a review of the Tribal gaming regulatory authority personnel's work and assumes complete responsibility for the proper completion of the work product.
  - (iii) The CPA shall report each procedure discovered by or brought to the CPA's attention that the CPA believes does not satisfy paragraph (f)(2)(i) of this section.
- (3) Reliance on Internal Auditors.
  - (i) The CPA may rely on the work of an internal auditor, to the extent allowed by the professional standards, for the performance of the recommended procedures specified in paragraphs (f)(1)(iii)(B), (C), and (D) of this section, and for the completion of the checklists as they relate to the procedures covered therein provided that the internal audit department can demonstrate to the satisfaction of the CPA that the requirements contained within §542.22, 542.32, or 542.42, as applicable, have been satisfied.



(ii) Agreed-upon procedures are to be performed by the CPA to determine that the internal audit procedures performed for a past 12-month period (includes two 6-month periods) encompassing a portion or all of the most recent business year has been properly completed. The CPA will apply the following Agreed-Up-On Procedures to the gaming operation's written assertion:

- (A) Obtain internal audit department work-papers completed for a 12-month period (includes two 6-month periods) encompassing a portion or all of the most recent business year and determine whether the CPA NIGC MICS Compliance Checklists or other comparable testing procedures were included in the internal audit work-papers and all steps described in the checklists were initialed or signed by an internal audit representative.
- (B) For the internal audit work-papers obtained in paragraph (f)(3)(ii)(A) of this section, on a sample basis, reperform the procedures included in CPA NIGC MICS Compliance Checklists or other comparable testing procedures prepared by internal audit and determine if all instances of noncompliance noted in the sample were documented as such by internal audit. The CPA NIGC MICS Compliance Checklists or other comparable testing procedures for the applicable Drop and Count procedures are not included in the sample reperformance of procedures because the CPA is required to perform the drop and count observations as required under paragraph (f)(1)(iii)(A) of this section of the Agreed-Up-On Procedures. The CPA's sample should comprise a minimum of 3 percent of the procedures required in each CPA NIGC MICS Compliance Checklist or other comparable testing procedures for the gaming machine and table game departments and 5 percent for the other departments completed by internal audit in compliance with the internal audit MICS. The reperformance of procedures is performed as follows:
  - 1) For inquiries, the CPA should either speak with the same individual or an individual of the same job position as the internal auditor did for the procedure indicated in their checklist.
  - 2) For observations, the CPA should observe the same process as the internal auditor did for the procedure as indicated in their checklist.
  - 3) For document testing, the CPA should look at the same original document as tested by the internal auditor for the procedure as indicated in their checklist. The CPA need only retest the minimum sample size required in the checklist.
- (C) The CPA is to investigate and resolve any differences between their reperformance results and the internal audit results.
- (D) Documentation is maintained for 5 years by the CPA indicating the procedures reperfomed along with the results.
- (E) When performing the procedures for paragraph (f)(3)(ii)(B) of this section in subsequent years, the CPA must select a different sample so that the CPA will reperform substantially all of the procedures after several years.
- (F) Any additional procedures performed at the request of the Commission, the Tribal gaming regulatory authority or management should be included in the Agreed-Up-On Procedures report transmitted to the Commission.

(4) Report Format.

- (i) The NIGC has concluded that the performance of these procedures is an attestation engagement in which the CPA applies such Agreed-Up-On Procedures to the gaming operation's assertion that it is in compliance with the MICS and, if applicable under paragraph (f)(2) of this section, the Tribal internal control standards and approved variances, provide a level of control that equals or exceeds that of the MICS. Accordingly, the Statements on Standards for Attestation Engagements (SSAE's), specifically SSAE 10, issued by the Auditing Standards Board is currently applicable. SSAE 10 provides current, pertinent guidance regarding agreed-upon procedure engagements, and the sample report formats included within those standards should be used, as appropriate, in the preparation of the CPA's agreed-upon procedures report. If future revisions are made to this standard or new SSAEs are adopted that are applicable to this type of engagement, the CPA is to comply with any revised professional standards in issuing their agreed upon procedures report. The Commission will provide an Example Report and Letter Formats upon request that may be used and contain all of the information discussed below:
  - (A) The report must describe all instances of procedural noncompliance regardless of materiality) with the MICS or approved variations, and all instances where the Tribal gaming regulatory authority's regulations do not comply with the MICS. When describing the agreed-upon procedures performed, the CPA should also indicate whether procedures performed by other individuals were utilized to substitute for the procedures required to be performed by the CPA. For each instance of noncompliance noted in the CPA's agreed-upon procedures report, the following information must be included:

- 1) The citation of the applicable MICS for which the instance of noncompliance was noted.
  - 2) A narrative description of the noncompliance, including the number of exceptions and sample size tested.

(5) Report Submission Requirements.

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

**(g) Enforcement of Commission Minimum Internal Control Standards.**

- (1) Each Tribal gaming regulatory authority is required to establish and implement internal control standards pursuant to paragraph (c) of this section. Each gaming operation is then required, pursuant to paragraph (d) of this section, to develop and implement an internal control system that complies with the Tribal internal control standards. Failure to do so may subject the Tribal operator of the gaming operation, and/or the management contractor, to penalties under 25 U.S.C. 2713.
- (2) Recognizing that Tribes are the primary regulator of their gaming operation(s), enforcement action by the Commission will not be initiated under this part without first informing the Tribe and Tribal gaming regulatory authority of deficiencies in the internal controls of its gaming operation and allowing a reasonable period of time to address such deficiencies. Such prior notice and opportunity for corrective action is not required where the threat to the integrity of the gaming operation is immediate and severe.

§ 543.3 How Do Tribal Governments Comply With This Part?

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### §543.3 How do tribal governments comply with this part?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) **Minimum standards.** These are minimum standards and a TGRA may establish and implement additional controls that do not conflict with those set out in this part.
- (b) **TICS.** TGRAs must ensure that TICS are established and implemented that provide a level of control that equals or exceeds the applicable standards set forth in this part.
- (1) *Evaluation of existing TICS.* Each TGRA must, in accordance with the tribal gaming ordinance, determine whether and to what extent their TICS require revision to ensure compliance with this part.
  - (2) *Compliance date.* All changes necessary to ensure compliance with this part must be promulgated within twelve months of the effective date of this part and implemented at the commencement of the next fiscal year. At the discretion of the TGRA, gaming operations may have an additional six months to come into compliance with the TICS.
- (c) **SICS.** Each gaming operation must develop a SICS, as approved by the TGRA, to implement the TICS.
- (1) *Existing gaming operations.* All gaming operations that are operating on or before the effective date of this part, must comply with this part within the time requirements established in paragraph (b) of this section. In the interim, such operations must continue to comply with existing TICS.
  - (2) *New gaming operations.* All gaming operations that commence operations after the effective date of this part must comply with this part before commencement of operations.
- (d) **Variances.** Where referenced throughout this part, the gaming operation must set a reasonable threshold, approved by the TGRA, for when a variance must be reviewed to determine the cause, and the results of the review must be documented and maintained.
- (e) **Computer applications.** For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control established by the standards of this part, as approved in writing by the TGRA, will be acceptable.
- (f) **Determination of tier.**
- (1) The determination of tier level will be made based upon the annual gross gaming revenues indicated within the gaming operation's audited financial statements.
  - (2) Gaming operations moving from one tier to another will have nine months from the date of the independent certified public accountant's audit report to achieve compliance with the requirements of the new tier. The TGRA may extend the deadline by an additional six months if written notice is provided to the Commission no later than two weeks before the expiration of the nine (9) month period.
- (g) **Submission to Commission.** Tribal regulations promulgated pursuant to this part are not required to be submitted to the Commission pursuant to §522.3(b) of this chapter.
- (h) **Enforcement of Commission MICS.**
- (1) Each TGRA is required to establish and implement TICS pursuant to paragraph (b) of this section. Each gaming operation is then required, pursuant to paragraph (c) of this section, to develop a SICS that implements the TICS. Failure to comply with this subsection may subject the tribal operator of the gaming operation, or the management contractor, to penalties under 25 U.S.C. 2713.
  - (2) Enforcement action by the Commission will not be initiated under this part without first informing the tribe and TGRA of deficiencies in the TICS or absence of SICS for its gaming operation and allowing a reasonable period of time to address such deficiencies. Such prior notice and opportunity for corrective action are not required where the threat to the integrity of the gaming operation is immediate and severe.

# General TICS for All Departments

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**General TICS.** All departments (gaming and non-gaming) are responsible for adhering to the following standards, as applicable, at all Choctaw Casinos.

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

**(a) Access approval.**

- (1) Anytime approval is requested for any type of access (e.g., restricted area entry control, computer, application, electronic key system, etc.) the authorizing department must confirm the individual acquiring access has a valid license issued by the Choctaw Nation Gaming Commission (CNGC).
- (2) Access requested at gaming facilities for individuals who are not licensed at that specific facility must be approved by the applicable department, and documentation of approval must be maintained by the authorizing department.
  - (i) Scan badge access, outside the scope of the individual's job functionality/approved site, must be approved by the CNGC.
  - (ii) Computer application access, outside the scope of the individual's job functionality/approved site, must be approved by the IT Department.
  - (iii) Electronic key system access, outside the scope of the individual's job functionality/approved site, must be approved by the Compliance Department.
- (3) Any access approved for a designated individual is prohibited from being shared to prevent unauthorized use or entry.

**(b) Associate attire.**

- (1) Attire worn by key gaming license associates who are assigned to perform a cash/chip handling role (including supervisors/managers) must have no pockets or pockets must be securely closed in a method approved by the CNGC. Layered clothing is only permitted if the undershirt is short-sleeved and/or if provided to the associate as a part of the casino issued standard uniform.
  - (i) In addition, associates who perform Soft Count duties must wear short-sleeved shirts (including supervisors/managers) and the shirts must remain un-tucked while performing cash-handling duties.
  - (ii) Security Associates are excluded from the above-mentioned requirement.
  - (iii) Valet Associates are excluded from the above-mentioned requirement.
  - (iv) Lodging and Retail Associates are excluded from the above requirement.
  - (v) Supervisors/managers who are wearing casino issued or business attire and are required to unexpectedly fulfill cash handling roles are not obligated to comply with the above-mentioned standards.
- (2) The gaming operation must establish and implement procedures, as approved by the CNGC, for Personal Protective Equipment (PPE) used by cash/chip handling associates and PPE utilized within cash/chip handling areas. These procedures at a minimum must include the following:
  - (i) Putting on and removing the PPE, and
  - (ii) Disposal of the PPE.

**(c) Associate change of status.**

- (1) The department manager or designated associate is responsible for immediately notifying (via email or an approved electronic method) departments which include, but may not be limited to, the following: IT, HR, Compliance Department, CNGC Licensing Department and Surveillance when any change of status (e.g., suspension, transfer, medical leave, termination, etc.) occurs.
  - (i) All access rights to computer applications, restricted areas and electronic key systems must be updated accordingly by the responsible department within seventy-two (72) hours of notification.

**(d) Associate cooperation.**

- (1) All associates have the responsibility to immediately notify the CNGC upon discovery of any violation or suspected violation of any criminal statute, including any suspicions of theft or fraudulent activity.
- (2) Any associate that knowingly provides false information to the CNGC may have their gaming license suspended.

- (3) All documentation must be provided to CNGC upon request.
- (i) Forms, reports, logs, and any other documentation must be provided within seventy-two (72) hours of the CNGC request.
  - (A) If a department cannot comply with the CNGC documentation request within the seventy-two (72) hour time frame, a written response to the request must be provided stating the reason more time is needed.
- (4) Any individually assigned credentials (e.g., Kronos, gaming license numbers, etc.) must not be utilized by any person other than the assigned individual, unless written approval (for specific exceptions) from senior management has been provided to the department in which the transaction takes place.
- (i) A method of identification validation may be requested prior to redemption.

**(e) Camera coverage.** The gaming operation must establish and implement internal control standards for obtaining approval via email from Surveillance and CNGC ([cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com)) for the addition, removal or relocation of equipment requiring Surveillance coverage.

**(f) Casino-banned and self-banned guest standards.**

- (1) Training must be provided for gaming associates regarding casino-banned and self-banned Guests.
- (2) A list of casino-banned or self-banned Guests must be maintained that is easily accessible for casino associates.
- (3) All decisions made by Choctaw Casino Management and the CNGC are final regarding the outcome of all casino-banned appeals.
  - (i) Each site is responsible for submitting a recommendation to the CNGC within thirty (30) days after receiving the Guest's Appeal Request Form and appeal letter.
- (4) Once a Guest has been "banned", the Guest must be "flagged" to prevent future Choctaw Rewards Club benefits from being utilized and the Guest must be removed from mailing databases.
- (5) When an associate has access to the Banned Patron List and verifies a Guest's identification via photo ID (or another approved identifying method), the associate must ensure the Guest is not a banned Guest.
  - (i) If the Guest's name appears on the Banned Patron List, the associate will terminate the transaction and notify Security and Surveillance (if available) immediately.
- (6) Gaming funds and/or promotional items will be forfeited by casino-banned or self-banned Guests.
  - (i) Any promotional items, tickets and/or chips in the amount of one hundred dollars (\$100) or more obtained as a result of a wager made within Choctaw Casinos will be forfeited. All promotional items forfeited will be awarded to an eligible casino Guest in a manner approved by Choctaw Nation Gaming Commission. All other forfeiture amounts will be donated to a federally recognized non-profit organization.
    - (A) All/any gaming funds forfeited by casino-banned or self-banned Guests are to be documented in the Vault.
    - (B) The federally recognized non-profit organization must be in good standing with the IRS to be eligible to receive forfeited funds.
  - (ii) The casino site must complete the "Request for Responsible Gambling Funds to be Issued Form" and submit (via email) to the CNGC for approval within sixty (60) days from the date the funds were forfeited.
  - (iii) All promotional items forfeited by casino-banned or self-banned Guests must be awarded to an eligible casino Guest in a manner approved by CNGC.

**(g) Chip payout standard.** At all Cage Booth locations, chip transactions in the amount of [REDACTED] or more must be verified by at least two (2) cash handling positions (one of whom must be a supervisor or above). Both verifications must be performed prior to completing the transaction.

**(h) Computer applications.**

- (1) For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Tribal gaming regulatory authority, will be acceptable.
  - (i) Associates must take preventative measures to ensure passwords are maintained in a secured method to prevent unauthorized access, tampering, intrusion or alteration.
  - (ii) Access rights to various computer applications should be based on the job functionality of each associate.



- (A) Prior approval must be obtained from the CNGC to acquire additional access rights (outside of the job functionality scope).
- (iii) All associates are required to lock their computer screen (e.g., ctrl+alt+delete) or log off of the computer/application before leaving their work area.
- (iv) Any associate working on a computer/application must do so using their individually assigned credentials (with the exception of training purposes, if necessary).
  - (A) During training, the trainer must remain present while their credentials are being utilized.
  - (B) Generic usernames and/or passwords may only be utilized with prior written approval from the IT Department and CNGC.
- (2) The department manager or designated associate is responsible for immediately notifying (via email or an approved electronic method) IT, HR, Compliance Department, CNGC Licensing Department, and Surveillance when any change of status (e.g., suspension, transfer, medical leave, termination, etc.) occurs.
  - (i) All access rights to computer applications, restricted areas and electronic key systems must be updated accordingly by the responsible department within seventy-two (72) hours of notification.
- (i) Damaged currency.** The gaming operation must establish and implement policies and procedures, as approved by the CNGC, regarding transactions and accountability/tracking for damaged currency.
- (j) Documents and corrections.**
  - (1) All documents, forms and logs must be completed accurately and entirely.
  - (2) Corrections to originally recorded information must be made by drawing a single line through the error, writing the correct information above the error and then recording legible initials and gaming license number(s) of the associate(s) making the change.
    - (i) All corrections to count documentation must be made by drawing a single line through the error, writing the correct information above the error and obtaining legible initials and gaming license numbers of at least two (2) count team associates who verified the change.
  - (3) Any corrections requested must be completed within seventy-two (72) hours of receiving the request. The request must be submitted on an exception report when the correction involves a financial document. Once the correction is made the report must be placed with the original casino paperwork.
- (k) Electronic equivalents.**
  - (1) Alternatively, electronic equivalents of documentation will be considered sufficient to meet documentation standards, if all required standards are met.
    - (i) A manual method must be available in case of electronic system failure.
- (l) Emergency procedures.**
  - (1) All Choctaw Casino sites must have an emergency procedure plan developed and approved by the Choctaw Nation Safety Department.
    - (i) Choctaw Casinos may request an update and/or revision to the emergency procedure plan from Choctaw Nation Safety Department.
  - (2) This plan must be readily accessible, and all associates must be able to demonstrate knowledge of this plan. If any event should occur to hinder normal gaming operation procedures (e.g., power outage, system failure, etc.) the following emergency procedures apply:
    - (i) Notification procedures (Surveillance, Security, members of management, etc.);
    - (ii) A plan of action for associates to follow; and
    - (iii) An evacuation plan for Guests and associates.
- (m) Extraneous items.**

- (1) Personal items such as money, purses, wallets, coin purses, cell phones, cigarette cases, etc. must not be allowed in any cash/chip handling areas. Individually wrapped (not packaged) cough drops, hard candy and essential medical items are permissible with proper approval.
  - (i) Proper storage must be made available to the associates to ensure the security of their personal possessions.
    - (A) Associates are not permitted to use undergarments to hold items on their person.
  - (ii) Medical items are permitted in cash/chip handling areas when deemed necessary by a physician's note.
    - (A) Notification must be given to Security, or other designated departments as approved by the CNGC, to ensure proper inspection of these items prior to leaving the cash/chip handling areas.
  - (iii) This standard also applies to areas (i.e., Rewards Club) where Guest transactions are conducted involving promotional offers, prizes, and/or awards.
  - (iv) Security Associates are excluded from the above-mentioned requirement.
- (2) At casino sites where associates must pass through cash/chip handling areas to access designated proper storage areas, personal items must be transported directly to and from the designated area and must not be maintained or used in cash/chip handling areas.
- (3) Associates must use transparent containers for all beverages in cash/chip handling areas, as permitted by management.
  - (i) This standard also applies to areas (i.e., Rewards Club) where Guest transactions are conducted involving promotional offers, prizes, and/or awards.
- (4) The gaming operation must establish and implement policies and procedures, as approved by the CNGC, regarding the use of personal electronic devices (e.g., smart watches, external storage devices, etc.) capable of recording and/or communicating in cash/chip handling areas.

**(n) Found chip/currency/ticket(s).**

- (1) All facilities must ensure that a secured method, approved by the CNGC, is utilized by associates to process and maintain all found chip/currency/ticket(s).
  - (i) This method must include provisions for continuous surveillance coverage, immediate recording and require adequate maintenance of documentation.
- (2) The found chip/currency/ticket(s) must be reconciled by the Vault Department and audited by the Revenue Audit Department, on at least a monthly basis.

**(o) Found credits.**

- (1) Any associate who discovers credits left on an unattended gaming machine (with no apparent sign of the Guest returning) must cash out the credits and follow the protocol for found chip/currency/ticket(s).
- (2) The gaming operation must establish and implement policies and procedures, as approved by the CNGC, regarding downloaded credit found on an unattended gaming machine.

**(p) Found Choctaw Rewards Club Cards.**

- (1) All facilities must ensure that associates have access to a secured container for the immediate deposit of all received/found Rewards Club Cards.
  - (i) The secured container(s) must be maintained under adequate surveillance coverage and contents must be retrieved by independent personnel.
  - (ii) The independent department responsible for destruction of lost Rewards Club Cards must be Security or other designated departments, as approved by the CNGC.
  - (iii) Disposal of lost Rewards Club Cards must be completed on at least a monthly basis in an area with surveillance coverage.

**(q) Foreign currency/external chips.** The gaming operation must establish and implement policies and procedures, as approved by the CNGC, regarding transactions and accountability/tracking for foreign currency and external chips.

**(r) Gaming license.**

- (1) All Choctaw Casino Associates must be able to maintain a valid gaming license. Working without a gaming license is strictly prohibited; therefore, the gaming operation must establish and implement control standards that, at a minimum, ensure that no associate is allowed to work without a valid gaming license.
  - (i) Choctaw Nation Associates with a gaming license are prohibited from being simultaneously licensed with any other tribe(s).
- (2) While on property for work purposes, a valid gaming license must be worn on the front upper body via a neck lanyard or clipped to the chest area. Associates who identify the placement of their gaming license is not visible with the front facing out must immediately remedy the position of the license. Additions such as stickers, name tags, or photos are prohibited from being added to the gaming license.
  - (i) If a plastic badge holder is utilized to maintain the CNGC issued gaming license or other Choctaw Nation issued badges/cards (e.g., electronic access control card, etc.), the plastic holder is prohibited from containing other contents and must be transparent.
    - (A) Associates who are assigned to perform a cash/chip handling role (including supervisors/managers) must not utilize transparent plastic badge holders for personal items (e.g., notes, passwords, or any other extraneous item).
- (3) In the event that an associate forgets or misplaces their gaming license, a temporary work license must be obtained; however, a temporary work license may not be issued for more than four (4) consecutive days. If an associate receives a temporary work license, and does not have their electronic access control card, an approved escort must scan (or unlock) the entryway of the secure area(s) that is pertinent to the associate's job function.
  - (i) All associates and vendors requiring a temporary work license must provide the required information detailed in Security TICS (b)(2).
- (4) If a gaming license is lost, the associate must obtain a new CNGC gaming license.
  - (i) A five-dollar (\$5) fee may be charged to replace a gaming license.

**(s) Gifts.** Associates who receive gifts from a Guest must comply with the Human Resources policy regarding the receipt and disclosure of said gifts.

**(t) House rules.** Each facility must have the most current House Rules readily accessible to Guests.

**(u) Inventory control standards.**

- (1) Inventory control standards must be implemented for each applicable department to address the following, at a minimum:
  - (i) Inventory tracking method;
  - (ii) Periodic review (cycle counts) and adjustments to reported inventory;
  - (iii) Reporting and investigating inventory variances;
  - (iv) Fiscal year-end inventory procedures; and
  - (v) Retention of documents related to purchasing, receiving, cycle counts, adjustments, etc.

**(v) Lost and Found.**

- (1) Any items (excluding Rewards Club Cards and found chip/currency/ticket[s]) found by or turned in to Choctaw Casino Associates must be immediately turned over to Security or the designated department.
  - (i) If the item cannot be immediately turned over, notification to Security or the designated department must be immediately given for retrieval.
- (2) The gaming operation must establish and implement written procedures, as approved by the CNGC, that addresses lost/found items. These procedures must include a policy on disposing of lost/found items after a specified length of time.
- (3) All lost/found items (excluding Rewards Club Cards and found chip/currency/ticket[s]) turned in for safe-keeping must be neatly organized, secured and properly tracked by the use of a log. At a minimum, the Lost/Found Log must contain the following:
  - (i) Date and time that item(s) was turned in;
  - (ii) Name and phone number of person turning in the item(s);

- (iii) Description of item(s), including a distinct identifier;
- (iv) Location where item(s) was found; and
- (v) Was an attempt made to contact the owner of the item(s) (if applicable)? If so, when?
- (4) Additional information regarding lost/found that must be maintained, includes but is not limited to, the following:
  - (i) Inventory;
  - (ii) Claiming items;
  - (iii) Transfer/transport of items between Choctaw Casinos;
  - (iv) Disposing of items; and
  - (v) Monetary items found inside purses, wallets, etc.
- (5) The lost and found inventory must be stored in a secure location under video surveillance.

**(w) Mail-in gaming machine ticket standards.**

- (1) The gaming operation must establish and implement a mail-in gaming machine ticket standard, as approved by the CNGC, that at a minimum includes the following:
- (2) Redemption of mail-in gaming machine tickets requires the submission of a copy of the Guest's government photo identification, a completed W-9 and the original ticket.
  - (i) The casino associate must verify that the Guest is eligible for payout (not a banned Guest); and
  - (ii) The ticket must be capable of being verified by the gaming system prior to payout.

**(x) Notification of variance.**

- (1) All associate variances of [REDACTED] or more, that are not resolved within twenty-four (24) hours of detection, must be communicated (via email) to the CNGC Audit Department ([cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com)).
  - (i) Revenue Audit must notify (via email) CNGC ([cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com)), Surveillance, Compliance Department, and Corporate Accounting of all associate variances (Cage, Poker, Table Games, OTB, etc.) of [REDACTED] or more that are not resolved within twenty-four (24) hours of detection.
  - (ii) All variances of [REDACTED] or more must be immediately communicated to Surveillance **via email**.
- (2) For each drop period, Revenue Audit Associates must compare the bill-in meter reading to the total bill acceptor drop amount for the period. Discrepancies must be resolved before the generation/distribution of gaming machine statistical reports.
- (3) Follow-up must be performed for any one (1) machine having an unresolved variance between actual currency drop and bill-in meter reading in excess of an amount that is both more than [REDACTED] of the actual currency drop. The follow-up performed and results of the investigation must be documented, maintained for inspection, and provided to the CNGC upon request.
- (4) If at any time a variance is determined to be a direct result of theft, fraudulent, or criminal activity immediate notification must be given (via email) to CNGC, Surveillance, Compliance Department, Corporate Accounting, and Security.

**(y) Over/shortage accountability standard.** The gaming operation must establish and implement an over/shortage accountability standard, as approved by the CNGC.

**(z) Policy & procedure standards.**

- (1) Each department, within the gaming operation, must work with the Internal Policy Department to establish, implement, and maintain current policies and procedures.
- (2) All guidances, forms, and logs applicable to casinos, including revisions, must be submitted to the CNGC for approval at least thirty (30) days prior to intended implementation date.
  - (i) The CNGC will review the submitted documents as promptly as possible and make every attempt to complete an initial review within fifteen (15) days of receipt.

- (ii) Any superficial changes not altering the content of the document (such as branding) made by the Internal Policy Department does not require CNGC approval.
- (3) In addition, all policies, procedures and memos pertaining to gaming regulations must be submitted to the CNGC for approval prior to implementation or removal.
- (4) The Internal Policy Department must ensure all current approved policies and procedures (including guidances, forms and logs) are accessible to all applicable Choctaw Casinos departments within thirty (30) days of obtaining all appropriate approvals.
  - (i) The Internal Policy Department must notify (via email or an approved method) all applicable Choctaw Casino Management Teams of any approved policies, procedures, memos, forms, and logs, including revisions.
  - (ii) These must include the date of implementation and/or last revision date.
- (5) The most current approved policies and procedures (including forms and logs) must be utilized by Choctaw Casinos.
- (6) Prior to implementing any "test" phase(s), written authorization must be obtained from the CNGC Audit Department to ensure proposed procedures are compliant with all applicable gaming regulations.
  - (i) Each proposed "test" phase must be submitted to the CNGC (via email) from the Compliance Department and include the following:
    - (A) Test site(s);
    - (B) Affected department(s); and
    - (C) Dates of testing (beginning/ending).

**(aa) Privacy standards.**

- (1) All personal information under the care, custody and control of Choctaw Casinos must be regarded as confidential and available only to authorized persons. Guests may request their own personal information/data after verification of identification using policies established and implemented by Choctaw Casinos regarding acceptable proof of identity.
- (i) Additional requests for the release of any Guest's or associate's personal information to another individual and/or agency outside of the Choctaw Nation, requires written authorization from the CNGC prior to issuance. All subpoenas issued by a court of competent jurisdiction must be forwarded to the Senior Director of Gaming Commission.
- (ii) The release of any Guest or associate personal information within the Choctaw Nation must be for business purposes only.

**(bb) Promotional payouts and/or awards.**

- (1) Prior to implementing any promotions, the gaming operation must submit the proposed promotional rules to the CNGC ([cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com)) for approval. The rules must be sent at least thirty (30) days in advance of the desired promotion implementation date. No promotion may be implemented without written approval from the CNGC.
  - (i) All progressive promotional funds require documented verification from Casino Accounting prior to submission to the CNGC for approval.
  - (ii) In addition to obtaining approval for each promotion, on a monthly basis and prior to a promotion beginning, the applicable department must provide detailed information of any approved scheduled promotion(s) to Surveillance.
    - (A) Additional information must be provided upon request.
    - (B) A list of all current promotions must be maintained and available upon request.
    - (C) Prizes and/or cash must be awarded as approved by the CNGC.
  - (iii) Ongoing or continual promotions that operate unaltered for a period of greater than one (1) month may be submitted as such, thus removing the monthly submission requirement. However, prior to alterations or cessation, proper notification/approvals must be given to or obtained from the relevant parties listed herein.
- (2) The gaming operation must establish and implement control standards for the issuance, redemption and documentation of promotional payouts and/or awards.
- (3) All Choctaw Casino Guest's eligibility must be validated prior to receiving any promotional payouts and/or awards that are distributed by Choctaw Casino.

- (i) Associates must verify the Guest's photo ID and Choctaw Rewards Club Card prior to processing any promotional prize or award.
- (ii) Associates must verify the Guest is not a casino-banned or self-banned Guest.
- (4) All promotional payouts and/or awards must be documented in a manner that allows for the following information to be obtained:
  - (i) Date and time;
  - (ii) Machine number and denomination (when applicable);
  - (iii) Dollar amount of payout or description of property (e.g., jacket, toaster, car, etc.), including fair market value;
  - (iv) Type of promotion (e.g. double jackpots, four of a kind bonus, etc.);
  - (v) Signature (written or electronic) of at least one (1) associate authorizing and completing the transaction; and
    - (A) If a computerized system is utilized and each associate is identified by an individual username and password, the electronic documentation such as an individual username will suffice the associate signature requirement; provided that the individual username is indicated on the report(s).
  - (vi) Signature of Guest receiving the taxable promotional award and/or payout, if valued at [REDACTED] or more (excluding PBT).
    - (A) All taxable promotional payouts and/or awards that are valued at [REDACTED] or more, must be adequately documented and submitted to the Choctaw Nation Gaming Finance Department.
- (5) Procedures must be implemented by the gaming operation to ensure adequate documentation is obtained regarding alternative types of awards and/or payouts during a promotion that are non-taxable, such as free play (PBT).
- (6) All methods utilized for promotional drawings must be approved by the CNGC prior to the drawing event.
  - (i) If the promotional drawing is not generated by an electronic system that allows for the activity to be tracked or the method requires manual involvement for any of the drawing process, Security must be present to observe the drawing to ensure the integrity of the outcome.
- (7) All promotions held at Choctaw Casinos must have rules that are easily accessible for Guests.
- (8) Revenue Audit must perform a review of the promotional documentation and the computerized reports on at least a monthly basis.
- (9) Appropriate documentation must be maintained that allows reviewing associates to trace all promotional transactions/drawings.
- (10) An accurate inventory of all promotional items valued at [REDACTED] or more must be maintained.

**(cc) Purchasing standards.**

- (1) Procedures must be developed for each department to address the following, at a minimum:
  - (i) Vendor approval process for products and/or services;
  - (ii) Purchasing process;
  - (iii) Approval from executive-level management for purchases exceeding an established threshold;
  - (iv) Standards of conduct; and
  - (v) Documentation of purchasing records.

**(dd) Reporting missing sensitive keys.**

- (1) Due to the importance of the "sensitive" keys that are utilized throughout the various facilities, anytime a sensitive key is missing, lost or taken from the premises, immediate notification must be given to the applicable management team and the designated associate responsible for the electronic key system.
- (2) Sensitive keys that have not been returned within twelve (12) hours must be communicated to the applicable management team (via email) by the system administrator upon detection.

(3) Sensitive keys that are past due for twelve (12) hours must be communicated to the CNGC (via email) by the system administrator.

(i) Once the keys have been located, notification must be submitted (via email) to the CNGC.

**(ee) Restricted area entry control.**

(1) All restricted areas (including back of house) must have adequate controls to prevent unauthorized access. Access to restricted areas must be authorized by the CNGC. Restricted areas may be controlled by an electronic access control system or by a manual method, provided that a current listing of all departments or positions authorized to enter is clearly posted.

(i) The gaming operation must submit the appropriate form for approval to the CNGC when requesting any additional access for an associate (outside the scope of the associate's job functionality).

(ii) An access request form must be completed accurately and entirely. Upon implementation, the access request form must include revision dates to document when they are updated.

(iii) Approval for additional access not supported by the current gaming license status must adhere to the standards located in section (a) of the General TICS.

(iv) Doors to restricted areas (including, but not limited to, ALL doors with electronic access control) are strictly prohibited from being propped open or tampered with in a manner that allows unauthorized entry.

(A) Doors under repair or propped open for approved reasons require a designated authorized associate to be stationed in a manner that prevents unauthorized entry.

(2) All unauthorized associates or vendor representatives who request access into a restricted area to perform job functionality must have an approved escort.

(i) The following are the approved escorts who are permitted to accompany them until they leave the restricted area:

(A) Security:

(B) CNGC:

(C) Executive-Level Management:

(D) Designated department supervisor or above.

1) Designated department associates (with management or CNGC approval).

2) Approval authorized by management must be submitted to the CNGC.

(ii) The authorized escort must remain present and observe the activity of the unauthorized person until the unauthorized person exits the restricted area.

(A) While Surveillance Associates are participating in shadow training in various Casino Departments, the approved escort is not required to remain with the Surveillance Associate after the initial escort to the location.

(3) The CNGC must have unrestricted access at all Choctaw Casino facilities.

(4) Associates are not permitted to bring visitors into restricted areas (including back of house) who are under the age of eighteen (18) or who have no work purpose.

(5) In order for all Security personnel and Lighthorse Police to qualify for unrestricted access (with the exception of Surveillance area[s]) within their facility, a valid gaming license must be obtained from the CNGC.

(6) If an associate's electronic access control card is lost or stolen, the associate must immediately notify the on-duty department supervisor for prompt deactivation.

(7) If an associate does not have their electronic access control card, an approved escort must scan (or unlock) the entryway of the secure area(s) that is pertinent to the associate's job function.

(i) Approved escorts are not required to remain with authorized Casino Associates who do not have their scan badge after the initial escort to the location, once they have confirmed the individual requesting access has a valid gaming license issued by the Choctaw Nation Gaming Commission (CNGC).

**(ff) Role of management.**

- (1) Management must respond to internal audit findings and Compliance Department issued exceptions stating corrective measures to be taken to avoid recurrence of the audit exception(s) within ten (10) business days of receipt of the audit or exception notification.
- (2) The gaming operation must establish and implement policies and procedures, as approved by the CNGC, regarding management responsibilities concerning Security and/or Surveillance issued policy violations.

**(gg) Sensitive Key Control.**

- (1) The gaming operation must establish and implement a standard for sensitive key authorization, as approved by the CNGC.
- (2) Sensitive keys, when not in use, must be maintained in a secure manner and under video surveillance to prevent unauthorized access. Electronic key systems (maintained by the Compliance Department) are recommended to ensure sensitive keys are only obtained by authorized personnel. However, if a manual method is utilized it must be the responsibility of the Security Department.
  - (i) The "override" key may be maintained by Security and/or Surveillance.
  - (ii) Surveillance coverage is not required for the "override" key maintained by Security due to the manual signature requirements established in MICS 542.21; 542.31; 542.41 (t)(2)(ii).
- (3) Any associate checking out keys must do so using their individually assigned credentials (with the exception of training purposes, if necessary).
  - (i) During training, the trainer must remain present while the keys they checked out are being utilized.
- (4) Associates checking out keys must maintain custody of the keys until they are checked in, with the exception of a designated Drop Team.
  - (i) Security must call Surveillance (where live Surveillance is available) prior to Drop Associates checking out Drop Keys and provide the first and last names and gaming license numbers of associates performing the drop.

**(hh) Tips.** Associates who receive tips must comply with the Choctaw Casinos Internal Tip Policy regarding the receipt and disclosure of said tips.

**(ii) Training.**

- (1) At least annually, job-related training programs must be implemented and conducted for each department to ensure that all Casino Associates are aware of the current gaming regulations and the proper procedures to ensure compliance.
  - (i) Each department must establish and implement a new hire training program, specific to the department, that includes but is not limited to, procedures for all systems/software that will be utilized during job performance.
- (2) Current records that confirm associate training completion must be maintained and provided to the CNGC and/or any other authorized associate upon request.
- (3) The training program must address any applicable Tribal-wide policies, as well as the following requirements, at a minimum:
  - (i) Minimum Internal Control Standards (MICS);
  - (ii) Tribal Internal Control Standards (TICS);
  - (iii) System of Internal Control Standards (SICS);
  - (iv) Choctaw Nation Emergency Procedure Plan; and
  - (v) BSA/AML (Title 31) Requirements, as applicable.

**(jj) Transfers/draws.**

- (1) The transport of funds (i.e., cash, chips) in the amount of [REDACTED] or more within the facility and/or the transport of ANY amount of funds to an adjacent location requires a Security escort. The authorized associates are responsible for recording, acquiring and distributing the money transfer and/or draw.
- (2) All currency transports require the funds to be secured during transport using an approved bag/container which must be locked and unlocked under video surveillance.
  - (i) Access to the bag/container keys during currency transport is prohibited when transport cannot be continuously viewed by Surveillance.



(ii) The chips/cheques and/or tokens being transported must be in a "birdcage" (or other approved container).

(3) Any fund transfers and/or draws without a Security escort must be transported directly to and from the designated location(s).

(i) The gaming operation must establish and implement written procedures regarding unescorted fund transports for Tier B and C facilities.

(A) These procedures must include a requirement to notify Surveillance prior to transporting funds exceeding [REDACTED].

(4) Security, or other designated departments as approved by the CNGC, must be the runner for chips/cheques and/or tokens to or from the pit area. The chips/cheques and/or tokens being transported must be in a "birdcage" (or other approved container) and accompanied by the proper transfer forms.

(5) In the absence of an electronic currency dispensing device, each associate receiving a currency draw must verify their own beginning bank and any additional draws prior to utilizing funds. Each bundle must be broken down and individually verified to prevent commingling with other bundles.

**(kk) Trash.**

(1) Trash can liners used in designated Cage/Vault areas (including temporary and satellite Cages/Vaults) or card/dice/roulette ball storage areas must be transparent. Trash from these areas must be sifted through in the presence of a Security Officer, or other designated independent department associate as approved by the CNGC, before being removed from the secure area.

(i) Areas such as food and beverage bartending areas, gift shops, arcades, etc. are excluded from the above-mentioned requirement.

(ii) The Security Officer, or designated associate, is responsible for ensuring the trash is sifted thoroughly. The Security Officer, or designated associate, may request the associate to repeat the procedure if the process was not completed sufficiently.

**(ll) Unclaimed funds.**

(1) Any time a casino Guest is ineligible to receive a payout it is considered "unclaimed funds" (e.g., lack of proper identification, banned Guest, underage, on the OFAC list, abandoned, etc.).

(2) Funds that have been won by a banned Guest will be forfeited, deposited by the Vault and donated to a federally recognized non-profit organization in good standing with the IRS.

(3) All other unclaimed funds will be forfeited, deposited by the Vault and processed in a manner that allows for the Guest to be able to return with proper identification and claim the funds.

(4) Guests are able to return to claim their funds within one-hundred-eighty (180) days with proper documentation.

(i) Funds that are NOT claimed within one-hundred-eighty (180) days will be forfeited toward gross revenue.

(ii) Unclaimed funds payout requests after the one-hundred-eighty (180) days must have written approval from the Assistant General Manager or above, along with the reason for the exception.

(5) On at least a monthly basis, the Revenue Audit Department must review the unclaimed funds documentation and reconcile the unclaimed funds accounts.

**(mm) Unnecessary storage.**

(1) Excessive quantities of items (office/cleaning supplies, promotional items, etc.) must not be stored in cash/chip handling or cage/vault areas.

(2) Once boxes in cash/chip handling areas are emptied they must be:

(i) Inspected by Security and immediately removed from the cash/chip handling area; or

(ii) Disassembled and placed in the trash.

(3) Only items essential to the job duties of Cage/Vault Associates are allowed in the Cage/Vault areas. Any other items must be stored in a location separate from where cash handling duties are performed.

**(nn) Final decision.** If at any time the interpretation of a Tribal Internal Control Standard is in question, the decision rendered by the CNGC is final.

## **§ 542.19 Accounting**

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## § 542.19 What are the minimum internal control standards for accounting?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) Each gaming operation shall prepare accurate, complete, legible, and permanent records of all transactions pertaining to revenue and gaming activities.
- (b) Each gaming operation shall prepare general accounting records according to Generally Accepted Accounting Principles on a double-entry system of accounting, maintaining detailed, supporting, subsidiary records, including, but not limited to:
  - (1) Detailed records identifying revenues, expenses, assets, liabilities, and equity for each gaming operation;
  - (2) Detailed records of all markers, IOU's, returned checks, hold checks, or other similar credit instruments;
  - (3) Individual and statistical game records to reflect statistical drop, statistical win, and the percentage of statistical win to statistical drop by each table game, and to reflect statistical drop, statistical win, and the percentage of statistical win to statistical drop for each type of table game, by shift, by day, cumulative month-to-date and year-to-date, and individual and statistical game records reflecting similar information for all other games;
  - (4) Gaming machine analysis reports which, by each machine, compare actual hold percentages to theoretical hold percentages;
    - (i) The Slot Manager or designated associate must review, investigate and document variances identified on the statistical reports on a monthly basis. The reports and supporting documentation, including an explanation for any variances, must then be submitted (via email) to Revenue Audit for review and retention. The reports reviewed should be readily accessible and provided upon request.
    - (ii) If statistical reports are unable to be produced from the gaming system, a designated associate must compile a monthly statistical report.
  - (5) The records required by this part and by the Tribal internal control standards;
  - (6) Journal entries prepared by the gaming operation and by its independent accountants; and
  - (7) Any other records specifically required to be maintained.
- (c) Each gaming operation shall establish administrative and accounting procedures for the purpose of determining effective control over a gaming operation's fiscal affairs. The procedures shall be designed to reasonably ensure that:
  - (1) Assets are safeguarded;
  - (2) Financial records are accurate and reliable;
  - (3) Transactions are performed only in accordance with management's general and specific authorization;
  - (4) Transactions are recorded adequately to permit proper reporting of gaming revenue and of fees and taxes, and to maintain accountability of assets;
  - (5) Recorded accountability for assets is compared with actual assets at reasonable intervals, and appropriate action is taken with respect to any discrepancies; and
  - (6) Functions, duties, and responsibilities are appropriately segregated in accordance with sound business practices.
  - (7) Copies of all financial records must be made available to the CNGC upon request. This includes, but is not limited to, electronic access when applicable.
- (d) **Gross gaming revenue computations.**
  - (1) For table games, gross revenue equals the closing table bankroll, plus credit slips for cash, chips, tokens or personal/payroll checks returned to the cage, plus drop, less opening table bankroll and fills to the table, and money transfers issued from the game through the use of a cashless wagering system.
  - (2) For gaming machines, gross revenue equals drop, less fills, jackpot payouts and personal property awarded to patrons as gambling winnings. Additionally, the initial hopper load is not a fill and does not affect gross revenue. The difference between the initial hopper load and the total amount that is in the hopper at the end of the gaming operation's fiscal year should be adjusted accordingly as an addition to or subtraction from the drop for the year.

(3) For each counter game, gross revenue equals:

- (i) The money accepted by the gaming operation on events or games that occur during the month or will occur in subsequent months, less money paid out during the month to patrons on winning wagers ("cash basis"); or
- (ii) The money accepted by the gaming operation on events or games that occur during the month, plus money, not previously included in gross revenue, that was accepted by the gaming operation in previous months on events or games occurring in the month, less money paid out during the month to patrons as winnings wagers ("modified accrual basis").

(4) For each card game and any other game in which the gaming operation is not a party to a wager, gross revenue equals all money received by the operation as compensation for conducting the game.

- (i) A gaming operation shall not include either skill win or loss in gross revenue computations.
- (ii) In computing gross revenue for gaming machines, keno and bingo, the actual cost to the gaming operation of any personal property distributed as losses to patrons may be deducted from winnings (other than costs of travel, lodging, services, food, and beverages), if the gaming operation maintains detailed documents supporting the deduction.

**(5) All gaming operations must utilize a proven gaming system that uses the approved methods for formulating the various gross gaming revenue computations and gaming analysis reports.**

- (e) Each gaming operation shall establish internal control systems sufficient to ensure that currency (other than tips or gratuities) received from a patron in the gaming area is promptly placed in a locked box in the table, or in the case of a cashier, in the appropriate place in the cashier's cage, or on those games which do not have a locked drop box, or on card game tables, in an appropriate place on the table, in the cash register or in another approved repository.
- (f) If the gaming operation provides periodic payments to satisfy a payout resulting from a wager, the initial installment payment, when paid, and the actual cost of a payment plan, which is funded by the gaming operation, may be deducted from winnings. The gaming operation is required to obtain the approval of all payment plans from the TGRA. For any funding method which merely guarantees the gaming operation's performance, and under which the gaming operation makes payments out of cash flow (e.g., irrevocable letters of credits, surety bonds, or other similar methods), the gaming operation may only deduct such payments when paid to the patron.
- (g) For payouts by wide-area progressive gaming machine systems, a gaming operation may deduct from winnings only its pro rata share of a wide-area gaming machine system payout.
- (h) Cash-out tickets issued at a gaming machine or gaming device shall be deducted from gross revenue as jackpot payouts in the month the tickets are issued by the gaming machine or gaming device. Tickets deducted from gross revenue that are not redeemed within a period, not to exceed 180 days of issuance, shall be included in gross revenue. An unredeemed ticket previously included in gross revenue may be deducted from gross revenue in the month redeemed.
- (i) A gaming operation may not deduct from gross revenues the unpaid balance of a credit instrument extended for purposes other than gaming.
- (j) A gaming operation may deduct from gross revenue the unpaid balance of a credit instrument if the gaming operation documents, or otherwise keeps detailed records of, compliance with the following requirements. Such records confirming compliance shall be made available to the TGRA or the Commission upon request:
  - (1) The gaming operation can document that the credit extended was for gaming purposes;
  - (2) The gaming operation has established procedures and relevant criteria to evaluate a patron's credit reputation or financial resources and to then determine that there is a reasonable basis for extending credit in the amount of sum placed at the patron's disposal;
  - (3) In the case of personal checks, the gaming operation has established procedures to examine documentation, which would normally be acceptable as a type of identification when cashing checks, and has recorded the patron's bank check guarantee card number or credit card number, or has satisfied paragraph (j)(2) of this section, as management may deem appropriate for the check-cashing authorization granted;
  - (4) In the case of third-party checks for which cash, chips, or tokens have been issued to the patron, or which were accepted in payment of another credit instrument, the gaming operation has established procedures to examine documentation, normally accepted as a means of identification when cashing checks, and has, for the check's maker or drawer, satisfied paragraph (j)(2) of this section, as management may deem appropriate for the check-cashing authorization granted;
  - (5) In the case of guaranteed drafts, procedures should be established to ensure compliance with the issuance and acceptance procedures prescribed by the issuer;

- (6) The gaming operation has established procedures to ensure that the credit extended is appropriately documented, not least of which would be the patron's identification and signature attesting to the authenticity of the individual credit transactions. The authorizing signature shall be obtained at the time credit is extended.
- (7) The gaming operation has established procedures to effectively document its attempt to collect the full amount of the debt. Such documentation would include, but not be limited to, letters sent to the patron, logs of personal or telephone conversations, proof of presentation of the credit instrument to the patron's bank for collection, settlement agreements, or other documents which demonstrate that the gaming operation has made a good faith attempt to collect the full amount of the debt. Such records documenting collection efforts shall be made available to the TGRA or the commission upon request.

**(k) Maintenance and preservation of books, records and documents.**

- (1) All original books, records and documents pertaining to the conduct of wagering activities shall be retained by a gaming operation in accordance with the following schedule. A record that summarizes gaming transactions is sufficient, provided that all documents containing an original signature(s) attesting to the accuracy of a gaming related transaction are independently preserved. Original books, records or documents shall not include copies of originals, except for copies that contain original comments or notations on parts of multi-part forms. The following original books, records and documents shall be retained by a gaming operation for a minimum of five (5) years:
  - (i) Casino cage documents;
  - (ii) Documentation supporting the calculation of table game win;
  - (iii) Documentation supporting the calculation of gaming machine win;
  - (iv) Documentation supporting the calculation of revenue received from the games of keno, pari-mutuel, bingo, pull-tabs, card games, and all other gaming activities offered by the gaming operation;
  - (v) Table games statistical analysis reports;
  - (vi) Gaming machine statistical analysis reports;
  - (vii) Bingo, pull-tab, keno and pari-mutuel wagering statistical reports;
  - (viii) Internal audit documentation and reports;
  - (ix) Documentation supporting the write-off of gaming credit instruments and named credit instruments;
  - (x) All other books, records and documents pertaining to the conduct of wagering activities that contain original signature(s) attesting to the accuracy of the gaming related transaction.
- (2) Unless otherwise specified in this part, all other books, records, and documents shall be retained until such time as the accounting records have been audited by the gaming operation's independent certified public accountants.
- (3) The above definition shall apply without regards to the medium by which the book, record or document is generated or maintained (paper, computer-generated, magnetic media, etc.).

[MICS Revision 542 October 2008]

§ 543.23 Audit and Accounting

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## § 543.23 What are the minimum internal control standards for audit and accounting?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

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

(1) All Choctaw Casino Accounting Departments must adhere to the accounting policies and procedures of the Choctaw Nation of Oklahoma, as well as other gaming regulatory standards that are applicable.

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

- (1) Prepares accurate, complete, legible, and permanent records of all transactions pertaining to gaming revenue and activities for operational accountability.
- (2) Prepares general accounting records on a double-entry system of accounting, maintaining detailed, supporting, subsidiary records, and performs the following activities:

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

(A) All Choctaw Casinos must be consistent in the general ledger coding. This must include conformity of account names, account codes, vendor names, vendor codes, etc.

- (ii) Record all markers, IOU's, returned checks, held checks, or other similar credit instruments;
    - (iii) Record journal entries prepared by the gaming operation and by any independent accountants used;
    - (iv) Prepare income statements and balance sheets;
    - (v) Prepare appropriate subsidiary ledgers to support the balance sheet;
    - (vi) Prepare, review, and maintain accurate financial statements;

(A) The explanation of any unusual adjustments (prior period corrections, large expenditures and revisions) that have a major impact on the casino's net profit must be noted in the monthly financial statements.

(B) All revised, previously released financials must be re-submitted to the gaming operation and the CNGC with a revision date. The specific change, amount and reason must be noted.

- (vii) Prepare transactions in accordance with the appropriate authorization, as provided by management;
      - (viii) Record transactions to facilitate proper recording of gaming revenue and fees, and to maintain accountability of assets;
      - (ix) Compare recorded accountability for assets to actual assets at periodic intervals, and take appropriate action with respect to any variances;
      - (x) Segregate functions, duties, and responsibilities;
      - (xi) Prepare minimum bankroll calculations; and

(A) Additional requirements regarding minimum bankroll calculation standards are located in 543.18 (c)(4).

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

- (c) **Internal audit.** Controls must be established and procedures implemented to ensure that:

- (1) Internal auditor(s) perform audits of each department of a gaming operation, at least annually, to review compliance with TICS, SICS, and these MICS, which include at least the following areas:
  - (i) Bingo, including supervision, bingo cards, bingo card sales, draw, prize payout; cash and equivalent controls, technologic aids to the play of bingo, operations, vouchers, and revenue audit procedures;
  - (ii) Pull-tabs, including, supervision, Pull-tab inventory, Pull-tab sales, winning Pull-tabs, Pull-tab operating funds, statistical records, and revenue audit procedures;

- (iii) Card games, including supervision, exchange or transfers, playing cards, skill funds, reconciliation of card room bank, posted rules, and promotional progressive pots and pools;
  - (iv) Gaming promotions and player tracking procedures, including supervision, gaming promotion rules and player tracking systems;
  - (v) Complimentary services or items, including procedures for issuing, authorizing, redeeming, and reporting complimentary service items;
  - (vi) Patron deposit accounts and cashless systems procedures, including supervision, patron deposit accounts and cashless systems, as well as patron deposits, withdrawals and adjustments;
  - (vii) Lines of credit procedures, including establishment of lines of credit policy;
  - (viii) Drop and count standards, including supervision, count room access, count team, card game drop standards, player interface and financial instrument drop standards, card game count standards, player interface financial instrument count standards, collecting currency cassettes and financial instrument storage components from kiosks, kiosk count standards, and controlled keys;
  - (ix) Cage, vault, cash and cash equivalent procedures, including supervision, cash and cash equivalents, personal checks, cashier's checks, traveler's checks, payroll checks, and counter checks, cage and vault accountability, kiosks, patron deposited funds, promotional payouts, drawings, and giveaway programs, chip and token standards, and cage and vault access;
  - (x) Information technology, including supervision, class II gaming systems' logical and physical controls, independence, physical security, logical security, user controls, installations and/or modifications, remote access, incident monitoring and reporting, data back-ups, software downloads, and verifying downloads; and
  - (xi) Accounting standards, including accounting records, maintenance and preservation of financial records and relevant supporting documentation.
  - (xii) Surveillance Department standards, including supervision, procedures, surveillance operating systems, surveillance room equipment, surveillance room access, training records, etc.;
  - (xiii) Additionally, on at least an annual basis, a review must be conducted of each gaming operation's Title 31/Bank Secrecy Act (BSA)/Anti-Money Laundering (AML)/Office of Foreign Assets Control (OFAC) compliance program, including procedures, all records and relevant supporting documentation; and
  - (xiv) Any other department or entity that is located within a gaming facility or utilizes gaming facility resources may be subject to internal audits at the discretion of the CNGC.
- (2) Internal auditor(s) are independent of gaming operations with respect to the departments subject to audit (auditors internal to the operation, officers of the TGRA, or outside CPA firm may perform this function).
  - (3) Internal auditor(s) report directly to the Tribe, TGRA, audit committee, or other entity designated by the Tribe.
  - (4) Documentation such as checklists, programs, reports, etc. is prepared to evidence all internal audit work and follow-up performed as it relates to compliance with TICS, SICS, and these MICS, including all instances of noncompliance.
  - (5) Audit reports are maintained and made available to the Commission upon request and must include the following information:
    - (i) Audit objectives;
    - (ii) Audit procedures and scope;
    - (iii) Findings and conclusions;
    - (iv) Recommendations, if applicable; and
    - (v) Management's response.
  - (6) All material exceptions identified by internal audit work are investigated and resolved and the results are documented.
  - (7) Internal audit findings are reported to management, responded to by management stating corrective measures to be taken, and included in the report delivered to management, the Tribe, TGRA, audit committee, or other entity designated by the Tribe for corrective action.



- (8) Follow-up observations and examinations are performed to verify that corrective action has been taken regarding all instances of non-compliance. The verification is performed within six (6) months following the date of notification of non-compliance.
- (9) The CNGC may request documentation of corrective measures implemented by management to remedy violations noted during audits. This information will be placed with the department's response form as proof that proper follow-up has been completed.

**(d) Annual requirements.**

- (1) Agreed upon procedures. A CPA must be engaged to perform an assessment to verify whether the gaming operation is in compliance with these MICS, and/or the TICS or SICS if they provide at least the same level of controls as the MICS. The assessment must be performed in accordance with agreed upon procedures and the most recent versions of the Statements on Standards for Attestation Engagements and Agreed-Upon Procedures Engagements (collectively "SSAEs"), issued by the American Institute of Certified Public Accountants.
- (2) The tribe must submit two copies of the agreed-upon procedures report to the Commission within 120 days of the gaming operation's fiscal year end in conjunction with the submission of the annual financial audit report required pursuant to 25 CFR Part 571.
- (3) Review of internal audit.
  - (i) The CPA must determine compliance by the gaming operation with the internal audit requirements in this paragraph (d) by:
    - (A) Completing the internal audit checklist;
    - (B) Ensuring that the internal auditor completed checklists for each gaming department of the operation;
    - (C) Verifying that any areas of non-compliance have been identified;
    - (D) Ensuring that audit reports are completed and include responses from management; and
    - (E) Verifying that appropriate follow-up on audit findings has been conducted and necessary corrective measures have been taken to effectively mitigate the noted risks.
  - (ii) If the CPA determines that the internal audit procedures performed during the fiscal year have been properly completed, the CPA may rely on the work of the internal audit for the completion of the MICS checklists as they relate to the standards covered by this part.
- (4) Report format. The SSAEs are applicable to agreed-upon procedures engagements required in this part. All noted instances of noncompliance with the MICS and/or the TICS or SICS, if they provide the same level of controls as the MICS, must be documented in the report with a narrative description, the number of exceptions and sample size tested.

## § 543.24 Auditing Revenue

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## § 543.24 What are the minimum internal control standards for auditing revenue?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) **Supervision.** Supervision must be provided as needed for revenue audit by an agent(s) with authority equal to or greater than those being supervised.
- (b) **Independence.** Audits must be performed by agent(s) independent of the transactions being audited.
- (c) **Documentation.** The performance of revenue audit procedures, the exceptions noted, and the follow-up of all revenue audit exceptions must be documented and maintained.
- (1) All Revenue Audit documentation that summarizes identified issues of non-compliance associated with monthly, quarterly, bi-annual, and annual audits (e.g., audit reports, audit summaries, etc.) must be submitted upon detection to the CNGC via email at [cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com) or by utilizing an alternative approved method.
    - (i) In addition, summaries must also be made available to the Compliance Department and applicable department management.
  - (2) The gaming operation must establish and implement policies and procedures, as approved by the CNGC, for documenting and reporting identified issues of non-compliance associated with daily audits.
  - (3) All revised audit reports containing audit exceptions must be communicated to the CNGC.
  - (4) Revenue Audit must maintain supporting documentation for all audit work and follow-ups performed, as it relates to compliance with the MICS and TICS. This includes, but is not limited to: checklists, programs, reports, etc.
  - (5) Management must respond to any exceptions on Revenue Audit summaries within ten (10) business days.
- (d) **Controls must be established and procedures implemented to audit each of the following operational areas:**
- (1) Bingo.
    - (i) At the end of each month, verify the accuracy of the ending balance in the bingo control log by reconciling it with the bingo paper inventory. Investigate and document any variance noted.
    - (ii) Daily, reconcile supporting records and documents to summarized paperwork or electronic records (e.g., total sales and payouts per shift and/or day).
    - (iii) At least monthly, review variances related to bingo accounting data in accordance with an established threshold, which must include, at a minimum, variance(s) noted by the Class II gaming system for cashless transactions in and out, electronic funds transfer in and out, external bonus payouts, vouchers out and coupon promotion out. Investigate and document any variance noted.
    - (iv) At least monthly, review statistical reports for any deviations from the mathematical expectations exceeding a threshold established by the TGRA. Investigate and document any deviations compared to the mathematical expectations required to be submitted per § 547.4.
      - (A) The Gaming Operation will establish and implement a method to review variances, as approved by the CNGC.
      - (B) The Slot Manager or designated associate must review, investigate and document these variances on a quarterly basis. The reports and supporting documentation, including an explanation for any variances, must then be submitted (via email) to Revenue Audit for review and retention. The reports reviewed should be readily accessible and provided upon request.
  - (v) At least monthly, take a random sample, foot the vouchers redeemed and trace the totals to the totals recorded in the voucher system and to the amount recorded in the applicable cashier's accountability document.
    - (A) Revenue Audit Associates must review all tax forms, all packets with a variance of [REDACTED] or more and at least a ten percent (10%) random sample of the remaining packets.
- (2) Pull-tabs.
  - (i) Daily, verify the total amount of winning Pull-tabs redeemed each day.
  - (ii) At the end of each month, verify the accuracy of the ending balance in the Pull-tab control log by reconciling the Pull-tabs on hand. Investigate and document any variance noted.

- (iii) At least monthly, compare for reasonableness the amount of Pull-tabs sold from the Pull-tab control log to the amount of pull-tab sales.
- (iv) At least monthly, review statistical reports for any deviations exceeding a specified threshold, as defined by the TGRA. Investigate and document any large and unusual fluctuations noted.

(A) Deviations in excess of [REDACTED] must be investigated and adequately documented.

(B) Associate variances of [REDACTED] or more, not resolved within twenty-four (24) hours of detection, requires immediate notification to the CNGC (via email) at [cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com).

(3) Card games.

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

(iv) All daily reports and tax forms for Card Games must be reviewed by Revenue Audit for propriety of transactions and unusual occurrences.

(A) All noted improper transactions or unusual occurrences must be investigated with the results documented.

(B) Associate variances of [REDACTED] or more, not resolved within twenty-four (24) hours of detection, requires immediate notification to the CNGC (via email) at [cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com).

(4) Gaming promotions and player tracking.

- (i) At least monthly, review promotional payments, drawings, and giveaway programs to verify payout accuracy and proper accounting treatment in accordance with the rules provided to patrons.
- (ii) At least monthly, for computerized player tracking systems, perform the following procedures:
  - (A) Review authorization documentation for all manual point additions/deletions for propriety;
  - (B) Review exception reports, including transfers between accounts; and
  - (C) Review documentation related to access to inactive and closed accounts.
- (iii) At least annually, all computerized player tracking systems must be reviewed by agent(s) independent of the individuals that set up or make changes to the system parameters. The review must be performed to determine that the configuration parameters are accurate and have not been altered without appropriate management authorization. Document and maintain the test results.

(iv) At least annually, a review of the drawing method(s) used by the gaming operation must be sampled by Revenue Audit to validate payments/prizes were awarded to the correct Guests.

(v) At least monthly, review the computerized player tracking systems for propriety of transactions and unusual occurrences. The review must include, but is not limited to: voided authorizations, and inactive/closed accounts. All noted improper transactions or unusual occurrences identified must be investigated and the results documented.

(vi) At least monthly, a review must be completed of any modifications or additions to the parameters originally set by Corporate Marketing, as stated in MICS 543.12 (c)(1), including addition of group members.

(5) Complimentary services or items. At least monthly, review the reports required in § 543.13(c). These reports must be made available to those entities authorized by the TGRA or by tribal law or ordinance.

- (i) The gaming operation must establish and implement policies and procedures, as approved by the CNGC, for documenting and reporting identified issues of non-compliance associated with complimentary services or items to the CNGC, Compliance Department, and Corporate Accounting.

(ii) At least monthly, a review must be conducted by the Revenue Audit Department that includes:

(A) Verification of associates who authorize, issue, redeem, and void complimentary services or items;

(B) System limitations and conditions of those associates;

(C) Any changes in the associate's access within the system; and

(D) Documentation that records the authorization, issuance, redemption and voiding of complimentary services or items, including cash and non-cash gifts.

(6) Patron deposit accounts.

(i) At least weekly, reconcile patron deposit account liability (deposits ± adjustments–withdrawals = total account balance) to the system record.

(A) All variances of [REDACTED] or more, that are not resolved within twenty-four (24) hours of detection, must be communicated (via email) to the CNGC Audit Department ([cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com)).

(ii) At least weekly, review manual increases and decreases to/from player deposit accounts to ensure proper adjustments were authorized.

(A) All instances of unauthorized adjustments that are detected by the Revenue Audit Department must be immediately communicated (via email) to the CNGC Audit Department ([cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com)).

(iii) This section also applies to front money and mobile gaming accounts.

(7) Lines of credit.

(i) At least three (3) times per year, an agent independent of the cage, credit, and collection functions must perform the following review:

(A) Select a sample of line of credit accounts;

(B) Ascertain compliance with credit limits and other established credit issuance procedures;

(C) Reconcile outstanding balances of both active and inactive (includes write-offs and settlements) accounts on the accounts receivable listing to individual credit records and physical instruments. This procedure need only be performed once per year for inactive accounts; and

(D) Examine line of credit records to determine that appropriate collection efforts are being made and payments are being properly recorded.

(E) For at least five (5) days during the review period, subsequently reconcile partial payment receipts to the total payments recorded by the cage for the day and account for the receipts numerically.

(ii) At least monthly, perform an evaluation of the collection percentage of credit issued to identify unusual trends.

(iii) All discrepancies that are detected by the Revenue Audit Department must be immediately communicated (via email) to the CNGC Audit Department ([cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com)).

(8) Drop and count.

(i) At least quarterly, unannounced currency counter and currency counter interface (if applicable) tests must be performed, and the test results documented and maintained. All denominations of currency and all types of cash out tickets counted by the currency counter must be tested. This test may be performed by internal audit or the TGRA. The result of these tests must be documented and signed by the agent(s) performing the test.

(ii) At least quarterly, unannounced weigh scale and weigh scale interface (if applicable) tests must be performed, and the test results documented and maintained. This test may be performed by internal audit or the TGRA. The result of these tests must be documented and signed by the agent(s) performing the test.

(iii) For computerized key security systems controlling access to drop and count keys, perform the following procedures:

(A) At least quarterly, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes users' access within the system (*i.e.*, system administrator). Determine whether the transactions completed by the system administrator provide adequate control

over the access to the drop and count keys. Also, determine whether any drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized;

1) Daily, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes user's access within the system (i.e., system administrator). Determine whether the transactions completed by the system administrator provide an adequate control over the access to the gaming machine drop and count keys. Also, determine whether any gaming machine drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized.

(B) At least quarterly, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual drop and count key removals or key returns occurred; and

1) For at least one (1) day each month, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual gaming machine drop and count key removals or key returns occurred.

(C) At least quarterly, review a sample of users that are assigned access to the drop and count keys to determine that their access to the assigned keys is appropriate relative to their job position.

(D) All noted improper transactions or unusual occurrences must be investigated with the results documented.

(iv) At least quarterly, an inventory of all controlled keys must be performed and reconciled to records of keys made, issued, and destroyed. Investigations must be performed for all keys unaccounted for, and the investigation documented.

(v) The daily drop and soft count paperwork (including Card/Table Games) must be reviewed to ensure accuracy.

(A) All noted improper transactions or unusual occurrences must be investigated with the results documented.

(B) In addition, any gaming machine variances of [REDACTED] or more, not resolved by the next drop or a timeframe not to exceed seventy-two (72) hours, requires immediate notification to the CNGC (via email) at [cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com).

(vi) At least monthly, review the electronic access control card and/or sensitive key rights to prevent and/or detect unauthorized entry to the Soft Count Room.

(9) Cage, vault, cash, and cash equivalents.

(i) At least monthly, the cage accountability must be reconciled to the general ledger.

(ii) At least monthly, trace the amount of cage deposits to the amounts indicated in the bank statements.

(iii) Twice annually, a count must be performed of all funds in all gaming areas (i.e., cages, vaults, and booths (including reserve areas), kiosks, cash-out ticket redemption machines, and change machines. Count all chips and tokens by denomination and type. Count individual straps, bags, and imprest banks on a sample basis. Reconcile all amounts counted to the amounts recorded on the corresponding accountability forms to ensure that the proper amounts are recorded. Maintain documentation evidencing the amount counted for each area and the subsequent comparison to the corresponding accountability form. The count must be completed within the same gaming day for all areas.

(A) Counts must be observed by an individual independent of the department being counted. It is permissible for the individual responsible for the funds to perform the actual count while being observed.

(B) Internal audit may perform and/or observe the two counts.

(iv) At least annually, select a sample of invoices for chips and tokens purchased, and trace the dollar amount from the purchase invoice to the accountability document that indicates the increase to the chip or token inventory to ensure that the proper dollar amount has been recorded.

(v) At each business year end, create and maintain documentation evidencing the amount of the chip/token liability, the change in the liability from the previous year, and explanations for adjustments to the liability account including any adjustments for chip/token float.

(vi) At least monthly, review a sample of returned checks to determine that the required information was recorded by cage agent(s) when the check was cashed.

(vii) At least monthly, review exception reports for all computerized cage systems for propriety of transactions and unusual occurrences. The review must include, but is not limited to, voided authorizations. All noted improper transactions or unusual occurrences identified must be investigated and the results documented.

- (viii) Daily, reconcile all parts of forms used to document increases/decreases to the total cage inventory, investigate any variances noted, and document the results of such investigations.
- (ix) The daily Cage/Vault and tax forms paperwork and/or electronic records (including OTB, hotel, food and beverage and other revenue generating areas) must be reviewed to ensure accuracy.
  - (A) All noted improper transactions or unusual occurrences must be investigated with the results documented.
  - (B) Associate variances of [REDACTED] or more, not resolved within twenty-four (24) hours of detection, requires immediate notification to the CNGC (via email) at [cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com).
- (x) In addition, at least a ten percent (10%) random sample of the remaining packets must be reviewed daily.
- (xi) At least monthly, tax withholdings in the Cage paperwork must be reconciled to the Vault paperwork.
- (xii) At least monthly, Revenue Audit must reconcile the unclaimed funds.
- (xiii) At least monthly, review the electronic access control card and/or sensitive key rights to prevent and/or detect unauthorized entry to Cage, Vault and any other areas where cash/chips are stored.
- (xiv) At least monthly, review reportable wireless gaming system revenue, outstanding mobile gaming account balances, and exception reports.

(10) Inventory.

- (i) At least monthly, verify receipt, issuance, and use of controlled inventory, including, but not limited to, bingo cards, Pull-tabs, playing cards, keys, pre-numbered and/or multi-part forms.
  - (A) Inventory must also be verified regarding Card/Table Games cards awaiting destruction.
  - (B) At least quarterly, an inventory of all count room, drop box release, storage rack and contents keys is performed, and reconciled to records of keys made, issued, and destroyed. Investigations are performed for all keys unaccounted for, with the investigation being documented.
- (ii) Periodically perform minimum bankroll calculations to ensure that the gaming operation maintains cash in an amount sufficient to satisfy the gaming operation's obligations.
- (iii) At least annually, an inventory must be performed on retail merchandise.
- (iv) At least annually, an inventory must be performed on all on-site lost and found items maintained by Security, or the designated department, as well as, tracing of funds that have been deposited due to lost and found items.
- (v) Revenue Audit must review the gaming operation's established and implemented methods, as well as all supporting documentation, for tracking any tournament chips and/or promotional chips (as applicable).

(11) Pari-Mutuel.

- (i) A gaming operation shall perform the following accounting and auditing functions:
- (ii) The pari-mutuel audit shall be conducted by personnel independent of the pari-mutuel operation.
- (iii) Documentation shall be maintained evidencing the performance of all pari-mutuel accounting and auditing procedures.
- (iv) An accounting employee shall review handle, commission, and breakage for each day's play and recalculate the net amount due to or from the systems operator on a weekly basis.
- (v) The accounting employee shall verify actual cash/cash equivalents turned in to the system's summary report for each cashier's drawer (Beginning balance, (+) fills (draws), (+) net write (sold less voids), (-) payouts (net of IRS withholding), (-) cash backs (pays), (=) cash turn-in).
- (vi) In the event a screen-automated machine (SAM) does not balance for a day's play, Revenue Audit must perform the following procedures:
  - (A) Foot the winning tickets and vouchers deposited and trace to the totals of SAM activity produced by the system;
  - (B) Foot the listing of cashed vouchers and trace to the totals produced by the system;
  - (C) Review all exceptions for propriety of transactions and unusual occurrences;

- (D) Review all voids for propriety;
- (E) Verify the results as produced by the system to the results provided by an independent source;
- (F) Re-grade one percent (1%) of paid (cash) tickets to ensure accuracy and propriety; and
- (G) When applicable, reconcile the totals of future tickets written to the totals produced by the system for both earned and unearned take, and review the reports to ascertain that future wagers are properly included on the day of the event.
- (vii) At least annually, Revenue Audit must foot the wagers for one day and trace to the total produced by the system.
- (viii) At least one (1) day per quarter, Revenue Audit must recalculate and verify the change in the unpaid winners to the total purged tickets.
- (ix) Associate variances of [REDACTED] or more, not resolved within twenty-four (24) hours of detection, requires immediate notification to the CNGC (via email) at [cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com).

**(12) Table games.**

- (i) Daily, reconcile the amount indicated on the progressive sign/meter to the cash counted or received by the cage and the payouts made for each promotional progressive pot and pool. This reconciliation must be sufficiently documented, including substantiation of differences and adjustments.
- (ii) At least monthly, review all payouts for the promotional progressive pots, pools, or other promotions to verify payout accuracy and proper accounting treatment and that they are conducted in accordance with conditions provided to the Guests.
- (iii) At the conclusion of each contest/tournament, reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document.
- (iv) All exception reports for computerized Table Games systems must be reviewed at least monthly by Revenue Audit for propriety of transactions and unusual occurrences.
- (v) The daily Table Games paperwork and tax forms must be reviewed to ensure accuracy.
  - (A) All noted improper transactions or unusual occurrences must be investigated with the results documented.
  - (B) Associate variances of [REDACTED] or more, not resolved within twenty-four (24) hours of detection, requires immediate notification to the CNGC (via email) at [cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com).

**(13) Non-gaming areas.**

- (i) At least annually, Revenue Audit must complete a review of all non-gaming areas (e.g., movie theatre, bowling center, arcade, gift shops, spa, hotel, pool, bars, food and beverage, event center, RV Park, Valet, etc.) for propriety of transactions and unusual occurrences.
- (ii) A threshold [REDACTED] must be established by the gaming operation for each non-gaming area to ensure shortages/overages are reviewed by Revenue Audit.

**(14) Gaming machines.**

- (i) At least monthly, review variances related to gaming machine accounting data in accordance with an established threshold, which must include, at a minimum, variance(s) noted by the gaming system for cashless transactions in and out, electronic funds transfer in and out, external bonus payouts, vouchers out and coupon promotion out. Investigate and document any variance noted.
- (ii) At least monthly, review statistical reports for any deviations from the mathematical expectations exceeding a threshold established by the TGRA. Investigate and document any deviations compared to the mathematical expectations required to be submitted per § 547.4.
- (iii) In addition, any gaming machine variances of [REDACTED] or more, not resolved by the next drop or a timeframe not to exceed seventy-two (72) hours, requires immediate notification to the CNGC (via email) at [cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com).
- (iv) At least monthly, review the electronic **access control** card and/or **sensitive key** rights to prevent and/or detect unauthorized entry to the Server Room(s).



- (v) At least monthly, test for the validity of mobile gaming accounts, including testing for fraudulent and/or fictitious accounts and review statistical reports for any deviations from the mathematical expectations exceeding a threshold established by the TGRA. Investigate and document any deviations compared to the mathematical expectations required to be submitted per § 547.4.

(15) Record retention standards.

- (i) Revenue Audit must ensure the adequate maintenance and preservation of financial records and relevant supporting documentation, as stated in 542.19 (k).

(16) Special event cards.

- (i) The Revenue Audit Department must establish a process, as approved by the CNGC, for the review of all special event cards (e.g., perfect attendance, birthday, etc.).
  - (A) The process must include, but may not be limited to, the review of documentation regarding number of cards created, issued and/or unused for each event, issuance of any free play or PBT to a special event card and ensure the intended recipient(s) of the special event card does not have an active casino-banned/self-banned status.

(17) Progressives.

- (i) At least monthly, all in-house progressive records must be reviewed by Revenue Audit to ensure required documentation has been properly recorded justifying any decreases.
  - (A) The gaming operation must provide the Surveillance Department and Revenue Audit Department with a list of all re-seed or base amounts for each In-House Progressive Gaming Machine via an approved method. This list must be updated by the operation anytime new progressive gaming machines are installed.
  - (B) The gaming operation must provide the Surveillance Department and Revenue Audit Department with a list of all re-seed or base amounts for each Wide-Area Progressive Gaming Machine via an approved method. This list must be updated by the operation anytime new progressive gaming machines are installed.

(18) BSA/AML (Title 31).

- (i) Title 31 must be reviewed to ensure that all requirements have been met, the information recorded is accurate and has been completed properly.
  - (A) Revenue Audit must ensure that an independent test of the BSA/AML/OFAC Compliance Program is completed annually.

(19) Food and beverage.

- (i) All daily transactions and deposits for Choctaw Casino operated Food and Beverage/Alcohol Departments must be reviewed by Revenue Audit. Verification of inventory must be performed periodically.

(20) Other requirements.

- (i) Any time the MICS/TICS regulations refer to Accounting/Auditing it will be considered the equivalent to Revenue Audit.
- (ii) At least monthly, Revenue Audit must reconcile the found chip/currency/ticket(s).
- (iii) At least annually, a review of vending merchandise, logs, receipts, purchase orders, and inventory must be performed by Revenue Audit.

## § 543.8 Bingo

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## § 543.8 What are the minimum internal control standards for bingo?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

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

**(b) Bingo cards.**

- (1) Physical bingo card inventory controls must address the placement of orders, receipt, storage, issuance, removal, and cancellation of bingo card inventory to ensure that:
  - (i) The bingo card inventory can be accounted for at all times; and
  - (ii) Bingo cards have not been marked, altered, or otherwise manipulated.
  - (iii) The Bingo card inventory must be controlled to ensure the integrity of the cards being used, as follows:
    - (A) Purchased paper must be inventoried and secured by a person or persons independent of the Bingo sales;
    - (B) The issue of paper to the cashiers must be documented and signed for by the person responsible for inventory control and the cashier. The document log must include the series number of the Bingo paper;
    - (C) A copy of the Bingo paper control log must be given to the Bingo ball caller for purposes of determining if the winner purchased the paper that was issued for sale that day (electronic version satisfies this standard); and
    - (D) Within five (5) business days following a Bingo session (or upon request), the Bingo staff must verify the accuracy of the Bingo paper inventory and provide an accurate inventory to the Revenue Audit Department.
  - (iv) At least monthly, the Revenue Audit Department must verify the accuracy of the Bingo paper inventory.
  - (v) A monthly comparison for reasonableness must be made of the amount of paper sold from the Bingo paper control log to the amount of revenue recognized.
  - (vi) Any transfer of Bingo supplies (e.g., Bingo paper, Pull-tabs, etc.) between Choctaw facilities requires prior notification (via email) to the CNGC ([cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com)). The transferring and receiving facilities must have supporting documentation to validate the exchange. A copy of the supporting documentation must be submitted to the Compliance Department and CNGC.
  - (vii) Each Choctaw Casino must use a Bingo card destruction method that has been approved by the CNGC prior to implementation. A department independent of Bingo must be utilized to destroy the Bingo cards.
- (2) Receipt from supplier.
  - (i) When bingo card inventory is initially received from the supplier, it must be inspected (without breaking the factory seals, if any), counted, inventoried, and secured by an authorized agent.
  - (ii) Bingo card inventory records must include the date received, quantities received, and the name of the individual conducting the inspection.
- (3) Storage.
  - (i) Bingo cards must be maintained in a secure location, accessible only to authorized agents, and with surveillance coverage adequate to identify persons accessing the storage area.
  - (ii) For Tier A operations, bingo card inventory may be stored in a cabinet, closet, or other similar area; however, such area must be secured and separate from the working inventory.
- (4) Issuance and returns of inventory.
  - (i) Controls must be established for the issuance and return of bingo card inventory. Records signed by the issuer and recipient must be created under the following events:
    - (A) Issuance of inventory from storage to a staging area;
    - (B) Issuance of inventory from a staging area to the cage or sellers;

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

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

(E) Issuance/return transactions involving Bingo paper must also include the series number of the Bingo paper.

(ii) [Reserved]

(5) Cancellation and removal.

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

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

(6) Logs.

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

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

(A) Date;

(B) Shift or session;

(C) Time;

(D) Location;

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

(F) Signature of agent performing transaction;

(G) Signature of agent performing the reconciliation;

(H) Any variance;

(I) Beginning and ending inventory; and

(J) Description of inventory transaction being performed.

1) The description must include the series number of the Bingo paper.

**(c) Bingo card sales.**

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

(i) The functions of seller and payout verifier must be segregated. Associates who sell cards on the floor must not verify payouts with cards in their possession. Associates who sell cards on the floor are permitted to announce the serial numbers of winning cards.

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

(i) Date;

(ii) Shift or session;

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

(iv) Dollar amount of bingo card sales;

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

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

(vii) The total win and write must be computed and recorded by shift (or session, if applicable).

- (3) Bingo card sale voids must be processed in accordance with the rules of the game and established controls that must include the following:
- (i) Patron refunds;
  - (ii) Adjustments to bingo card sales to reflect voids;
  - (iii) Adjustment to bingo card inventory;
  - (iv) Documentation of the reason for the void; and
  - (v) Authorization for all voids.

(vi) All voids must be completed prior to the start of the regular session.

- (4) Class II gaming system bingo card sales. In order to adequately record, track and reconcile sales of bingo cards, the following information must be documented from the server (this is not required if the system does not track the information, but system limitation(s) must be noted):
- (i) Date;
  - (ii) Time;
  - (iii) Number of bingo cards sold;
  - (iv) Dollar amount of bingo card sales; and
  - (v) Amount in, amount out and other associated meter information.

(vi) The total win and write must be computed and recorded by shift (or session, if applicable).

- (5) Statistical records must be maintained, which include win, write (card sales), and a win-to-write hold percentage, for:

- (i) Each shift or each session;
- (ii) Each day;
- (iii) Month-to-date; and
- (iv) Year-to-date or fiscal year-to-date.

- (6) Revenue Audit must review Bingo statistical information on at least a monthly basis and investigate any large or unusual statistical fluctuations.

- (i) Investigations must be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

**(d) Draw.**

- (1) Controls must be established and procedures implemented to ensure that all eligible objects used in the conduct of the bingo game are available to be drawn and have not been damaged or altered. Verification of physical objects must be performed by two agents before the start of the first bingo game/session. At least one of the verifying agents must be a supervisory agent or independent of the bingo games department.
- (2) Where the selection is made through an electronic aid, certification in accordance with 25 CFR 547.14 is acceptable for verifying the randomness of the draw and satisfies the requirements of paragraph (d)(1) of this section.
- (3) Controls must be established and procedures implemented to provide a method of recall of the draw, which includes the order and identity of the objects drawn, for dispute resolution purposes.
- (4) Verification and display of draw. Controls must be established and procedures implemented to ensure that:
  - (i) The identity of each object drawn is accurately recorded and transmitted to the participants. The procedures must identify the method used to ensure the identity of each object drawn.

- (ii) For all games offering a prize payout of \$1,200 or more, as the objects are drawn, the identity of the objects are immediately recorded and maintained for a minimum of 24 hours.
- (5) The gaming operation must establish and implement procedures that ensure the correct calling of numbers selected in the Bingo game.
- (6) A Bingo "judge" must be randomly selected from the audience to also ensure that the correct numbers are being called.
- (7) Each ball must be shown to a camera immediately before it is called so that it is individually displayed to all Guests. For speed Bingo games not verified by camera equipment, each ball drawn must be verified by a person independent of the Bingo caller responsible for calling the speed game.
- (8) For all covered games and other games offering a payout of twelve hundred dollars (\$1,200) or more, as the balls are called the numbers must be immediately recorded by the caller.
  - (i) Documentation of the numbers called must be maintained for a minimum of twenty-four (24) hours.
- (9) Controls must be present to assure that the numbered balls are placed back into the selection device prior to calling the next game.
  - (i) At the close of each game, a Guest must witness the Bingo balls being placed back into the blower prior to the calling of the next game.

**(e) Prize payout.**

- (1) Controls must be established and procedures implemented for cash or cash equivalents that address the following:
  - (i) Identification of the agent authorized (by position) to make a payout;
  - (ii) Predetermined payout authorization levels (by position); and
  - (iii) Documentation procedures ensuring separate control of the cash accountability functions.
  - (iv) The authenticity of each payout must be verified by at least two (2) persons. A computerized card verifying system may function as the second person verifying the payout if the card with the winning numbers is displayed on the reader board.
  - (v) Payouts in excess of twelve hundred dollars (\$1,200) requires written approval, by personnel independent of the transaction, that the Bingo card has been examined and verified with the Bingo card record to ensure that the ticket has not been altered.
  - (vi) Total payout must be computed and recorded by shift or session, if applicable.
- (2) Verification of validity.
  - (i) Controls must be established and procedures implemented to verify that the following is valid for the game in play prior to payment of a winning prize:
    - (A) Winning card(s);
    - (B) Objects drawn; and
    - (C) The previously designated arrangement of numbers or designations on such cards, as described in 25 U.S.C. 2703(7)(A).
  - (ii) At least two agents must verify that the card, objects drawn, and previously designated arrangement were valid for the game in play.
  - (iii) Where an automated verification method is available, verification by such method is acceptable.
- (3) Validation.
  - (i) For manual payouts, at least two agents must determine the validity of the claim prior to the payment of a prize. The system may serve as one of the validators.
    - (A) Prior to a payout of five hundred dollars (\$500) or more, three (3) signatures (Guest, associate and supervisor or Security Officer) are required.
  - (ii) For automated payouts, the system may serve as the sole validator of the claim.

(4) Verification.

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

(A) Prior to a payout of five hundred dollars (\$500) or more, three (3) signatures (Guest, associate and supervisor or Security Officer) are required.

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

(5) Authorization and signatures.

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

(A) At least one (1) authorizing associate must be independent of the transaction.

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

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

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

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

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

1) Prior to a payout of five hundred dollars (\$500) or more, three (3) signatures (Guest, associate and supervisor or Security Officer) are required.

2) Choctaw Casinos do not offer bingo at Tier A and B facilities. Threshold for Tier C facilities must not exceed twenty thousand dollars (\$20,000).

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

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

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

- (i) Date and time;

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

- (iii) Bingo card identifier or player interface identifier.

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

(A) Game name or number;

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

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

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

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

**(f) Cash and cash equivalent controls.**

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

(i) All funds used to operate the Bingo Department must be recorded on an accountability form.

(ii) Each Bingo Cashier must verify their own beginning bank and any additional draws prior to utilizing funds. Each bundle must be broken down and individually verified to prevent commingling with other bundles.

(iii) In the event of a variance, the associate and/or supervisor on-duty should make all attempts to investigate and identify the reason for the variance.

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

- (i) Inventory, including any increases or decreases;
- (ii) Transfers;
- (iii) Exchanges, including acknowledging signatures or initials; and
- (iv) Resulting variances.

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

**(g) Technologic aids to the play of bingo.** Controls must be established and procedures implemented to safeguard the integrity of technologic aids to the play of bingo during installations, operations, modifications, removal and retirements. Such procedures must include the following:

(1) Shipping and receiving.

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

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

(B) Certification in accordance with 25 CFR Part 547;

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

- 1) Name and address of the supplier;
- 2) Description of shipment;
- 3) For player interfaces: a serial number;
- 4) For software: software version and description of software;
- 5) Method of shipment; and
- 6) Expected date of delivery.

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

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

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

(2) Access credential control methods.

(i) Controls must be established to restrict access to the Class II gaming system components, as set forth in § 543.20, Information and Technology.

(ii) [Reserved]

(3) Recordkeeping and audit processes.

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



- (A) Date placed into service;
  - (B) Date made available for play;
  - (C) Supplier;
  - (D) Software version;
  - (E) Serial number;
  - (F) Game title;
  - (G) Asset and/or location number;
  - (H) Seal number; and
  - (I) Initial meter reading.
- (ii) Procedures must be implemented for auditing such records in accordance with § 543.23, Audit and Accounting.
- (4) System software signature verification.
- (i) Procedures must be implemented for system software verifications. These procedures must include comparing signatures generated by the verification programs required by 25 CFR 547.8, to the signatures provided in the independent test laboratory letter for that software version.
  - (ii) An agent independent of the bingo operation must perform system software signature verification(s) to verify that only approved software is installed.
  - (iii) Procedures must be implemented for investigating and resolving any software verification variances.
  - (iv) Internal audits must be conducted as set forth in § 543.23, Audit and Accounting. Such audits must be documented.
- (5) Installation testing.
- (i) Testing must be completed during the installation process to verify that the player interface has been properly installed. This must include testing of the following, as applicable:
    - (A) Communication with the Class II gaming system;
    - (B) Communication with the accounting system;
    - (C) Communication with the player tracking system;
    - (D) Currency and vouchers to bill acceptor;
    - (E) Voucher printing;
    - (F) Meter incrementation;
    - (G) Pay table, for verification;
    - (H) Player interface denomination, for verification;
    - (I) All buttons, to ensure that all are operational and programmed appropriately;
    - (J) System components, to ensure that they are safely installed at location; and
    - (K) Locks, to ensure that they are secure and functioning.
  - (ii) [Reserved]
- (6) Display of rules and necessary disclaimers. The TGRA or the operation must verify that all game rules and disclaimers are displayed at all times or made readily available to the player upon request, as required by 25 CFR part 547;
- (7) TGRA approval of all technologic aids before they are offered for play.

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

(9) Dispute resolution.

**(h) Operations.**

(1) Malfunctions. Procedures must be implemented to investigate, document and resolve malfunctions. Such procedures must address the following:

- (i) Determination of the event causing the malfunction;
- (ii) Review of relevant records, game recall, reports, logs, surveillance records;
- (iii) Repair or replacement of the Class II gaming component;
- (iv) Verification of the integrity of the Class II gaming component before restoring it to operation; and

(2) Removal, retirement and/or destruction. Procedures must be implemented to retire or remove any or all associated components of a Class II gaming system from operation. Procedures must include the following:

(i) For player interfaces and components that accept cash or cash equivalents:

- (A) Coordinate with the drop team to perform a final drop;
- (B) Collect final accounting information such as meter readings, drop and payouts;
- (C) Remove and/or secure any or all associated equipment such as locks, card reader, or ticket printer from the retired or removed component; and
- (D) Document removal, retirement, and/or destruction.

(ii) For removal of software components:

- (A) Purge and/or return the software to the license holder; and
- (B) Document the removal.

(iii) For other related equipment such as blowers, cards, interface cards:

- (A) Remove and/or secure equipment; and
- (B) Document the removal or securing of equipment.

(iv) For all components:

- (A) Verify that unique identifiers, and descriptions of removed/retired components are recorded as part of the retirement documentation; and
- (B) Coordinate with the accounting department to properly retire the component in the system records.

(v) Where the TGRA authorizes destruction of any Class II gaming system components, procedures must be developed to destroy such components. Such procedures must include the following:

- (A) Methods of destruction;
- (B) Witness or surveillance of destruction;
- (C) Documentation of all components destroyed; and
- (D) Signatures of agent(s) destroying components attesting to destruction.

**(i) Vouchers.**

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

- (i) Verify the authenticity of each voucher redeemed.

- (ii) If the voucher is valid, verify that the patron is paid the appropriate amount.
  - (iii) Document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated such as a mutilated, expired, lost, or stolen voucher.
  - (iv) Retain payment documentation for reconciliation purposes.
  - (v) For manual payment of a voucher of \$500 or more, require a supervisory employee to verify the validity of the voucher prior to payment.
- (2) Vouchers paid during a period while the voucher system is temporarily out of operation must be marked "paid" by the cashier.
  - (3) Vouchers redeemed while the voucher system was temporarily out of operation must be validated as expeditiously as possible upon restored operation of the voucher system.
  - (4) Paid vouchers must be maintained in the cashier's accountability for reconciliation purposes.
  - (5) Unredeemed vouchers can only be voided in the voucher system by supervisory employees. The accounting department will maintain the voided voucher, if available.
    - (i) Unredeemed vouchers can only be voided in the voucher system by Corporate Accounting supervisory employees. The Revenue Audit Department will maintain the voided voucher, if available.
- (j) All relevant controls from § 543.20, Information and Technology will apply.**
- (k) Revenue Audit.** Standards for revenue audit of bingo are contained in § 543.24, Revenue Audit.
- (l) Variance.** The operation must establish, as approved by the TGRA, the threshold level at which a variance, including deviations from the mathematical expectations required by 25 CFR 547.4, will be reviewed to determine the cause. Any such review must be documented.
- (1) In addition, any gaming machine variances of [REDACTED] or more, not resolved by the next drop or a timeframe not to exceed seventy-two (72) hours, requires immediate notification to the CNGC (via email) at [cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com).

**(m) Accountability form.**

- (1) All funds used to operate the Bingo Department must be recorded on an accountability form.
- (2) All funds used to operate the Bingo Department must be counted independently by at least two (2) persons and reconciled to the recorded amounts at the end of each shift or session. Unverified transfers of cash and/or cash equivalents are prohibited.
  - (i) Each Bingo Cashier must verify their own beginning bank and any additional draws prior to utilizing funds. Each bundle must be broken down and individually verified to prevent commingling with other bundles.
  - (ii) In the event of a variance, the associate and/or supervisor on-duty should make all attempts to investigate and identify the reason for the variance.

**(n) Bingo equipment.**

- (1) Bingo equipment (e.g., blower, balls in play, and back-up balls) must be maintained under surveillance in a secure location. Access to the secure location must be limited to authorized associates.
- (2) The procedure established by the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, must include standards relating to the inspection of new Bingo balls put into play as well as for those in use.
  - (i) Bingo balls must be inspected and cleaned with alcohol (replaced if needed) by the caller on at least a quarterly basis.
  - (ii) A Bingo player must be chosen at random at the beginning of each session to make sure that all seventy-five (75) numbers are in place.
- (3) Bingo equipment must be inspected for accuracy prior to each Bingo session.
  - (i) Any routine or required maintenance performed on the Bingo equipment must be documented and filed on site. The records must be provided to the CNGC upon request.

**(o) Electronic equipment.**

- (1) If the gaming operation utilizes electronic equipment in connection with the play of Bingo, then the following standards must also apply.
  - (i) If the electronic equipment contains a bill acceptor, the § 542.21(e) and (f), § 542.31(e) and (f), or § 542.41(e) and (f) (as applicable) must apply.
  - (ii) If the electronic equipment uses a bar code or microchip reader, the reader must be tested periodically by a person or persons independent of the Bingo Department to determine that it is correctly reading the bar code or the microchip.
  - (iii) If the electronic equipment returns a voucher or a payment slip to the player, then § 542.13(n) (as applicable) must apply.
  - (iv) If the electronic equipment utilizes Guest account access cards for activation of play, then § 542.13(o) (as applicable) must apply.

(2) [Reserved]

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

- (1) Prior to participating in any game, players must be issued a unique player account number. The player account number can be issued through the following:
  - (i) Through the use of a point-of-sale (cash register device);
  - (ii) By assignment through an individual play station; or
  - (iii) Through the incorporation of a "player tracking" media.
- (2) Printed receipts issued in conjunction with any player account should include a time/date stamp.
- (3) All player transactions must be maintained, chronologically by account number, through electronic means on a data storage device. These transaction records must be maintained on-line throughout the active game and for at least twenty-four (24) hours before they can be stored on an "off-line" data storage media.
- (4) The game software must provide the ability to, upon request, produce a printed account history, including all transactions, and a printed game summary (total purchases, deposits, wins, and debits, for any account that has been active in the game during the preceding twenty-four (24) hours).
- (5) The game software must provide a "player account summary" at the end of every game. This summary must list all accounts for which there were any transactions during that game day and include purchases, total deposits, total credits (wins), total debits (cash-outs) and an ending balance.

**(q) Bingo Department rules.** The most current Choctaw Casino Bingo Rules must be readily accessible to Guests.

**(r) Standards for linked electronic games.** Management must ensure that all agreements/contracts entered into after June 27, 2002, to provide linked electronic games must contain language requiring the vendor to comply with the standards in this section applicable to the goods or services the vendor is providing.

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

- (1) Providers of any linked electronic game(s) must maintain complete records of game data for a period of one (1) year from the date the games are played (or a time frame established by the Tribal gaming regulatory authority). This data may be kept in an archived manner, provided the information can be produced within twenty-four (24) hours upon request. In any event, game data for the preceding seventy-two (72) hours must be immediately accessible.
- (2) Data required to be maintained for each game played includes:
  - (i) Date and time game start and game end;
  - (ii) Sales information by location;
  - (iii) Cash distribution by location;
  - (iv) Refund totals by location;
  - (v) Cards-in-play count by location;
  - (vi) Identification number of winning card(s);

(vii) Ordered list of Bingo balls drawn; and

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

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

(1) Providers of any linked electronic game(s) must maintain complete records of sales data for a period of one (1) year from the date the games are played (or a time frame established by the Tribal gaming regulatory authority). This data may be kept in an archived manner, provided the information can be produced within twenty-four (24) hours upon request. In any event, sales data for the preceding ten (10) days must be immediately accessible. Summary information must be accessible for at least one hundred and twenty (120) days.

(2) Sales information required must include:

(i) Daily sales totals by locations;

(ii) Commissions distribution summary by location;

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

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

**(u) Remote host requirements (for linked electronic games).**

(1) Linked electronic game providers must maintain on-line records at the remote host site for any game played. These records must remain on-line until conclusion of the session of which the game is a part. Following the conclusion of the session, records may be archived, but in any event, must be retrievable in a timely manner for at least seventy-two (72) hours following the close of the session. Records must be accessible through some archived media for at least ninety (90) days from the date of the game.

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

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

## § 542.14 Cage

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## § 542.14 What are the minimum internal control standards for cage?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) **Computer applications.** For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Tribal gaming regulatory authority, will be acceptable.

(1) Additional requirements regarding computer application standards are located in the “General TICS” section of this document.

- (b) **Personal checks, cashier’s checks, payroll checks and counter checks.**

- (1) If personal checks, cashier’s checks, payroll checks, or counter checks are cashed at the cage, the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming authority, shall establish and the gaming operation shall comply with appropriate controls for purposes of security and integrity.

- (i) The gaming operation must establish and implement policies and procedures for cashing personal checks, cashier’s checks, payroll checks, and counter checks, as approved by the CNGC, with appropriate controls for purposes of security and integrity.

(A) For each check cashing transaction, the agent(s) conducting the transaction must:

- 1) Verify the Guest’s identity;
- 2) Examine the check to ensure it includes the Guest’s first and last name, current address, and signature; and
- 3) For personal checks, verify the Guest’s check cashing authority and record the source/results.

(B) Associates must follow all applicable BSA/AML requirements when cashing any check.

- 1) Associates must ensure compliance with all Federal check cashing requirements.

- (2) The Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and gaming operation shall comply with procedures for the acceptance of personal checks, collecting and recording checks returned to the gaming operation after deposit, re-deposit, and write-off authorization.

- (3) When counter checks are issued, the following shall be included on the check:

- (i) The customer’s name and signature;
- (ii) The dollar amount of the counter check (both alpha and numeric);
- (iii) Customer’s bank name and bank account number;
- (iv) Date of issuance; and
- (v) Signature or initials of the person approving the counter check transaction.

- (4) When traveler’s checks or other guaranteed drafts such as cashier’s checks are presented, the cashier shall comply with the examination and documentation procedures as required by the issuer.

- (5) All variances of [REDACTED] or more, that are not resolved within twenty-four (24) hours of detection, must be communicated (via email) to the CNGC Audit Department ([cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com)).

- (c) **Customer deposited fund (if applicable).** If a gaming operation permits a customer to deposit funds with the gaming operation at the cage, the following standards shall apply.

- (1) The receipt or withdrawal of a customer deposit shall be evidenced by at least a two-part document with one copy going to the customer and one copy remaining in the cage file.

- (2) The multi-part receipt shall contain the following information:

- (i) Same receipt number on all copies;
- (ii) Customer’s name and signature;

- (iii) Date of receipt and withdrawal;
  - (iv) Dollar amount of deposit/withdrawal; and
  - (v) Nature of deposit (cash, check, chips); however,
  - (vi) Provided all of the information in paragraph (c)(2)(i) through (v) is available, the only required information for all copies of the receipt is the receipt number.
- (3) The Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with procedures that:
- (i) Maintain a detailed record by customer name and date of all funds on deposit;
  - (ii) Maintain a current balance of all customer cash deposits that are in the cage/vault inventory or accountability; and
  - (iii) Reconcile this current balance with the deposits and withdrawals at least daily.
- (4) The gaming operation, as approved by the Tribal gaming regulatory authority, shall describe the sequence of the required signatures attesting to the accuracy of the information contained on the customer deposit or withdrawal form ensuring that the form is signed by the cashier.
- (5) All customer deposits and withdrawal transactions at the cage shall be recorded on a cage accountability form on a per-shift basis.
- (6) Only cash, cash equivalents, chips, and tokens shall be accepted from customers for the purpose of a customer deposit.
- (7) The Tribal gaming authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with procedures that verify the customer's identity, including photo identification.
- (8) A file for customers shall be prepared prior to acceptance of a deposit.
- (9) All variances of [REDACTED] or more, that are not resolved within twenty-four (24) hours of detection, must be communicated (via email) to the CNGC Audit Department ([cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com)).

**(d) Cage and vault accountability standards.**

- (1) All transactions that flow through the cage shall be summarized on a cage accountability form on a per shift basis and shall be supported by documentation.
- (2) The cage and vault (including coin room) inventories shall be counted by the oncoming and outgoing cashiers. These employees shall make individual counts for comparison for accuracy and maintenance of individual accountability. Such counts shall be recorded at the end of each shift during which activity took place. All discrepancies shall be noted and investigated. Unverified transfers of cash and/or cash equivalents are prohibited.
  - (i) All cash and cash equivalents must be stored in adequately secured areas with proper surveillance coverage.
  - (ii) In the absence of an electronic currency dispensing device, each Cage Cashier must verify their own beginning bank and any additional draws prior to utilizing funds. Each bundle must be broken down and individually verified to prevent commingling with other bundles.
  - (iii) Additional requirements regarding money transfers/draws standards are located in the "General TICS" section of this document.
  - (iv) The associate's cash drawer must be individually keyed and locked when the associate is away from the cage area and cannot be shared (with the exception of training purposes, if necessary).
    - (A) During training, the trainer must remain present while their cash drawer is being utilized.
  - (v) In the event of a variance, the associate and/or supervisor on duty should make all attempts to investigate and identify the reason for the variance.
  - (vi) Unresolved cash or chip variances of [REDACTED] or more in the Vault (excluding Kiosks and ATMs), requires immediate notification to the Surveillance Department, the CNGC ([cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com)) and Security.
  - (vii) All bundled money must be dated to ensure no bundle remains in the safe longer than fourteen (14) days.



- (viii) The Vault Associate (who must be independent of the count team and Slot Department) accepting the counted drop proceeds and cash equivalents must perform an independent count and make a comparison to ensure accuracy and individual accountability. All discrepancies must be noted and investigated. Unverified transfers of cash and/or cash equivalents are prohibited.
- (3) Tribal gaming authority, or the gaming operation as approved by Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with a minimum bankroll formula to ensure the gaming operation maintains cash or cash equivalents (on hand and in the bank, if readily accessible) in an amount sufficient to satisfy obligations to the gaming operation's customers as they are incurred. A suggested bankroll formula will be provided by the Commission upon request.
- (i) Approval of the method utilized to establish minimum bankroll formulas for each gaming operation must be obtained from the CNGC prior to implementation.
- (A) At a minimum, this bankroll calculation method must include:
- 1) A timeline for updating, not to exceed sixty (60) days from the submission of the external audit from the previous year.
  - 2) Description of the process; and
  - 3) Disclosure of the department(s) responsible for the completion and implementation.
- (B) Notification of the bankroll amounts and any adjustments at each facility must be immediately provided to the CNGC.
- (C) Any changes to the amount of the gaming operation bankroll must be approved by the CNGC prior to any actual adjustments.
- (ii) Twice annually, a bankroll audit must be performed by the Revenue Audit Department. All discrepancies must immediately be reported to the CNGC, General Management Team, and Casino Accounting Director.
- (4) Currency used to complete a draw/fill, in the amount of [REDACTED] or more, at Tier B or C gaming operations must be placed in an area of the countertop designated by Surveillance.
- (e) Chips and token standards.** The gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with the procedures for the receipt, inventory, storage, and destruction of gaming chips and tokens.
- (1) All chips/cheques/tokens (including those intended for promotions) must be stored in adequately secured areas with proper surveillance coverage.
- (i) Any non-cash value chips approved for training purposes only are excluded from this requirement.
- (2) Security, or other designated departments as approved by the CNGC, must be the "runner" for chips/cheques and/or tokens to or from the pit area. The chips/cheques and/or tokens being transported, must be in a "birdcage" (or other approved container) and accompanied by the proper transfer forms.
- (3) On an individual shift basis, all chips must be inventoried and accounted for on the daily balance sheet or chip reconciliation.
- (4) The gaming operation must establish and implement procedures for handling chips that are damaged or no longer used for play (including non-Choctaw and promotional chips). The procedures must include, at a minimum, a secure method of storage until the approved destruction of said chips.
- (5) Prior notification must be given to the CNGC for any chips that are to be ordered, transferred/exchanged or destroyed.
- (i) Ordering of chips requires approval from Executive-Level Casino Management. The amount and estimated date of arrival must be submitted (via email) to Corporate Accounting, Gaming Finance, the Compliance Department and CNGC. A minimum of three (3) associates, at least one (1) of whom is independent of the Table Games Department must be involved in documenting the receipt and verification of the order.
- (A) Prior to ordering any new denominations, colors and/or styles of chips, a written endorsement from Surveillance must be acquired.
- 1) The gaming operation must establish and implement procedures, as approved by the CNGC, for submitting new denominations, colors and/or styles of chips for approval.
- (ii) Transfers/exchanges of chips between Choctaw facilities require prior notification from the Compliance Department to the CNGC (via email). The transferring and receiving departments must have supporting documentation to validate the exchange. A copy of the supporting documentation must be obtained by the Compliance Department and submitted to the CNGC, Gaming Finance and Corporate Accounting.

(iii) A notice of intent to destroy chips must be submitted to the CNGC (via email) by the Compliance Department prior to any destruction activity. Destruction must not take place with fewer than three (3) associates involved (at least one [1] of whom must be a Compliance Department Associate) and documentation of the destruction must be provided to the CNGC and Corporate Accounting.

(f) **Coupon standards.** Any program for the exchange of coupons for chips, tokens, and/or another coupon program shall be approved by the Tribal gaming authority prior to implementation. If approved, the gaming operation shall establish and comply with procedures that account for and control such programs.

(g) **Accounting/auditing standards.**

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

(h) **Extraneous items.** The gaming operation, as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with the procedures to address the transporting of extraneous items, such as coats, purses, and/or boxes, into and out of the cage, coin room, count room, and/or vault.

(1) Additional requirements regarding extraneous item standards are located in the "General TICS" section of this document.

(i) **Sally port.** Sites equipped with a sally port must be prohibited from utilizing the space for storage. The sally port must be free and clear of any extraneous items to ensure the transport vehicle has sufficient access.

*[MICS Revision 542 October 2008]*

## § 543.18 Cage, Vault, Kiosk, Cash and Cash Equivalents

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**§ 543.18 What are the minimum internal control standards for the cage, vault, kiosk, cash and cash equivalents?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

**(a) Supervision.** Supervision must be provided as needed for cage, vault, kiosk, and other operations using cash or cash equivalents by an agent(s) with authority equal to or greater than those being supervised.

**(b) Check cashing.**

- (1) If checks are cashed at the cage, the controls must provide for security and integrity. For each check cashing transaction, the agent(s) conducting the transaction must:
  - (i) Verify the patron's identity;
  - (ii) Examine the check to ensure it includes the patron's name, current address, and signature;
  - (iii) For personal checks, verify the patron's check cashing authority and record the source and results in accordance with management policy; however
  - (iv) If a check guarantee service is used to guarantee the transaction and the procedures required by the check guarantee service are followed, then the above requirements do not apply.
- (2) When counter checks are issued, the following must be included on the check:
  - (i) The patron's name and signature;
  - (ii) The dollar amount of the counter check;
  - (iii) Patron's bank name, bank routing, and account numbers;
  - (iv) Date of issuance; and
  - (v) Signature of the agent approving the counter check transaction.
- (3) Checks that are not deposited in the normal course of business, as established by management, (held checks) are subject to § 543.15 lines of credit standards.
- (4) When traveler's checks or other guaranteed drafts, such as cashier's checks, are presented, the cashier must comply with the examination and documentation procedures as required by the issuer.
- (5) If a third party check cashing or guarantee service is used, the examination and documentation procedures required by the service provider apply, unless otherwise provided by tribal law or regulation.
- (6) All variances of [REDACTED] or more, that are not resolved within twenty-four (24) hours of detection, must be communicated (via email) to the CNGC Audit Department ([cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com)).

**(c) Cage and vault accountability.**

- (1) All transactions that flow through the cage must be summarized for each work shift of the cage and must be supported by documentation.
- (2) Increases and decreases to the total cage inventory must be verified, supported by documentation, and recorded. Documentation must include the date and shift, the purpose of the increase/decrease, the agent(s) completing the transaction, and the person or department receiving the cage funds (for decreases only).
  - (i) For Increases/decreases issued to associates, funds must be verified by the issuing agent(s) and re-verified independently by the recipient(s), all of whom must sign the supporting documentation pertaining to the transaction.
- (3) The cage and vault inventories (including coin rooms) must be counted independently by at least two agents, attested to by signature, and recorded in ink or other permanent form at the end of each shift during which the activity took place. These agents must make individual counts to compare for accuracy and maintain individual accountability. All variances must be documented and investigated.
- (4) The gaming operation must establish and comply with a minimum bankroll formula to ensure the gaming operation maintains cash or cash equivalents (on hand and in the bank, if readily accessible) in an amount sufficient to satisfy obligations to the gaming operation's patrons as they are incurred.

(i) Approval of the method utilized to establish minimum bankroll formulas for each gaming operation must be obtained from the CNGC prior to implementation.

(A) At a minimum, this bankroll calculation method must include:

1) A timeline for updating, not to exceed sixty (60) days from the submission of the external audit from the previous year;

2) Description of the process; and

3) Disclosure of the department(s) responsible for the completion and implementation.

(B) Notification of the bankroll amounts and any adjustments at each facility must be immediately provided to the CNGC.

(C) Any changes to the amount of the gaming operation bankroll must be approved by the CNGC prior to any actual adjustments.

**(d) Kiosks.**

**NOTE: The following standards relating to Kiosks must also apply to all other automated cash dispensers maintained by the gaming operation.**

(1) Kiosks must be maintained on the cage accountability and must be counted independently by at least two agents, documented, and reconciled for each increase or decrease to the kiosk inventory.

(2) Currency cassettes must be counted and filled by an agent and verified independently by at least one agent, all of whom must sign each cassette.

(i) Associates who are responsible for maintaining currency cassettes must provide their signature and gaming license number on each cassette verification receipt printed from the currency counter when completing any cassette transaction involving currency.

(3) Currency cassettes must be secured with a lock or tamper resistant seal and, if not placed inside a kiosk, must be stored in a secured area of the cage/vault.

(i) Automated cash dispensers (i.e., recyclers) that automatically self-reconcile any time a cassette is removed are excluded from this requirement.

(4) The TGRA or the gaming operation, subject to the approval of the TGRA, must develop and implement physical security controls over the kiosks. Controls should address the following: forced entry, evidence of any entry, and protection of circuit boards containing programs.

(5) With regard to cashless systems, the TGRA or the gaming operation, subject to the approval of the TGRA, must develop and implement procedures to ensure that communications between the kiosk and system are secure and functioning.

(6) The following reconciliation reports must be available upon demand for each day, shift, and drop cycle (this is not required if the system does not track the information, but system limitation(s) must be noted):

(i) Starting balance dollar amount per financial instrument;

(ii) Starting balance number of items per financial instrument;

(iii) Dollar amount per financial instrument issued;

(iv) Number of items per financial instrument issued;

(v) Dollar amount per financial instrument redeemed;

(vi) Number of items per financial instrument redeemed;

(vii) Dollar amount per financial instrument increases;

(viii) Number of items per financial instrument increases;

(ix) Dollar amount per financial instrument decreases;

(x) Number of items per financial instrument decreases;

(xi) Ending balance dollar amount per financial instrument; and

(xii) Ending balance number of items per financial instrument.

**(e) Patron deposited funds.** If a gaming operation permits a patron to deposit funds with the gaming operation at the cage, and when transfers of patron deposited funds are transferred to a gaming area for wagering purposes, the following standards apply:

(1) The receipt or withdrawal of a patron deposit must be documented, with a copy given to the patron and a copy remaining in the cage.

(2) Both copies of the document of receipt or withdrawal must contain the following information:

(i) Same receipt number on each copy;

(ii) Patron's name and signature;

(iii) Date of receipt and withdrawal;

(iv) Dollar amount of deposit/withdrawal (for foreign currency transactions include the US dollar equivalent, the name of the foreign country, and the amount of the foreign currency by denomination);

(v) Nature of deposit/withdrawal; and

(vi) Name and signature of the agent who conducted the transaction.

(vii) The gaming operation must establish and implement policies and procedures for patron deposited funds, as approved by the CNGC, with appropriate controls for purposes of security and integrity.

(A) Associates must follow all applicable BSA/AML requirements when conducting patron deposited funds transactions.

(3) Procedures must be established and complied with for front money deposits to:

(i) Maintain a detailed record by patron name and date of all funds on deposit;

(ii) Maintain a current balance of all patron deposits that are in the cage/vault inventory or accountability; and

(iii) Reconcile the current balance with the deposits and withdrawals at least daily.

(iv) The gaming operation must establish and implement policies and procedures for front money deposits, as approved by the CNGC, with appropriate controls for purposes of security and integrity.

(A) Associates must follow all applicable BSA/AML requirements when conducting front money transactions.

(4) All variances of [REDACTED] or more, that are not resolved within twenty-four (24) hours of detection, must be communicated (via email) to the CNGC Audit Department ([cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com)).

**(5) This section also applies to mobile gaming accounts.**

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

(1) All payments must be documented to support the cage accountability.

(2) Payments above \$600 (or lesser amount as approved by TGRA) must be documented at the time of the payment, and documentation must include the following:

(i) Date and time;

(ii) Dollar amount of payment or description of personal property;

(iii) Reason for payment; and

(iv) Patron's name and confirmation that identity was verified (drawings only).

(v) Signature(s) of at least two agents verifying, authorizing, and completing the promotional payment with the patron. For computerized systems that validate and print the dollar amount of the payment on a computer generated form, only one signature is required.

(3) Additional requirements regarding promotional payouts or awards standards are located in the "General TICS" section and 543.12 (b) of this document.

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

- (1) Purchase;
- (2) Receipt;
- (3) Inventory;
- (4) Storage; and
- (5) Destruction.

(6) The gaming operation must also establish and implement a method for tracking any tournament chips and/or promotional chips, as applicable.

**(h) Vouchers.**

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

- (i) Verify the authenticity of each voucher redeemed.
- (ii) If the voucher is valid, verify that the patron is paid the appropriate amount.
- (iii) Document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated such as a mutilated, expired, lost, or stolen voucher.
- (iv) Retain payment documentation for reconciliation purposes.
- (v) For manual payment of a voucher of \$500 or more, require a supervisory employee to verify the validity of the voucher prior to payment.

(A) Prior to payout, a ticket of five hundred dollars (\$500) or more requires three (3) signatures (Guest, associate and supervisor or Security Officer).

- (2) Vouchers paid during a period while the voucher system is temporarily out of operation must be marked "paid" by the cashier.
- (3) Vouchers redeemed while the voucher system was temporarily out of operation must be validated as expeditiously as possible upon restored operation of the voucher system.
- (4) Paid vouchers must be maintained in the cashier's accountability for reconciliation purposes.
- (5) Unredeemed vouchers can only be voided in the voucher system by supervisory employees. The accounting department will maintain the voided voucher, if available.

(i) Unredeemed vouchers can only be voided in the voucher system by Corporate Accounting supervisory employees. The Revenue Audit Department will maintain the voided voucher, if available.

**(i) Cage and vault access.** Controls must be established and procedures implemented to:

- (1) Restrict physical access to the cage to cage agents, designated staff, and other authorized persons; and
- (2) Limit transportation of extraneous items such as personal belongings, tool boxes, beverage containers, etc., into and out of the cage.

**(j) Variances.** The operation must establish, as approved by the TGRA, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

(1) Additional requirements regarding notification of variance standards are located in the "General TICS" section of this document.

## § 542.9 Card Games

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## § 542.9 What are the minimum internal control standards for card games?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) **Computer applications.** For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Tribal gaming regulatory authority, will be acceptable.

(1) Additional requirements regarding computer application standards are located in the “General TICS” section of this document.

- (b) **Standards for drop and count.** The procedures for the collection of the card game drop and count thereof shall comply with § 542.21, § 542.31, or § 542.41 (as applicable).

(c) **Standards for supervision.**

- (1) Supervision shall be provided at all times the card room is in operation by personnel with authority equal to or greater than those being supervised.
- (2) Exchanges between table banks and the main card room bank (or cage, if a main card room bank is not used) in excess of \$100.00 shall be authorized by a supervisor. All exchanges shall be evidenced by the use of a lammer unless the exchange of chips, tokens, and/or cash takes place at the table.
- (3) Exchanges from the main card room bank (or cage if a main card room bank is not used) to the table banks shall be verified by the card room dealer and the runner.
- (4) If applicable, transfers between the main card room bank and the cage shall be properly authorized and documented.
- (5) A rake collected or ante placed shall be done in accordance with the posted rules.

(d) **Standards for playing cards.**

- (1) Playing cards shall be maintained in a secure location to prevent unauthorized access and to reduce the possibility of tampering.
  - (i) Playing cards used for tournaments must be maintained in a secure location to prevent unauthorized access and to reduce the possibility of tampering.
- (2) Used cards shall be maintained in a secure location until marked, scored, or destroyed, in a manner approved by the Tribal gaming regulatory authority, to prevent unauthorized access and reduce the possibility of tampering.
  - (i) Used tournament cards must be maintained in a secure location until marked, scored or destroyed, in a manner approved by the Tribal gaming regulatory authority, to prevent unauthorized access and reduce the possibility of tampering.
- (3) The Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with a reasonable time period, which shall not exceed seven (7) days, within which to mark, cancel, or destroy cards from play.
  - (i) This standard shall not apply where playing cards are retained for an investigation.
  - (ii) [Reserved]
  - (iii) Each Choctaw Casino must use a card destruction method that has been approved by the CNGC prior to implementation. A department independent of Card/Table Games must be utilized to destroy cards.
  - (iv) Individual cards that have been replaced and are ready for destruction must be defaced in an approved manner and secured until destruction takes place.
  - (v) The gaming operation must establish and implement procedures for destruction of full decks of cards. The procedures must include, at a minimum, a secure method of storage until the approved destruction of said cards.
- (4) A card control log shall be maintained that documents when cards and dice are received on site, distributed to and returned from tables and removed from play by the gaming operation.
  - (i) An accurate inventory of all playing cards must be documented on the appropriate control log.

(ii) If defective cards are received from manufacturer, they must be destroyed or returned to the manufacturer in a timely manner (not to exceed seven [7] days) and documented on the appropriate control log.

(iii) A separate control log must be maintained for inventory of replacement deck cards.

(5) Access to the Poker Storage Rooms must be restricted to the following:

(i) Poker management (Table Games management if storage room is shared);

(ii) Security; and

(iii) CNGC.

(6) Specifications for cards.

(i) Cards that are intended for use in gaming operations require written approval from Surveillance and the CNGC prior to initial ordering. In order to be considered for approval, gaming management must supply the following:

(A) Name of card distributor;

(B) A sample of the desired cards must be submitted, and must include the following:

1) The front and back design;

2) The casino brand in a “two logo” format on the back of each card;

3) Intended color;

4) Pip, number, card size; and

5) This standard includes tournament cards.

**(e) Plastic cards.**

(1) Notwithstanding paragraph (d) of this section, if a gaming operation uses plastic cards (not plastic-coated cards), the cards may be used for up to three (3) months if the plastic cards are routinely inspected, and washed or cleaned in a manner and time frame approved by the Tribal gaming regulatory authority.

(2) Plastic cards must be inspected on at least a monthly basis to ensure the cards are suitable for play.

**(f) Standards for shills.**

(1) Issuance of shill funds shall have the written approval of the supervisor.

(2) Shill returns shall be recorded and verified on the shill sign-out form.

(3) The replenishment of shill funds shall be documented.

**(g) Standards for reconciliation of card room bank.**

(1) The amount of the main card room bank shall be counted, recorded, and reconciled on at least a per shift basis.

(2) At least once per shift, the table banks that were opened during that shift shall be counted, recorded, and reconciled by a dealer or other person, and a supervisor, and shall be attested to by their signatures on the check-out form.

(i) In the event of a variance, the associate and/or supervisor on duty should make all attempts to investigate and identify the reason for the variance.

**(h) Standards for promotional progressive pots and pools.**

(1) All funds contributed by players into the pools shall be returned when won in accordance with the posted rules with no commission or administrative fee withheld.

(i) Any changes made to departmental policies and procedures, game rules or table rakes must be submitted to the Compliance Department and approved by the CNGC prior to implementation.

(2) Rules governing promotional pools shall be conspicuously posted and designate:

- (i) The amount of funds to be contributed from each pot;
  - (ii) What type of hand it takes to win the pool (e.g., what constitutes a “bad beat”);
  - (iii) How the promotional funds will be paid out;
  - (iv) How/when the contributed funds are added to the jackpots; and
  - (v) Amount/percentage of funds allocated to primary and secondary jackpots, if applicable.
- (3) Promotional pool contributions shall not be placed in or near the rake circle, in the drop box, or commingled with gaming revenue from card games or any other gambling game.
  - (4) The amount of the jackpot shall be conspicuously displayed in the card room.
  - (5) At least once a day, the posted pool amount shall be updated to reflect the current pool amount.
  - (6) At least once a day, increases to the posted pool amount shall be reconciled to the cash previously counted or received by the cage by personnel independent of the card room.
  - (7) All decreases to the pool must be properly documented, including a reason for the decrease.
- (i) A prize pool accountability form showing increases, decreases, changes, etc. must be available to the CNGC upon request.

**(i) Promotional progressive pots and pools where funds are displayed in the card room.**

- (1) Promotional funds displayed in the card room shall be placed in a locked container in plain view of the public.
- (2) Persons authorized to transport the locked container shall be precluded from having access to the contents keys.
- (3) The contents key shall be maintained by personnel independent of the card room.
- (4) At least once a day, the locked container shall be removed by two persons, one of whom is independent of the card games department, and transported directly to the cage or other secure room to be counted, recorded and verified.
- (5) The locked container shall then be returned to the card room where the posted pool amount shall be updated to reflect the current pool amount.

**(j) Promotional progressive pots and pools where funds are maintained in the cage.**

- (1) Promotional funds removed from the card game shall be placed in a locked container.
- (2) Persons authorized to transport the locked container shall be precluded from having access to the contents keys.
- (3) The contents key shall be maintained by personnel independent of the card room.
- (4) At least once a day, the locked container shall be removed by two persons, one of whom is independent of the card games department, and transported directly to the cage or other secure room to be counted, recorded, and verified, prior to accepting the funds into cage accountability.
- (5) The posted pool shall then be updated to reflect the current pool amount.

**(k) Poker tournament standards. These standards apply to tournaments located outside of the Poker Room.**

- (1) Surveillance and the CNGC must be notified at least ten (10) business days prior to any poker tournament. Notification must include:
  - (i) Time and date of event;
  - (ii) Rules and regulations of the tournament;
  - (iii) Payout details; and
  - (iv) Entry requirements.
- (2) Tournaments held in areas without adequate surveillance coverage must have alternative measures of protection approved by the CNGC, prior to the event being scheduled.

**(l) Promotions.**

- (1) Specific requirements regarding promotional payouts and/or awards standards are located in the "General TICS" section of this document.

**(m) Table identification.** All tables must be clearly numbered (using a non-reflective material) so that each table can be clearly identified by Surveillance.

**(n) Chip verification.** When counting/verifying the rack or paying out at the table, chips must be broken down and verified using a method approved (via email) by the Surveillance Department Manager and the CNGC.

**(o) Card games department general standards.**

- (1) Current Choctaw Casino rules for each Card Game offered at the facility must be readily accessible to Guests.
- (2) Card Games Management must obtain written authorization from the CNGC prior to implementing any new Card Game(s).
- (3) No changes to game rules or payout odds may be made without prior written approval from the CNGC.
- (4) Card Game felts intended for use in gaming operations require written approval from Surveillance and the CNGC prior to initial ordering.

*[MICS Revision 542 October 2008]*

**§ 543.10 Card Games**

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## § 543.10 What are the minimum internal control standards for card games?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

**(a) Supervision.** Supervision must be provided as needed during the card room operations by an agent(s) with authority equal to or greater than those being supervised.

(1) A supervisor may function as a dealer without any other supervision if disputes are resolved by supervisory personnel independent of the transaction or independent of the card games department; or

(2) A dealer may function as a supervisor if not dealing the game.

**(b) Exchanges or transfers.**

(1) Exchanges between table banks and the main card room bank (or cage, if a main card room bank is not used) must be authorized by a supervisor. All exchanges must be evidenced by the use of a lammer unless the exchange of chips, tokens, and/or cash takes place at the table. If table banks are maintained at an imprest level and runners are used for the exchanges at the table, no supervisory authorization is required.

(2) Exchanges from the main card room bank (or cage, if a main card room bank is not used) to the table banks must be verified by the card room dealer and the runner.

(3) Transfers between the main card room bank and the cage must be properly authorized and documented. Documentation must be retained for at least 24 hours.

**(c) Playing cards.**

(1) New and used playing cards must be maintained in a secure location, with appropriate surveillance coverage, and accessible only to authorized agents.

(2) Used playing cards that are not to be re-used must be properly cancelled and removed from service to prevent re-use. The removal and cancellation procedure requires TGRA review and approval.

(3) Playing cards associated with an investigation must be retained intact and outside of the established removal and cancellation procedure.

**(d) Shill funds.**

(1) Issuance of shill funds must be recorded and have the written approval of the supervisor.

(2) Returned shill funds must be recorded and verified by a supervisor.

(3) The replenishment of shill funds must be documented.

**(e) Standards for reconciliation of card room bank.** Two agents—one of whom must be a supervisory agent— must independently count the main card room bank and table inventory at the end of each shift and record the following information:

(1) Date;

(2) Shift;

(3) Table number (if applicable);

(4) Amount by denomination;

(5) Amount in total; and

(6) Signatures of both agents.

**(f) Posted rules.** The rules must be displayed or available for patron review at the gaming operation, including rules governing contests, prize payouts, fees, the rake collected, and the placing of antes.

**(g) Promotional progressive pots and pools.**

(1) All funds contributed by players into the pools must be returned when won in accordance with posted rules, and no commission or administrative fee may be withheld.

- (i) The payout may be in the form of personal property, such as a car.
  - (ii) A combination of a promotion and progressive pool may be offered.
- (2) The conditions for participating in current card game promotional progressive pots and/or pools must be prominently displayed or available for patron review at the gaming operation.
- (3) Individual payouts for card game promotional progressive pots and/or pools that are \$600 or more must be documented at the time of the payout to include the following:
- (i) Patron's name;
  - (ii) Date of payout;
  - (iii) Dollar amount of payout and/or nature and dollar value of any non-cash payout;
  - (iv) The signature of the agent completing the transaction attesting to the disbursement of the payout; and
  - (v) Name of contest/tournament.
- (4) If the cash (or cash equivalent) payout for the card game promotional progressive pot and/or pool is less than \$600, documentation must be created to support accountability of the bank from which the payout was made.
- (5) Rules governing current promotional pools must be conspicuously posted in the card room and/or available in writing for patron review. The rules must designate:
- (i) The amount of funds to be contributed from each pot;
  - (ii) What type of hand it takes to win the pool;
  - (iii) How the promotional funds will be paid out;
  - (iv) How/when the contributed funds are added to the pools; and
  - (v) Amount/percentage of funds allocated to primary and secondary pools, if applicable.
- (6) Promotional pool contributions must not be placed in or near the rake circle, in the drop box, or commingled with gaming revenue from card games or any other gambling game.
- (7) The amount of the pools must be conspicuously displayed in the card room.
- (8) At least once each day that the game is offered, the posted pool amount must be updated to reflect the current pool amount.
- (9) At least once each day that the game is offered, agents independent of the card room must reconcile the increases to the posted pool amount to the cash previously counted or received by the cage.
- (10) All decreases to the pool must be properly documented, including a reason for the decrease.
- (11) Promotional funds removed from the card game must be placed in a locked container.
- (i) Agents authorized to transport the locked container are precluded from having access to the contents keys.
  - (ii) The contents key must be maintained by a department independent of the card room.
  - (iii) At least once a day, the locked container must be removed by two agents, one of whom is independent of the card games department, and transported directly to the cage or other secure room to be counted, recorded, and verified, prior to accepting the funds into cage accountability.
- (h) Variances.** The operation must establish, as approved by the TGRA, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.
- (1) Additional requirements regarding notification of variance standards are located in the "General TICS" section of this document.

## § 542.17 Complimentary Services or Items

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**§ 542.17 What are the minimum internal control standards for complimentary services or items?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) Each Tribal gaming regulatory authority or gaming operation shall establish and the gaming operation shall comply with procedures for the authorization, issuance, and tracking of complimentary services and items, including cash and non-cash gifts. Such procedures must be approved by the Tribal gaming regulatory and shall include, but shall not be limited to, the procedures by which the gaming operation delegates to its employees the authority to approve the issuance of complimentary services and items, and the procedures by which conditions or limits, if any, which may apply to such authority are established and modified (including limits based on relationships between the authorizer and recipient), and shall further include effective provisions for audit purposes.
- (b) At least monthly, accounting, information technology, or audit personnel, who cannot grant or receive complimentary privileges, shall prepare reports that include the following information for all complimentary items and services equal to or exceeding \$100 or an amount established by the Tribal gaming regulatory authority, which shall not be greater than \$100:
- (i) Each department that issues complimentary services or items of one hundred dollars (\$100) or more must maintain documentation, as approved by the CNGC, which must include the following:
    - (1) Name of customer who received the complimentary service or item;
    - (2) Name(s) of authorized issuer of the complimentary service or item;
      - (i) A list of positions authorized to issue discretionary complimentary services or items must be maintained and provided to the CNGC upon request.
      - (ii) Management/designated associate(s) must provide written documentation (e.g., email or approved authorization form), when issuing or approving discretionary complimentary services or items. This documentation must be maintained and available upon request.
    - (3) The actual cash value of the complimentary service or item;
    - (4) The type of complimentary service or item (i.e., food, beverage, etc.); and
      - (i) Alcoholic beverages (in any form) are strictly prohibited from being offered as a complimentary item.
    - (5) Date the complimentary service or item was issued.
    - (6) Time the complimentary service or item was issued;
    - (7) The reason for the discretionary complimentary services or items (e.g., Guest appreciation, resolution of Guest disputes, etc.); and
    - (8) Guest's signature must be obtained from the Guest for receipt of the complimentary item issued.
      - (i) Associates are strictly prohibited from signing the Guest's name on the receipt of the complimentary item issued.
- (c) The internal audit or accounting departments shall review the reports required in paragraph (b) of this section at least monthly. These reports shall be made available to the Tribe, Tribal gaming regulatory authority, audit committee, other entity designated by the Tribe, and the Commission upon request.
- (1) The gaming operation must establish and implement policies and procedures, as approved by the CNGC, for documenting and reporting identified issues of non-compliance associated with complimentary services or items to the CNGC, Compliance Department, and Corporate Accounting.

*[MICS Revision 542 October 2008]*

## **§ 543.13 Complimentary Services or Items**

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**§ 543.13 What are the minimum internal control standards for complimentary services or items?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) Supervision.** Supervision must be provided as needed for approval of complimentary services by an agent(s) with authority equal to or greater than those being supervised.
- (b) Complimentary services or items.** Controls must be established and procedures implemented for complimentary services or items that address the following:
- (1) Agents authorized to approve the issuance of complimentary services or items, including levels of authorization;
  - (2) Limits and conditions on the approval and issuance of complimentary services or items;
  - (3) Making and documenting changes to conditions or limits on the approval and issuance of complimentary services or items;
  - (4) Documenting and recording the authorization, issuance, and redemption of complimentary services or items, including cash and non-cash gifts;
    - (i) Records must include the following for all complimentary items and services equal to or exceeding an amount established by the gaming operation and approved by the TGRA:
      - (A) Name of patron who received the complimentary service or item;
      - (B) Name(s) of issuer(s) of the complimentary service or item;
      - (C) The actual cash value of the complimentary service or item;
      - (D) The type of complimentary service or item (i.e., food, beverage); and
      - (E) Date the complimentary service or item was issued.
    - (ii) [Reserved].
- (c)** Complimentary services and items records must be summarized and reviewed for proper authorization and compliance with established authorization thresholds.
- (1) A detailed reporting of complimentary services or items transactions that meet an established threshold approved by the TGRA must be prepared at least monthly.
  - (2) The detailed report must be forwarded to management for review.
- (d) Variances.** The operation must establish, as approved by the TGRA, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.
- (1) Additional requirements regarding notification of variance standards are located in the "General TICS" section of this document.

## § 542.15 Credit

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## §542.15 What are the minimum internal control standards for credit?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) **Computer applications.** For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Tribal gaming regulatory authority, will be acceptable.

(1) Additional requirements regarding computer application standards are located in the "General TICS" section of this document.

- (b) **Credit standards.** The following standards shall apply if the gaming operation authorizes and extends credit to customers:

- (1) At least the following information shall be recorded for customers that have credit limits or are issued credit (excluding personal checks, payroll checks, cashier's checks, and traveler's checks):
  - (i) Customer's name, current address, and signature;
  - (ii) Identification verifications;
  - (iii) Authorized credit limit;
  - (iv) Documentation of authorization by a person designated by management to approve credit limits; and
  - (v) Credit issuances and payments.
- (2) Prior to extending credit, the customer's gaming operation credit record and/or other documentation shall be examined to determine the following:
  - (i) Properly authorized credit limit;
  - (ii) Whether remaining credit is sufficient to cover the credit issuance; and
  - (iii) Identity of the customer (except for known customers).
- (3) Credit extensions over a specified dollar amount shall be approved by personnel designated by management.
  - (i) The predetermined dollar amount must be authorized by management, approved by the CNGC, documented, and maintained.
- (4) Proper approval of credit extensions over ten percent (10%) of the previously established limit shall be documented.
- (5) The job functions of credit approval (i.e., establishing the customer's credit worthiness) and credit extension (i.e., advancing customer's credit) shall be segregated for credit extensions to a single customer of \$10,000 or more per day (applies whether the credit is extended in the pit or the cage).
- (6) If cage credit is extended to a single customer in an amount exceeding \$2,500, appropriate gaming personnel shall be notified on a timely basis of the customers playing on cage credit, the applicable amount of credit issued, and the available balance.
- (7) Cage marker forms shall be at least two parts (the original marker and a payment slip), prenumbered by the printer or concurrently numbered by the computerized system, and utilized in numerical sequence.
- (8) The completed original cage marker shall contain at least the following information:
  - (i) Marker number;
  - (ii) Player's name and signature; and
  - (iii) Amount of credit issued (both alpha and numeric).
- (9) The completed payment slip shall include the same marker number as the original, date and time of payment, amount of payment, nature of settlement (cash, chips, etc.), and signature of cashier receiving the payment.

(10) The gaming operation must establish and implement policies and procedures regarding transactions and accountability/tracking for credit.

- (i) These procedures must include the designation of departments/positions authorized to perform credit transactions.
- (ii) Associates must follow all applicable BSA/AML requirements when conducting credit transactions.
- (iii) Associates must verify the Guest is not a casino-banned or self-banned Guest.

**(c) Payment standards.**

- (1) All payments received on outstanding credit instruments shall be recorded in ink or other permanent form of recordation in the gaming operation's records.
- (2) When partial payments are made on credit instruments, they shall be evidenced by a multi-part receipt (or another equivalent document) that contains:
  - (i) The same preprinted number on all copies;
  - (ii) Customer's name;
  - (iii) Date of payment;
  - (iv) Dollar amount of payment (or remaining balance if a new marker is issued), and nature of settlement (cash, chips, etc.);
  - (v) Signature of employee receiving payment; and
  - (vi) Number of credit instrument on which partial payment is being made.
- (3) Unless account balances are routinely confirmed on a random basis by the accounting or internal audit departments, or statements are mailed by a person independent of the credit transactions and collections thereon, and the department receiving payments cannot access cash, then the following standards shall apply:
  - (i) The routing procedures for payments by mail require that they be received by a department independent of credit instrument custody and collection;
  - (ii) Such receipts by mail shall be documented on a listing indicating the customer's name, amount of payment, nature of payment (if other than a check), and date payment received; and
  - (iii) The total amount of the listing of mail receipts shall be reconciled with the total mail receipts recorded on the appropriate accountability form by the accounting department on a random basis (for at least three (3) days per month).

**(d) Access to credit documentation.**

- (1) Access to credit documentation shall be restricted as follows:
  - (i) The credit information shall be restricted to those positions that require access and are so authorized by management;
  - (ii) Outstanding credit instruments shall be restricted to persons authorized by management; and
  - (iii) Written-off credit instruments shall be further restricted to persons specified by management.
- (2) [Reserved]

**(e) Maintenance of credit documentation.**

- (1) All extensions of cage credit, pit credit transferred to the cage, and subsequent payments shall be documented on a credit instrument control form.
- (2) Records of all correspondence, transfers to and from outside agencies, and other documents related to issued credit instruments shall be maintained.

**(f) Write-off and settlement standards.**

- (1) Written-off or settled credit instruments shall be authorized in writing.
- (2) Such authorizations shall be made by at least two management officials who are from departments independent of the credit transaction.

**(g) Collection agency standards.**

- (1) If credit instruments are transferred to collection agencies or other collection representatives, a copy of the credit instrument and a receipt from the collection representative shall be obtained and maintained until the original credit instrument is returned or payment is received.
- (2) A person independent of credit transactions and collections shall periodically review the documents in paragraph (g)(1) of this section.

**(h) Accounting/auditing standards.**

- (1) A person independent of the cage, credit, and collection functions shall perform all of the following at least three (3) times per year:
  - (i) Ascertain compliance with credit limits and other established credit issuance procedures;
  - (ii) Randomly reconcile outstanding balances of both active and inactive accounts on the accounts receivable listing to individual credit records and physical instruments;
  - (iii) Examine credit records to determine that appropriate collection efforts are being made and payments are being properly recorded; and
  - (iv) For a minimum of five (5) days per month, partial payment receipts shall be subsequently reconciled to the total payments recorded by the cage for the day and shall be numerically accounted for.
  - (v) The Revenue Audit Department will be responsible for completing the above-mentioned standards at least quarterly.  
(A) At least monthly, perform an evaluation of the collection percentage of credit issued to identify unusual trends.
  - (vi) All discrepancies and instances of unauthorized adjustments that are detected by the Revenue Audit Department must be immediately communicated (via email) to the CNGC Audit Department ([cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com)).
- (2) [Reserved]

**§ 543.15 Lines of Credit**

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## §543.15 What are the minimum internal control standards for lines of credit?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) **Supervision.** Supervision must be provided as needed for lines of credit by an agent(s) with authority equal to or greater than those being supervised.
- (b) **Establishment of lines of credit policy.**
- (1) If a gaming operation extends lines of credit, controls must be established and procedures implemented to safeguard the assets of the gaming operation. Such controls must include a lines of credit policy including the following:
- (i) A process for the patron to apply for, modify, and/or re-establish lines of credit, to include required documentation and credit line limit;
  - (ii) Authorization levels of credit issuer(s);
  - (iii) Identification of agents authorized to issue lines of credit;
  - (iv) A process for verifying an applicant's credit worthiness;
  - (v) A system for recording patron information, to include:
    - (A) Name, current address, and signature;
    - (B) Identification credential;
    - (C) Authorized credit line limit;
    - (D) Documented approval by an agent authorized to approve credit line limits;
    - (E) Date, time and amount of credit issuances and payments; and
    - (F) Amount of available credit.
  - (vi) A process for issuing lines of credit to:
    - (A) Verify the patron's identity;
    - (B) Notify the patron of the lines of credit terms, including obtaining patron's written acknowledgment of the terms by signature;
    - (C) Complete a uniquely identified, multi-part, lines of credit issuance form, such as a marker or counter check, which includes the terms of the lines of credit transaction;
    - (D) Obtain required signatures;
    - (E) Determine the amount of the patron's available lines of credit;
    - (F) Update the credit balance record at the time of each transaction to ensure that lines of credit issued are within the established limit and balance for that patron; and
    - (G) Require the agent issuing the lines of credit to be independent of the agent who authorized the lines of credit.
  - (vii) A policy establishing credit line limit exceptions to include the following:
    - (A) Identification of the agent(s) authorized to permit a credit line limit to be exceeded;
    - (B) Authorization thresholds; and
    - (C) Required documentation.
  - (viii) A policy governing increases and decreases to a patron's lines of credit account balances to include the following:
    - (A) Documentation and record keeping requirements;

- (B) Independence between the department that receives the payment and the department that maintains custody of the credit balance for payments made by mail;
- (C) Collections;
- (D) Periodic audits and confirmation of balances; and
- (E) If a collection agency is used, a process to ensure documentation of increases and decreases to the lines of credit account balances.

(ix) A policy governing write-offs and settlements to include:

- (A) Identification of agent(s) authorized to approve write-offs and settlements;
- (B) Authorization levels for write-offs and settlements of lines of credit instruments;
- (C) Required documentation for write-offs and settlements;
- (D) Independence between the agent who established the lines of credit and the agent writing off or settling the lines of credit instrument; and
- (E) Necessary documentation for the approval of write-offs and settlements and transmittal to the appropriate department for recording and deductibility.

(2) The gaming operation must establish and implement lines of credit control standards, as approved by the CNGC, with appropriate controls for purposes of security and integrity.

**(c) Variances.** The operation must establish, as approved by the TGRA, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

(1) Additional requirements regarding notification of variance standards are located in the "General TICS" section of this document.

# § 542.21 Drop and Count Tier A

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**§ 542.21 What are the minimum internal control standards for drop and count for Tier A gaming operations?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) Computer applications.** For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Tribal gaming regulatory authority, will be acceptable.

(1) Additional requirements regarding computer application standards are located in the "General TICS" section of this document.

**(b) Table game drop standards.**

- (1) The setting out of empty table game drop boxes and the drop shall be a continuous process.
  - (i) The drop officially begins once the Drop Keys are checked out.
- (2) At the end of each shift:
  - (i) All locked table game drop boxes shall be removed from the tables by a person independent of the pit shift being dropped;
  - (ii) A separate drop box shall be placed on each table opened at any time during each shift or a gaming operation may utilize a single drop box with separate openings and compartments for each shift; and
  - (iii) Upon removal from the tables, table game drop boxes shall be transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.
- (3) If drop boxes are not placed on all tables, then the pit department shall document which tables were open during the shift.
- (4) The transporting of table game drop boxes shall be performed by a minimum of two persons, at least one of whom is independent of the pit shift being dropped.
- (5) All table game drop boxes shall be posted with a number corresponding to a permanent number on the gaming table and marked to indicate game, table number, and shift.
- (6) Primary and alternative drop routes, times and days must be predetermined by casino management to ensure that Surveillance is able to adequately monitor the Drop Team. Documentation of the routes, times and days must be provided to Surveillance, Compliance Department and the CNGC.
- (7) If several route options are provided, Surveillance must be notified of the specific route that the Drop Team is going to use, before the drop begins, in order to adequately monitor the Drop Team throughout the drop process.
- (8) Any proposed adjustments to the drop route, times or days must be submitted (via email) to Surveillance at least seventy-two (72) hours prior to desired start time. Once documented endorsement from Surveillance has been received, the revised drop route, times or days may be implemented.
  - (i) Detailed changes to drop routes, times or days must be provided (via email) to Surveillance, Compliance Department and CNGC.
  - (ii) Drop routes must be followed by the Drop Team, except for emergency drops.
- (9) If an emergency drop/unscheduled pull is required, Surveillance must be notified before the drop/pull is conducted and the CNGC must be informed no more than twenty-four (24) hours after the drop/pull is conducted.
- (10) If there is any delay in the start time of the scheduled drop, the Drop Supervisor/Manager or designated associate must notify Surveillance immediately of the delay, if live Surveillance is provided.
- (11) Card Games must ensure an adequate number of drop boxes are utilized for each table to prevent commingling of received collections (e.g., rake and promotional pool).

**(c) Soft count room personnel.**

- (1) The table game soft count and the gaming machine bill acceptor count shall be performed by a minimum of two employees.
- (2) Count room personnel shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. At no time during the count, shall there be fewer than two employees in the count room until the drop proceeds have been accepted into cage/vault accountability.

(i) All Soft Count Associates involved in the Soft Count process must remain on the premises until all funds have been verified by the Vault.

(A) In the event of an emergency, Soft Count Associates may leave with management approval.

(ii) A schedule for breaks must be established by management and followed by Soft Count Associates. The break schedule must be provided to Surveillance.

(3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same two persons more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count team of more than two persons.

(i) Functions performed by count team agents must be rotated on a routine basis, regardless of the number of associates involved in the count process.

(4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments; however, a dealer or a cage cashier may be used if this person is not allowed to perform the recording function. An accounting representative may be used if there is an independent audit of all soft count documentation.

(i) Drop and Count Associates can be combined (if workload allows) at the discretion of the Casino General Management Team and with the approval of the CNGC.

**(d) Table game soft count standards.**

(1) The table game soft count shall be performed in a soft count room or other equivalently secure area with comparable controls.

(i) Count equipment and systems must be tested, with the results documented, at minimum before the first count begins to ensure the accuracy of the equipment.

(2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.

(3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.

(4) The table game drop boxes shall be individually emptied and counted in such a manner to prevent the commingling of funds between boxes until the count of the box has been recorded.

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

(ii) A second count shall be performed by an employee on the count team who did not perform the initial count.

(iii) Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change, unless the count team only had two (2) members in which case the initials of only one (1) verifying member is required.

(5) If cash counters are utilized and the count room table is used only to empty boxes and sort/stack contents, a count team member shall be able to observe the loading and unloading of all cash at the cash counter, including rejected cash.

(6) Table game drop boxes, when empty, shall be shown to another member of the count team, or to another person who is observing the count, or to surveillance.

(7) Orders for fill/credit (if applicable) shall be matched to the fill/credit slips. Fills and credits shall be traced to or recorded on the count sheets.

(8) Pit marker issue and payment slips (if applicable) removed from the table game drop boxes shall either be:

(i) Traced to or recorded on the count sheet by the count team; or

(ii) Totaled by shift and traced to the totals documented by the computerized system. Accounting personnel shall verify the issue/payment slip for each table is accurate.

(9) Foreign currency exchange forms (if applicable) removed from the table game drop boxes shall be reviewed for the proper daily exchange rate and the conversion amount shall be recomputed by the count team. Alternatively, this may be performed by accounting/auditing employees.

(10) The opening/closing table and marker inventory forms (if applicable) shall either be:

**§542.21 Drop and Count Tier A**

- (i) Examined and traced to or recorded on the count sheet; or
  - (ii) If a computerized system is used, accounting personnel can trace the opening/closing table and marker inventory forms to the count sheet. Discrepancies shall be investigated with the findings documented and maintained for inspection.
- (11) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder.
- (12) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.
- (i) Count Team Associates are required to provide their signature and legible gaming license number (or electronic equivalent).
- (13) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
- (i) Before transferring funds, the Soft Count Supervisor/Manager or designated Soft Count Associate must contact Surveillance to notify them of the transfer and await acknowledgement. Once acknowledgement has been received, the funds or currency equivalents must be immediately transferred to the Vault.
  - (A) Notification to Surveillance must include the amount of each denomination being transferred to allow for adequate surveillance coverage.
  - (ii) The Vault Associate (who must be independent of the count team and Slot Department) accepting the counted drop proceeds and cash equivalents must perform an independent count and make a comparison to ensure accuracy and individual accountability. All discrepancies must be noted and investigated. Unverified transfers of cash and/or cash equivalents are prohibited.
- (14) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by accounting department.
- (i) A secured bag/container must be utilized to transport soft count documentation.
  - (A) The bag/container must be secured under audio and video surveillance.
- (15) Access to stored, full table game drop boxes shall be restricted to authorized members of the drop and count teams.

**(e) Gaming machine bill acceptor drop standards.**

- (1) A minimum of two employees shall be involved in the removal of the gaming machine drop, at least one of whom is independent of the gaming machine department.
  - (i) The drop officially begins once the Drop Keys are checked out.
  - (ii) For Tier level A or Tier B sites, a Drop Team will consist of a minimum of two (2) associates, at least one (1) of whom is Security.
- (2) All bill acceptor canisters shall be removed only at the time previously designated by the gaming operation and reported to the Tribal gaming regulatory authority, except for emergency drops.
  - (i) Primary and alternative drop routes, times and days must be predetermined by casino management to ensure that Surveillance is able to adequately monitor the Drop Team. Documentation of the routes, times and days must be provided to Surveillance, Compliance Department and the CNGC.
  - (ii) If several route options are provided, Surveillance must be notified of the specific route that the Drop Team is going to use, before the drop begins, in order to adequately monitor the Drop Team throughout the drop process.
  - (iii) Any proposed adjustments to the drop route, times or days must be submitted (via email) to Surveillance at least seventy-two (72) hours prior to desired start time. Once documented endorsement from Surveillance has been received, the revised drop route, times or days may be implemented.
  - (A) Detailed changes to drop routes, times or days must be provided (via email) to Surveillance, Compliance Department and CNGC.
  - (B) Drop routes must be followed by the Drop Team, except for emergency drops.
  - (iv) If an emergency drop/unscheduled pull is required, Surveillance must be notified before the drop/pull is conducted.

- (v) If there is any delay in the start time of the scheduled drop, the Drop Supervisor/Manager or designated associate must notify Surveillance immediately of the delay, if live Surveillance is provided.
- (vi) A schedule for breaks must be established by management and followed by Drop Associates. The break schedule must be provided to Surveillance.
- (3) The bill acceptor canisters shall be removed by a person independent of the gaming machine department then transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.
  - (i) Security shall be provided over the bill acceptor canisters removed from the gaming machines and awaiting transport to the count room.
  - (ii) The transporting of bill acceptor canisters shall be performed by a minimum of two persons, at least one of whom is independent of the gaming machine department.
  - (iii) Any funds removed from the canisters during the drop process must be locked in a canister/bag. Security must accompany the locked canister/bag until the funds are secured in the Soft Count area.
- (4) All bill acceptor canisters shall be posted with a number corresponding to a permanent number on the gaming machine.
  - (i) An electronic/computerized equivalent of meeting these standards is also considered acceptable.
- (5) For Travel Plazas that are not equipped to perform the drop and count procedures independently, the assigned main casino must be responsible for following proper procedures during the drop and count process.
  - (i) Notification must be given to Surveillance by a Security Officer accompanying the Drop Team (for those sites with a twenty-four [24] hour Surveillance Department) at the following times:
    - (A) Prior to leaving to fulfill drop duties at Travel Plaza(s):
    - (B) Upon arrival to inform of commencement of drop:
    - (C) Once drop is complete:
    - (D) When exiting the Travel Plaza; and
    - (E) Upon arrival back to main site.
  - (ii) The transport of ANY bank/draw to an adjacent facility requires a Security escort. Funds must be secured inside a locked bag/container. Access to the bag/container keys during transport is prohibited.
    - (A) The bag/container must be locked and unlocked under audio/video surveillance.

**(f) Gaming machine bill acceptor count standards.**

- (1) The gaming machine bill acceptor count shall be performed in a soft count room or other equivalently secure area with comparable controls.
  - (i) Count equipment and systems must be tested, and the results documented, before the first count begins, to ensure the accuracy of the equipment. (543.17)
- (2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
- (3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
- (4) The bill acceptor canisters shall be individually emptied and counted in such a manner to prevent the commingling of funds between canisters until the count of the canister has been recorded.
  - (i) The count of each canister shall be recorded in ink or other permanent form of recordation.
  - (ii) Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.

- (5) If cash counters are utilized and the count room table is used only to empty canisters and sort/stack contents, a count team member shall be able to observe the loading and unloading of all cash at the cash counter, including rejected cash.
- (6) Canisters, when empty, shall be shown to another member of the count team, or to another person who is observing the count, or to surveillance.
- (7) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder.
- (8) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.
  - (i) Count Team Associates are required to provide their signature and legible gaming license number (or electronic equivalent).
- (9) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
  - (i) Before transferring funds, the Soft Count Supervisor/Manager or designated Soft Count Associate must contact Surveillance (where live Surveillance is available) to notify them of the transfer and await acknowledgement. Once acknowledgement has been received, the funds or currency equivalents must be immediately transferred to the Vault.
    - (A) Notification to Surveillance must include the amount of each denomination being transferred to allow for adequate surveillance coverage.
  - (ii) The Vault Associate (who must be independent of the Count Team and Slot Department) accepting the counted drop proceeds and cash equivalents must perform an independent count and make a comparison to ensure accuracy and individual accountability. All discrepancies must be noted and investigated. Unverified transfers of cash and/or cash equivalents are prohibited.
- (10) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.
  - (i) A secured bag/container must be utilized to transport soft count documentation.
    - (A) The bag/container must be secured under audio and video surveillance.
- (11) Access to stored bill acceptor canisters, full or empty, shall be restricted to:
  - (i) Authorized members of the drop and count teams; and
  - (ii) Authorized personnel in an emergency for resolution of a problem.

**(g) Gaming machine coin drop standards.**

- (1) A minimum of two employees shall be involved in the removal of the gaming machine drop, at least one of whom is independent of the gaming machine department.
  - (i) Choctaw Casinos do not operate coin gaming machines.
- (2) All drop buckets shall be removed only at the time previously designated by the gaming operation and reported to the Tribal gaming regulatory authority, except for emergency drops.
- (3) Security shall be provided over the buckets removed from the gaming machine drop cabinets and awaiting transport to the count room.
- (4) As each machine is opened, the contents shall be tagged with its respective machine number if the bucket is not permanently marked with the machine number. The contents shall be transported directly to the area designated for the counting of such drop proceeds. If more than one trip is required to remove the contents of the machines, the filled carts of coins shall be securely locked in the room designed for counting or in another equivalently secure area with comparable controls. There shall be a locked covering on any carts in which the drop route includes passage out of doors.
  - (i) Alternatively, a smart bucket system that electronically identifies and tracks the gaming machine number, and facilitates the proper recognition of gaming revenue, shall satisfy the requirements of this paragraph.
  - (ii) [Reserved]
- (5) Each drop bucket in use shall be:



- (i) Housed in a locked compartment separate from any other compartment of the gaming machine and keyed differently than other gaming machine compartments; and
  - (ii) Identifiable to the gaming machine from which it is removed. If the gaming machine is identified with a removable tag that is placed in the bucket, the tag shall be placed on top of the bucket when it is collected.
- (6) Each gaming machine shall have drop buckets into which coins or tokens that are retained by the gaming machine are collected. Drop bucket contents shall not be used to make change or pay hand-paid payouts.
- (7) The collection procedures may include procedures for dropping gaming machines that have trays instead of drop buckets.

**(h) Hard count room personnel.**

- (1) The weigh/count shall be performed by a minimum of two employees.
- (2) At no time during the weigh/count shall there be fewer than two employees in the count room until the drop proceeds have been accepted into cage/vault accountability.
  - (i) If the gaming machine count is conducted with a continuous mechanical count meter that is not reset during the count and is verified in the writing by at least two employees at the start and end of each denomination count, then one employee may perform the wrap.
  - (ii) [Reserved]
- (3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same two persons more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count team of more than two persons.
- (4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments, unless they are non-supervisory gaming machine employees and perform the laborer function only (A non-supervisory gaming machine employee is defined as a person below the level of gaming machine shift supervisor). A cage cashier may be used if this person is not allowed to perform the recording function. An accounting representative may be used if there is an independent audit of all count documentation.

**(i) Gaming machine coin count and wrap standards.**

- (1) Coins shall include tokens.
- (2) The gaming machine coin count and wrap shall be performed in a count room or other equivalently secure area with comparable controls.
  - (i) Alternatively, an on-the-floor drop system utilizing a mobile scale shall satisfy the requirements of this paragraph, subject to the following conditions:
    - (A) The gaming operation shall utilize and maintain an effective on-line gaming machine monitoring system, as described § 542.13(m)(3);
    - (B) Components of the on-the-floor drop system shall include, but not be limited to, a weigh scale, a laptop computer through which weigh/count applications are operated, a security camera available for the mobile scale system, and a VCR to be housed within the video compartment of the mobile scale. The system may include a mule cart used for mobile weigh scale system locomotion.
    - (C) The gaming operation must obtain the security camera available with the system, and this camera must be added in such a way to eliminate tampering.
    - (D) Prior to the drop, the drop/count team shall ensure the scale batteries are charged;
    - (E) Prior to the drop, a videotape shall be inserted into the VCR used to record the drop in conjunction with the security camera system and the VCR shall be activated;
    - (F) The weigh scale test shall be performed prior to removing the unit from the hard count room for the start of the weigh/drop/count;
    - (G) Surveillance shall be notified when the weigh/drop/count begins and shall be capable of monitoring the entire process;
    - (H) An observer independent of the weigh/drop/count teams (independent observer) shall remain by the weigh scale at all times and shall observe the entire weigh/drop/count process;

- (I) Physical custody of the key(s) needed to access the laptop and video compartment shall require the involvement of two persons, one of whom is independent of the drop and count team;
- (J) The mule key (if applicable), the laptop and video compartment keys, and the remote control for the VCR shall be maintained by a department independent of the gaming machine department. The appropriate personnel shall sign out these keys;
- (K) A person independent of the weigh/drop/count teams shall be required to accompany these keys while they are checked out, and observe each time the laptop compartment is opened;
- (L) The laptop access panel shall not be opened outside the hard count room, except in instances when the laptop must be rebooted as a result of a crash, lock up, or other situation requiring immediate corrective action;
- (M) User access to the system shall be limited to those employees required to have full or limited access to complete the weigh/drop/count; and
- (N) When the weigh/drop/count is completed, the independent observer shall access the laptop compartment, end the recording session, eject the videotape, and deliver the videotape to surveillance.

(ii) [Reserved]

- (3) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
- (4) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
- (5) The following functions shall be performed in the counting for the gaming machine drop;
  - (i) Recorder function, which involves the recording of the gaming machine count; and
  - (ii) Count team supervisor function, which involves the control of the gaming machine weigh and wrap process. The supervisor shall not perform the initial recording of the weigh/count unless a weigh scale with a printer is used.
- (6) The gaming machine drops shall be counted, wrapped, and reconciled in such a manner to prevent the commingling of gaming machine drop coin with coin (for each denomination) from the next gaming machine drop until the count of the gaming machine drop has been recorded. If the coins are not wrapped immediately after being weighed or counted, they shall be secured and not commingled with other coins.
  - (i) The amount of the gaming machine drop from each machine shall be recorded in ink or other permanent form of recordation on a gaming machine count document by the recorder or mechanically printed by the weigh scale.
  - (ii) Corrections to information originally recorded by the count team on gaming machine count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.
- (A) If weigh scale interface is used, corrections to gaming machine count data shall be made using either of the following;
  - 1) Drawing a single line through the error on the gaming machine document, writing the correct figure above the original figure, and then obtaining the initials of at least two count team employees. If this procedure is used, an employee independent of the gaming machine department and count team shall enter the correct figure into the computer system prior to the generation of related gaming machine reports; or
  - 2) During the count process, correct the error in the computer system and enter the passwords of at least two count team employees. If this procedure is used, an exception report shall be generated by the computer system identifying the gaming machine number, the error, the correction, and the count team employees attesting the correction.

(B) [Reserved]

- (7) If applicable, the weight shall be converted to dollar amounts prior to the reconciliation of the weigh to the wrap.
- (8) If a coin meter is used, a count team member shall convert the coin count for each denomination into dollars and shall enter the results on a summary sheet.
- (9) The recorder and at least one other count team member shall sign the weigh tape and the gaming machine count document attesting to the accuracy of the weigh/count.

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

(i) Count Team Associates are required to provide their signature and legible gaming license number (or electronic equivalent).

(11) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.

(i) The Vault Associate (who must be independent of the Count Team and Slot Department) accepting the counted drop proceeds and cash equivalents must perform an independent count and make a comparison to ensure accuracy and individual accountability. All discrepancies must be noted and investigated. Unverified transfers of cash and/or cash equivalents are prohibited.

(12) All gaming machine count and wrap documentation, including any applicable computer storage media, shall be delivered to the accounting department by a count team member or a person independent of the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.

(13) If coins are transported off the property, a second (alternative) count procedure shall be performed before the coins leave the property. Any variances shall be documented.

(14) Variances. Large (by denomination, either \$1000 or 2% of the drop, whichever is less) or unusual (e.g., zero for weigh/count or patterned for all counts) variances between the weigh/count and wrap shall be investigated by management personnel independent of the gaming machine department, count team, and the cage/vault functions on a timely basis. The results of such investigation shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

**(j) Security of the coin room inventory during the gaming machine coin count and wrap.**

(1) If the count room serves as a coin room and coin room inventory is not secured so as to preclude access by the count team, then the following standards shall apply:

(i) At the commencement of the gaming machine count the following requirements shall be met:

(A) The coin room inventory shall be counted by at least two employees, one of whom is a member of the count team and the other is independent of the weigh/count and wrap procedures;

(B) The count in paragraph (j)(1)(i)(A) of this section shall be recorded on an appropriate inventory form;

(ii) Upon completion of the wrap of the gaming machine drop:

(A) At least two members of the count team (wrap team), independently from each other, shall count the ending coin room inventory;

(B) The counts in paragraph (j)(1)(ii)(A) of this section shall be recorded on a summary report(s) that evidences the calculation of the final wrap by subtracting the beginning inventory from the sum of the ending inventory and transfers in and out of the coin room;

(C) The same count team members shall compare the calculated wrap to the weigh/count, recording the comparison and noting any variances on the summary report;

(D) A member of cage/vault department shall count the ending coin room inventory by denomination and shall reconcile it to the beginning inventory, wrap, transfers, and weigh/count; and

(E) At the conclusion of the reconciliation, at least two count/wrap team members and the verifying employee shall sign the summary report(s) attesting to its accuracy.

(iii) The functions described in paragraph (j)(1)(ii)(A) and (C) of this section may be performed by only one count team member. The count team member must then sign the summary report, along with the verifying employee, as required under paragraph (j)(1)(ii)(E).

(2) If the count room is segregated from the coin room, or if the coin room is used as a count room and the coin room inventory is secured to preclude access by the count team, all of the following requirements shall be completed, at the conclusion of the count:

(i) At least two members of the count/wrap team shall count the final wrapped gaming machine drop independently from each other;

- (ii) The counts shall be recorded on a summary report;
- (iii) The same count team members (or the accounting department) shall compare the final wrap to the weigh/count, recording the comparison, and noting any variances on the summary report;
- (iv) A member of the cage/vault department shall count the wrapped gaming machine drop by denomination and reconcile it to the weigh/count;
- (v) At the conclusion of the reconciliation, at least two count team members and the cage/vault employee shall sign the summary report attesting to its accuracy; and
- (vi) The wrapped coins (exclusive of proper transfers) shall be transported to the cage, vault or coin vault after the reconciliation of the weigh/count to the wrap.

**(k) Transfers during the gaming machine coin count and wrap.**

- (1) Transfers may be permitted during the count and wrap only if permitted under the internal control standards approved by the Tribal gaming regulatory authority.
- (2) Each transfer shall be recorded on a separate multi-part form with a preprinted or concurrently-printed form number (used solely for gaming machine count transfers) that shall be subsequently reconciled by the accounting department to ensure the accuracy of the reconciled gaming machine drop.
- (3) Each transfer must be counted and signed for by at least two members of the count team and by a person independent of the count team who is responsible for authorizing the transfer.

**(l) Gaming machine drop key control standards.**

- (1) Gaming machine coin drop cabinet keys, including duplicates, shall be maintained by a department independent of the gaming machine department.
  - (i) The independent department that maintains and restricts access to keys must be Casino Security or other designated departments/systems, as approved by the CNGC.
- (2) The physical custody of the keys needed to access gaming machine coin drop cabinets, including duplicates, shall require the involvement of two persons, one of whom is independent of the gaming machine department.
- (3) Two employees (separate from key custodian) shall be required to accompany such keys while checked out and observe each time gaming machine drop cabinets are accessed.

**(m) Table game drop box key control standards.**

- (1) Tier A gaming operations shall be exempt from compliance with this paragraph if the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.
  - (i) An independent department must be responsible for maintaining and restricting access to keys. This department must be Casino Security or other designated departments/systems, as approved by the CNGC.
- (2) Procedures shall be developed and implemented to insure that unauthorized access to empty table game drop boxes shall not occur from the time the boxes leave the storage racks until they are placed on the tables.
- (3) The involvement of at least two persons independent of the cage department shall be required to access stored empty table game drop boxes.
- (4) The release keys shall be separately keyed from the contents keys.
- (5) At least two count team members are required to be present at the time count room and other count keys are issued for the count.
- (6) All duplicate keys shall be maintained in a manner that provides the same degree of control as is required for the original keys. Records shall be maintained for each key duplicated that indicates the number of keys made and destroyed.
- (7) Logs shall be maintained by the custodian of sensitive keys to document authorization of personnel accessing keys.

**(n) Table game drop box release keys.**

- (1) Tier A gaming operations shall be exempt from compliance with this paragraph if the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.
- (2) The table game drop box release keys shall be maintained by a department independent of the pit department.
  - (i) The independent department that maintains and restricts access to keys must be Casino Security or other designated departments/systems, as approved by the CNGC.
- (3) Only the person(s) authorized to remove table game drop boxes from the tables shall be allowed access to the table game drop box release keys; however, the count team members may have access to the release keys during the soft count in order to reset the table game drop boxes.
- (4) Persons authorized to remove the table game drop boxes shall be precluded from having simultaneous access to the table game drop box keys and release keys.
- (5) For situations requiring access to a table game drop box at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

**(o) Bill acceptor canister release keys.**

- (1) Tier A gaming operations shall be exempt from compliance with this paragraph if the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.
- (2) The bill acceptor canister release keys shall be maintained by a department independent of the gaming machine department.
  - (i) The independent department that maintains and restricts access to keys must be Casino Security or other designated departments/systems, as approved by the CNGC.
- (3) Only the person(s) authorized to remove bill acceptor canisters from the gaming machines shall be allowed access to the release keys.
  - (i) These authorized persons must include: Gaming Machine Department Associates, Drop Team Associates and Security Officers.
- (4) Persons authorized to remove the bill acceptor canisters shall be precluded from having simultaneous access to the bill acceptor canister contents keys and release keys.
- (5) For situations requiring access to a bill acceptor canister at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

**(p) Table game drop box storage rack keys.**

- (1) Tier A gaming operations shall be exempt from compliance with this paragraph if the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.
  - (i) An independent department must be responsible for maintaining and restricting access to keys. This department must be Casino Security or other designated departments/systems, as approved by the CNGC.
- (2) Persons authorized to obtain table game drop box storage rack keys shall be precluded from having simultaneous access to table game drop box contents keys, with the exception of the count team.

**(q) Bill acceptor canister storage rack keys.**

- (1) Tier A gaming operations shall be exempt from compliance with this paragraph if the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.
  - (i) An independent department must be responsible for maintaining and restricting access to keys. This department must be Casino Security or other designated departments/systems, as approved by the CNGC.
- (2) Persons authorized to obtain bill acceptor canister storage rack keys shall be precluded from having simultaneous access to bill acceptor canister contents keys, with the exception of the count team.

**(r) Table game drop box contents keys.**

- (1) Tier A gaming operations shall be exempt from compliance with this paragraph if the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.
  - (i) An independent department must be responsible for maintaining and restricting access to keys. This department must be Casino Security or other designated departments/systems, as approved by the CNGC.
- (2) The physical custody of the keys needed for accessing stored, full table game drop box contents shall require the involvement of persons from at least two separate departments, with the exception of the count team.
  - (i) Casino Security must be the designated department independent of the gaming machine department and must be present from the time the keys are issued until they are returned.
- (3) Access to the table game drop box contents key at other than scheduled count times shall require the involvement of at least two persons from separate departments, including management. The reason for access shall be documented with the signatures of all participants and observers.
- (4) Only count team members shall be allowed access to table game drop box contents keys during the count process.

**(s) Bill acceptor canister contents keys.**

- (1) Tier A gaming operations shall be exempt from compliance with this paragraph if the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.
  - (i) An independent department must be responsible for maintaining and restricting access to keys. This department must be Casino Security or other designated departments/systems, as approved by the CNGC.
- (2) The physical custody of the keys needed for accessing stored, full bill acceptor canister contents shall require the involvement of persons from at least two separate departments, with the exception of the count team.
  - (i) Casino Security must be the designated department independent of the gaming machine department and must be present from the time the keys are issued until they are returned.
- (3) Access to the bill acceptor canister contents key at other than scheduled count times shall require the involvement of at least two persons from separate departments, one of whom must be a supervisor. The reason for access shall be documented with the signatures of all participants and observers.
- (4) Only count team members shall be allowed access to bill acceptor canister contents keys during the count process.

**(t) Gaming machine computerized key security systems.**

- (1) Computerized key security systems which restrict access to the gaming machine drop and count keys through the use of passwords, keys or other means, other than a key custodian, must provide the same degree of control as indicated in the aforementioned key control standards; refer to paragraphs (l), (o), (q), and (s) of this section. Note: This standard does not apply to the system administrator. The system administrator is defined in paragraph (t)(2)(i) of this section.
- (2) For computerized key security systems, the following additional gaming machine key control procedures apply:
  - (i) Management personnel independent of the gaming machine department assign and control user access to keys in the computerized key security system (i.e., system administrator) to ensure that gaming machine drop and count keys are restricted to authorized employees.
  - (ii) In the event of an emergency or the key box is inoperable, access to the emergency manual key(s) (a.k.a. override key), used to access the box containing the gaming machine drop and count keys, requires the physical involvement of at least three persons from separate departments, including management. The date, time, and reason for access, must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
  - (iii) The custody of the keys issued pursuant to paragraph (t)(2)(ii) of this section requires the presence of two persons from separate departments from the time of their issuance until the time of their return.
  - (iv) Routine physical maintenance that requires accessing the emergency manual key(s) (override key) and does not involve the accessing of the gaming machine drop and count keys, only requires the presence of two persons from separate departments. The date, time and reason for access must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
- (3) For computerized key security systems controlling access to gaming machine drop and count keys, accounting/audit personnel, independent of the system administrator, will perform the following procedures:

- (i) Daily, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes user's access within the system (i.e., system administrator). Determine whether the transactions completed by the system administrator provide an adequate control over the access to the gaming machine drop and count keys. Also, determine whether any gaming machine drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized.
  - (ii) For at least one day each month, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual gaming machine drop and count key removals or key returns occurred.
  - (iii) At least quarterly, review a sample of users that are assigned access to the gaming machine drop and count keys to determine that their access to the assigned keys is adequate relative to their job position.
  - (iv) All noted improper transactions or unusual occurrences are investigated with the results documented.
- (4) Quarterly, an inventory of all count room, drop box release, storage rack and contents keys is performed, and reconciled to records of keys made, issued, and destroyed. Investigations are performed for all keys unaccounted for, with the investigation being documented.

**(u) Table games computerized key security systems.**

- (1) Computerized key security systems which restrict access to the table game drop and count keys through the use of passwords, keys or other means, other than a key custodian, must provide the same degree of control as indicated in the aforementioned key control standards; refer to paragraphs (m), (n), (p), and (r) of this section. Note: This standard does not apply to the system administrator. The system administrator is defined in paragraph (u)(2)(ii) of this section.
- (2) For computerized key security systems, the following additional table game key control procedures apply:
  - (i) Management personnel independent of the table game department assign and control user access to keys in the computerized key security system (i.e., system administrator) to ensure that table game drop and count keys are restricted to authorized employees.
  - (ii) In the event of an emergency or the key box is inoperable, access to the emergency manual key(s) (a.k.a. override key), used to access the box containing the table game drop and count keys, requires the physical involvement of at least three persons from separate departments, including management. The date, time, and reason for access, must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
  - (iii) The custody of the keys issued pursuant to paragraph (u)(2)(ii) of this section requires the presence of two persons from separate departments from the time of their issuance until the time of their return.
  - (iv) Routine physical maintenance that requires accessing the emergency manual key(s) (override key) and does not involve the accessing of the table games drop and count keys, only requires the presence of two persons from separate departments. The date, time and reason for access must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
- (3) For computerized key security systems controlling access to table games drop and count keys, accounting/audit personnel, independent of the system administrator, will perform the following procedures:
  - (i) Daily, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes user's access within the system (i.e., system administrator). Determine whether the transactions completed by the system administrator provide an adequate control over the access to the table games drop and count keys. Also, determine whether any table games drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized.
  - (ii) For at least one day each month, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual table games drop and count key removals or key returns occurred.
  - (iii) At least quarterly, review a sample of users that are assigned access to the table games drop and count keys to determine that their access to the assigned keys is adequate relative to their job position.
  - (iv) All noted improper transactions or unusual occurrences are investigated with the results documented.
- (4) Quarterly, an inventory of all count room, table game drop box release, storage rack and contents keys is performed, and reconciled to records of keys made, issued, and destroyed. Investigations are performed for all keys unaccounted for, with the investigations being documented.

**(v) Emergency drop procedures.**

- (1) Emergency drop procedures shall be developed by the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority.

(i) In the event that an emergency drop or unscheduled pull is deemed necessary:

(A) Surveillance must be notified of the emergency drop or unscheduled pull and the reason, prior to commencement. In the event that the site does not have a manned Surveillance Room documentation of drop/pull must be provided to Surveillance upon arrival.

(B) The emergency drop or unscheduled pull must be documented by using an approved manual or electronic method.

**(w) Equipment standards for gaming machine count.**

- (1) A weigh scale calibration module shall be secured so as to prevent unauthorized access (e.g., pre-numbered seal, lock and key, etc.).
- (2) A person independent of the cage, vault, gaming machine, and count team functions shall be required to be present whenever the calibration module is accessed. Such access shall be documented and maintained.
- (3) If a weigh scale interface is used, it shall be adequately restricted so as to prevent unauthorized access (passwords, keys, etc.).
- (4) If the weigh scale has a zero adjustment mechanism, it shall be physically limited to minor adjustments (e.g., weight of bucket) or physical situated such that an unnecessary adjustments to it during the weigh process would be observed by the count team members.
- (5) The weigh scale and weigh scale interface (if applicable) shall be tested by a person or persons independent of the cage, vault, and gaming machine departments and count team at least quarterly. At least annually, this test shall be performed by internal audit in accordance with the internal audit standards. The result of these tests shall be documented and signed by the person or persons performing the test.
- (6) Prior to the gaming machine count, at least two employees shall verify the accuracy of the weigh scale with the varying weights or with varying amounts of previously counted coin for each denomination to ensure the scale is properly calibrated (varying weights/coin from drop to drop is acceptable).
- (7) If a mechanical coin counter is used (instead of a weigh scale), the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply, with procedures that are equivalent to those described in paragraphs (u)(4), (u)(5), and (u)(6) of this section.

(i) Refer to 542.21(w)(4), (w)(5) and (w)(6).

- (8) If a coin meter count machine is used, the count team member shall record the machine number denomination and number of coins in ink on a source document, unless the meter machine automatically records such information.
  - (i) A count team member shall test the coin meter count machine prior to the actual count to ascertain if the metering device is functioning properly with a predetermined number of coins for each denomination.
  - (ii) [Reserved]

*[MICS Revision 542 October 2008]*



## **§ 542.31 Drop and Count Tier B**

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**§ 542.31 What are the minimum internal control standards for drop and count for Tier B gaming operations?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) Computer applications.** For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Tribal gaming regulatory authority, will be acceptable.

(1) Additional requirements regarding computer application standards are located in the "General TICS" section of this document.

**(b) Table game drop standards.**

(1) The setting out of empty table game drop boxes and the drop shall be a continuous process.

(i) The drop officially begins once the Drop Keys are checked out.

(2) At the end of each shift:

(i) All locked table game drop boxes shall be removed from the tables by a person independent of the pit shift being dropped;

(ii) A separate drop box shall be placed on each table opened at any time during each shift or a gaming operation may utilize a single drop box with separate openings and compartments for each shift; and

(A) One (1) Table/Card Game shift may be considered the casino gaming day (not to exceed twenty-four [24] hours).

(iii) Upon removal from the tables, table game drop boxes shall be transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.

(3) If drop boxes are not placed on all tables, then the pit department shall document which tables were open during the shift.

(4) The transporting of table game drop boxes shall be performed by a minimum of two persons, at least one of whom is independent of the pit shift being dropped.

(5) All table game drop boxes shall be posted with a number corresponding to a permanent number on the gaming table and marked to indicate game, table number, and shift.

(6) Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities.

(7) Primary and alternative drop routes, times and days must be predetermined by casino management to ensure that Surveillance is able to adequately monitor the Drop Team. Documentation of the routes, times and days must be provided to Surveillance, Compliance Department and the CNGC.

(8) If several route options are provided, Surveillance must be notified of the specific route that the Drop Team is going to use, before the drop begins, in order to adequately monitor the Drop Team throughout the drop process.

(9) Any proposed adjustments to the drop route, times or days must be submitted (via email) to Surveillance at least seventy-two (72) hours prior to desired start time. Once documented endorsement from Surveillance has been received, the revised drop route, times or days may be implemented.

(i) Detailed changes to drop routes, times or days must be provided (via email) to Surveillance, Compliance Department and CNGC.

(ii) Drop routes must be followed by the Drop Team, except for emergency drops.

(10) If an emergency drop/unscheduled pull is required, Surveillance must be notified before the drop/pull is conducted and the CNGC must be informed no more than twenty-four (24) hours after the drop/pull is conducted.

(11) If there is any delay in the start time of the scheduled drop, the Drop Supervisor/Manager or designated associate must notify Surveillance immediately of the delay, if live Surveillance is provided.

(12) Card Games must ensure an adequate number of drop boxes are utilized for each table to prevent commingling of received collections (e.g., rake and promotional pool).

**(c) Soft count room personnel.**

(1) The table game soft count and the gaming machine bill acceptor count shall be performed by a minimum of two employees.

- (i) The count shall be viewed live, or on video recording and/or digital record, within seven (7) days by an employee independent of the count.
- (ii) [Reserved]
- (2) Count room personnel shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. At no time during the count, shall there be fewer than two employees in the count room until the drop proceeds have been accepted into cage/vault accountability. Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.
  - (i) All Soft Count Associates involved in the Soft Count process must remain on the premises until all funds have been verified by the Vault.
    - (A) In the event of an emergency, Soft Count Associates may leave with management approval.
  - (ii) A schedule for breaks must be established by management and followed by Soft Count Associates. The break schedule must be provided to Surveillance.
- (3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same two persons more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count team of more than two persons.
  - (i) Functions performed by count team agents must be rotated on a routine basis, regardless of the number of associates involved in the count process.
- (4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments; however, a dealer or a cage cashier may be used if this person is not allowed to perform the recording function. An accounting representative may be used if there is an independent audit of all soft count documentation.
  - (i) Drop and Count Associates can be combined (if work load allows) at the discretion of the Casino General Management Team and with the approval of the CNGC.

**(d) Table game soft count standards.**

- (1) The table game soft count shall be performed in a soft count room or other equivalently secure area with comparable controls.
  - (i) Count equipment and systems must be tested, with the results documented, at minimum before the first count begins to ensure the accuracy of the equipment.
- (2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
- (3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
- (4) The table games drop boxes shall be individually emptied and counted in such a manner to prevent the commingling of funds between boxes until the count of the box has been recorded.
  - (i) The count of each box shall be recorded in ink or other permanent form of recordation.
  - (ii) A second count shall be performed by an employee on the count team who did not perform the initial count.
  - (iii) Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change, unless the count team only has two (2) members in which case the initials of only one (1) verifying count team member is required.
- (5) If currency counters are utilized and the count room table is used only to empty boxes and sort/stack contents, a count team member shall be able to observe the loading and unloading of all currency at the currency counter, including rejected currency.
- (6) Table game drop boxes, when empty, shall be shown to another member of the count team, or to another person who is observing the count, or to surveillance, provided the count is monitored in its entirety by a person independent of the count.
- (7) Orders for fill/credit (if applicable) shall be matched to the fill/credit slips. Fills and credits shall be traced to or recorded on the count sheet.
- (8) Pit marker issue and payment slips (if applicable) removed from the table game drop boxes shall either be:

- (i) Traced to or recorded on the count sheet by the count team; or
  - (ii) Totaled by shift and traced to the totals documented by the computerized system. Accounting personnel shall verify the issue/payment slip for each table is accurate.
- (9) Foreign currency exchange forms (if applicable) removed from the table game drop boxes shall be reviewed for the proper daily exchange rate and the conversion amount shall be recomputed by the count team. Alternatively, this may be performed by accounting/auditing employees.
- (10) The opening/closing table and marker inventory forms (if applicable) shall either be:
- (i) Examined and traced to or recorded on the count sheet; or
  - (ii) If a computerized system is used, accounting personnel can trace the opening/closing table and marker inventory forms to the count sheet. Discrepancies shall be investigated with the findings documented and maintained for inspection.
- (11) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder.
- (12) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.
- (i) Count Team Associates are required to provide their signature and legible gaming license number (or electronic equivalent).
- (13) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
- (i) Before transferring funds, the Soft Count Supervisor/Manager or designated Soft Count Associate must contact Surveillance to notify them of the transfer and await acknowledgement. Once acknowledgement has been received, the funds or currency equivalents must be immediately transferred to the Vault.
  - (A) Notification to Surveillance must include the amount of each denomination being transferred to allow for adequate surveillance coverage.
  - (ii) The Vault Associate (who must be independent of the Count Team and Slot Department) accepting the counted drop proceeds and cash equivalents must perform an independent count and make a comparison to ensure accuracy and individual accountability. All discrepancies must be noted and investigated. Unverified transfers of cash and/or cash equivalents are prohibited.
- (14) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.
- (i) A secured bag/container must be utilized to transport soft count documentation.
  - (A) The bag/container must be secured under audio and video surveillance.
- (15) Access to stored, full table game boxes shall be restricted to authorized members of the drop and count teams.

**(e) Gaming machine bill acceptor drop standards.**

- (1) A minimum of two employees shall be involved in the removal of the gaming machine drop, at least one of who is independent of the gaming machine department.
  - (i) The drop officially begins once the Drop Keys are checked out.
  - (ii) For Tier level A or Tier B sites, a Drop Team will consist of a minimum of two (2) associates, at least one (1) of whom is Security.
- (2) All bill acceptor canisters shall be removed only at the time previously designated by the gaming operation and reported to the Tribal gaming regulatory authority, except for emergency drops.
- (3) Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities.
  - (i) Primary and alternative drop routes, times and days must be predetermined by casino management to ensure that Surveillance is able to adequately monitor the Drop Team. Documentation of the routes, times and days must be provided to Surveillance, Compliance Department and the CNGC.

- (ii) If several route options are provided, Surveillance must be notified of the specific route that the Drop Team is going to use, before the drop begins, in order to adequately monitor the Drop Team throughout the drop process.
  - (iii) Any proposed adjustments to the drop route, times or days must be submitted (via email) to Surveillance at least seventy-two (72) hours prior to desired start time. Once documented endorsement from Surveillance has been received, the revised drop route, times or days may be implemented.
    - (A) Detailed changes to drop routes, times or days must be provided (via email) to Surveillance, Compliance Department and CNGC.
    - (B) Drop routes must be followed by the Drop Team, except for emergency drops.
  - (iv) If an emergency drop/unscheduled pull is required, Surveillance must be notified before the drop/pull is conducted.
  - (v) If there is any delay in the start time of the scheduled drop, the Drop Supervisor/Manager or designated associate must notify Surveillance immediately of the delay, if live Surveillance is provided.
  - (vi) A schedule for breaks must be established by management and followed by Drop Associates. The break schedule must be provided to Surveillance.
- (4) The bill acceptor canisters shall be removed by a person independent of the gaming machine department then transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.
- (i) Security shall be provided over the bill acceptor canisters removed from the gaming machines and awaiting transport to the count room.
  - (ii) The transporting of bill acceptor canisters shall be performed by a minimum of two persons, at least one of who is independent of the gaming machine department.
  - (iii) Any funds removed from the canisters during the drop process must be locked in a canister/bag. Security must accompany the locked canister/bag until the funds are secured in the Soft Count area.
- (5) All bill acceptors canisters shall be posted with a number corresponding to a permanent number on the gaming machine.
- (i) An electronic/computerized equivalent of meeting these standards is also considered acceptable.
- (6) For Travel Plazas that are not equipped to perform the drop and count procedures independently, the assigned main casino must be responsible for following proper procedures during the drop and count process.
- (i) Notification must be given to Surveillance by a Security Officer accompanying the Drop Team (for those sites with a twenty-four [24] hour Surveillance Department) at the following times:
    - (A) Prior to leaving to fulfill drop duties at Travel Plaza(s):
    - (B) Upon arrival to inform of commencement of drop:
    - (C) Once drop is complete:
    - (D) When exiting the Travel Plaza; and
    - (E) Upon arrival back to main site.
  - (ii) The transport of ANY bank/draw to an adjacent facility requires a Security escort. Funds must be secured inside a locked bag/container. Access to the bag/container keys during transport is prohibited.
    - (A) The bag/container must be locked and unlocked under audio/video surveillance.

**(f) Gaming machine bill acceptor count standards.**

- (1) The gaming machine bill acceptor count shall be performed in a soft count room or other equivalently secure area with comparable controls.
  - (i) Count equipment and systems must be tested, and the results documented, before the first count begins, to ensure the accuracy of the equipment. (543.17)
- (2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.

- (3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
- (4) The bill acceptor canisters shall be individually emptied and counted in such a manner to prevent the commingling of funds between canisters until the count of the canisters has been recorded.
  - (i) The count of each canister shall be recorded in ink or other permanent form of recordation.
  - (ii) Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.
- (5) If currency counters are utilized and the count room table is used only to empty canisters and sort/stack contents, a count team member shall be able to observe the loading and unloading of all currency at the currency counter, including rejected currency.
- (6) Canisters, when empty, shall be shown to another member of the count team, to another person who is observing the count, or to surveillance, provided that the count is monitored in its entirety by a person independent of the count.
- (7) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder.
- (8) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.
  - (i) Count Team Associates are required to provide their signature and legible gaming license number (or electronic equivalent).
- (9) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent to the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
  - (i) Before transferring funds, the Soft Count Supervisor/Manager or designated Soft Count Associate must contact Surveillance to notify them of the transfer and await acknowledgement. Once acknowledgement has been received, the funds or currency equivalents must be immediately transferred to the Vault.
    - (A) Notification to Surveillance must include the amount of each denomination being transferred to allow for adequate surveillance coverage.
  - (ii) The Vault Associate (who must be independent of the Count Team and Slot Department) accepting the counted drop proceeds and cash equivalents must perform an independent count and make a comparison to ensure accuracy and individual accountability. All discrepancies must be noted and investigated. Unverified transfers of cash and/or cash equivalents are prohibited.
- (10) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.
  - (i) A secured bag/container must be utilized to transport soft count documentation.
    - (A) The bag/container must be secured under audio and video surveillance.
- (11) Access to stored bill acceptor canisters, full or empty, shall be restricted to:
  - (i) Authorized members of the drop and count teams; and
  - (ii) Authorized personnel in an emergency for the resolution of a problem.

**(g) Gaming machine coin drop standards.**

- (1) A minimum of two employees shall be involved in the removal of the gaming machine drop, at least one of who is independent of the gaming machine department.
  - (i) Choctaw Casinos do not operate coin drop gaming machines.
- (2) All drop buckets shall be removed only at the time previously designated by the gaming operation and reported to the Tribal gaming regulatory authority, except for emergency drops.
- (3) Surveillance shall be notified when the drop is to begin in order that surveillance may monitor the activities.

- (4) Security shall be provided over the buckets removed from the gaming machine drop cabinets and awaiting transport to the count room.
- (5) As each machine is opened, the contents shall be tagged with its respective machine number if the bucket is not permanently marked with the machine number. The contents shall be transported directly to the area designated for the counting of such drop proceeds. If more than one trip is required to remove the contents of the machines, the filled cards of coins shall be securely locked in the room designed for counting or in another equivalently secure area with comparable controls. There shall be a locked covering on any carts in which the drop route includes passage out of doors.
  - (i) Alternatively, a smart bucket system that electronically identifies and tracks the gaming machine number, and facilitates the proper recognition of gaming revenue, shall satisfy the requirements of this paragraph.
  - (ii) [Reserved]
- (6) Each drop bucket in use shall be:
  - (i) Housed in a locked compartment separate from any other compartment of the gaming machine and keyed differently than other gaming machine compartments; and
  - (ii) Identifiable to the gaming machine from which it is removed. If the gaming machine is identified with a removable tag that is placed in the bucket, the tag shall be placed on top of the bucket when it is collected.
- (7) Each gaming machine shall have drop buckets into which coins or tokens that are retained by the gaming machine are collected. Drop bucket contents shall not be used to make change or pay hand-paid payouts.
- (8) The collection procedures may include procedures for dropping gaming machines that have trays instead of drop buckets.

**(h) Hard count room personnel.**

- (1) The weigh/count shall be performed by a minimum of two employees.
  - (i) The count shall be viewed either; live or on video recording and/or digital record within seven (7) days by an employee independent of the count.
  - (ii) [Reserved]
- (2) At no time during the weigh/count shall there be fewer than two employees in the count room until the drop proceeds have been accepted into cage/vault accountability. Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.
  - (i) If the gaming machine count is conducted with a continuous mechanical count meter that is not reset during the count and is verified in writing by at least two employees at the start and the end of each denomination count, then one employee may perform the wrap.
  - (ii) [Reserved]
- (3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same two persons more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count team of more than two persons.
- (4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments, unless they are non-supervisory gaming machine employees and perform the laborer function only (A non-supervisory gaming machine employee is defined as a person below the level of gaming machine shift supervisor). A cage cashier representative may be used if there is an independent audit of all count documentation.

**(i) Gaming machine coin count and wrap standards.**

- (1) Coins shall include tokens.
- (2) The gaming machine coin count and wrap shall be performed in a count room or other equivalently secure area with comparable controls.
  - (i) Alternatively, an on-the-floor drop system utilizing a mobile scale shall satisfy the requirements of this paragraph, subject to the following conditions:
    - (A) The gaming operation shall utilize and maintain an effective on-line gaming machine monitoring system, as described in § 542.13(m)(3);

- (B) Components of the on-the-floor drop system shall include, but not be limited to, a weigh scale, a laptop computer through which weigh/count applications are operated, a security camera available for the mobile scale system, and a VCR to be housed within the video compartment of the mobile scale. The system may include a mule cart used for mobile weigh scale system locomotion.
- (C) The gaming operation must obtain the security camera available with the system, and this camera must be added in such a way as to eliminate tampering;
- (D) Prior to the drop, the drop/count team shall ensure the scale batteries are charged;
- (E) Prior to the drop, a videotape shall be inserted into the VCR used to record the drop in conjunction with the security camera system and the VCR shall be activated;
- (F) The weigh scale test shall be performed prior to removing the unit from the hard count room for the start of the weigh/drop/count;
- (G) Surveillance shall be notified when the weigh/drop/count begins and shall be capable of monitoring the entire process;
- (H) An observer, independent of the weigh/drop/count teams (independent observer) shall remain by the weigh scale at all times and shall observe the entire weigh/drop/count process;
- (I) Physical custody of the key(s) needed to access the laptop and video compartment shall require the involvement of two persons, one of whom is independent of the drop and count team;
- (J) The mule key (if applicable), the laptop and video compartment keys, and the remote control for the VCR shall be maintained by a department independent of the gaming machine department. The appropriate personnel shall sign out these keys;
- (K) A person independent of the weigh/drop/count teams shall be required to accompany these keys while they are checked out, and observe each time the laptop compartment is opened;
- (L) The laptop access panel shall not be opened outside the hard count room, except in instances when the laptop must be rebooted as a result of a crash, lock up, or other situation requiring immediate corrective action;
- (M) User access to the system shall be limited to those employees required to have full or limited access to complete the weigh/drop/count; and
- (N) When the weigh/drop/count is completed, the independent observer shall access the laptop compartment, end the recording session, eject the videotape, and deliver the videotape to surveillance.

(ii) [Reserved]

- (3) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
- (4) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
- (5) The following functions shall be performed in the counting of the gaming machine drop:
  - (i) Recorder function, which involves the recording of the gaming machine count; and
  - (ii) Count team supervisor function, which involves the control of the gaming machine weigh and wrap process. The supervisor shall not perform the initial recording of the weigh/count unless a weigh scale with a printer is used.
- (6) The gaming machine drop shall be counted, wrapped, and reconciled in such a manner to prevent the commingling of gaming machine drop coin with coin (for each denomination) from the next gaming machine drop until the count of the gaming machine drop has been recorded. If the coins are not wrapped immediately after being weighed or counted, they shall be secured and not comingled with other coins.
  - (i) The amount of the gaming machine drop from each machine shall be recorded in ink or other permanent form of recordation on a gaming machine count document by the recorder or mechanically printed by the weigh scale.
  - (ii) Corrections to information originally recorded by the count team on gaming machine count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.



(A) If a weigh scale interface is used, corrections to gaming machine count data shall be made using either of the following:

- 1) Drawing a single line through the error on the gaming machine document, writing the correct figure above the original figure, and then obtaining the initials of at least two count team employees. If this procedure is used, an employee independent of the gaming machine department and count team shall enter the correct figure into the computer system prior to the generation of related gaming machine reports; or
- 2) During the count process, correct the error in the computer system and enter the passwords of at least two count team employees. If this procedure is used, an exception report shall be generated by the computer system identifying the gaming machine number, the error, the correction, and the count team employees attesting to the correction.

(B) [Reserved]

(7) If applicable, the weight shall be converted to dollar amounts before the reconciliation of the weigh to the wrap.

(8) If a coin meter is used, a count team member shall convert the coin count for each denomination into dollars and shall enter the results on a summary sheet.

(9) The recorder and at least one other count team member shall sign the weigh tape and the gaming machine count document attesting to the accuracy of the weigh/count.

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

(i) Count Team Associates are required to provide their signature and legible gaming license number (or electronic equivalent).

(11) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.

(i) The Vault Associate (who must be independent of the Count Team and Slot Department) accepting the counted drop proceeds and cash equivalents must perform an independent count and make a comparison to ensure accuracy and individual accountability. All discrepancies must be noted and investigated. Unverified transfers of cash and/or cash equivalents are prohibited.

(12) All gaming machine count and wrap documentation, including any applicable computer storage media, shall be delivered to the accounting department by a count team member or a person independent of the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.

(13) If the coins are transported off the property, a second (alternative) count procedure shall be performed before the coins leave the property. Any variances shall be documented.

(14) Variances. Large (by denomination, either \$1,000 or 2% of the drop, whichever is less) or unusual (e.g., zero for weigh/count or patterned for all counts) variances between the weigh/count and wrap shall be investigated by management personnel independent of the gaming machine department, count team, and the cage/vault functions on a timely basis. The results of such investigation shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

**(j) Security of the coin room inventory during the gaming machine coin count and wrap.**

(1) If the count room serves as a coin room and coin room inventory is not secured so as to preclude access by the count team, then the following standards shall apply:

(i) At the commencement of the gaming machine count the following requirements shall be met:

(A) The coin room inventory shall be counted by at least two employees, one of whom is a member of the count team and the other is independent of the weigh/count and wrap procedures;

(B) The count in paragraph (j)(1)(i)(A) of this section shall be recorded on an appropriate inventory form;

(ii) Upon completion of the wrap of the gaming machine drop:

(A) At least two members of the count team (wrap team), independently from each other, shall count the ending coin room inventory;

- (B) The counts in paragraph (j)(1)(ii)(A) of this section shall be recorded on a summary report(s) that evidences the calculation of the final wrap by subtracting the beginning inventory from the sum of the ending inventory and transfers in and out of the coin room;
  - (C) The same count team members shall compare the calculated wrap to the weigh/count, recording the comparison and noting any variances on the summary report;
  - (D) A member of the cage/vault department shall count the ending coin room inventory by denomination and shall reconcile it to the beginning inventory, wrap, transfers and weigh/count; and
  - (E) At the conclusion of the reconciliation, at least two count/wrap team members and the verifying employee shall sign the summary report(s) attesting to its accuracy.
- (iii) The functions described in paragraph (j)(1)(ii)(A) and (C) of this section may be performed by only one count team member. That count team member must then sign the summary report, along with the verifying employee, as required under paragraph (j)(1)(ii)(E).
- (2) If the count room is segregated from the coin room, or if the coin room is used as a count room and the coin room inventory is secured to preclude access by the count team, all of the following requirements shall be completed, at the conclusion of the count:
- (i) At least two members of the count/wrap team shall count the final wrapped gaming machine drop independently from each other;
  - (ii) The counts shall be recorded on a summary report;
  - (iii) The same count team members (or the accounting department) shall compare the final wrap to the weigh/count, recording the comparison, and noting any variances on the summary report;
  - (iv) A member of the cage/vault department shall count the wrapped gaming machine drop by denomination and reconcile it to the weigh/count;
  - (v) At the conclusion of the reconciliation, at least two count team members and the cage/vault employee shall sign the summary report attesting to its accuracy; and
  - (vi) The wrapped coins (exclusive of proper transfers) shall be transported to the cage, vault or coin vault after the reconciliation of the weigh/count to the wrap.

**(k) Transfers during the gaming machine coin count and wrap.**

- (1) Transfers may be permitted during the count and wrap only if permitted under the internal control standards approved by the Tribal gaming regulatory authority.
- (2) Each transfer shall be recorded on a separate multi-part form with a preprinted or concurrently-printed form number (used solely for gaming machine count transfers) that shall be subsequently reconciled by the accounting department to ensure the accuracy of the reconciled gaming machine drop.
- (3) Each transfer must be counted and signed for by at least two members of the count team and by a person independent of the count team who is responsible for authorizing the transfer.

**(l) Gaming machine drop key control standards.**

- (1) Gaming machine coin drop cabinet keys, including duplicates, shall be maintained by a department independent of the gaming machine department.
  - (i) The independent department that maintains and restricts access to keys must be Casino Security or other designated departments/systems, as approved by the CNGC.
- (2) The physical custody of the keys needed to access gaming machine coin drop cabinets, including duplicates, shall require the involvement of two persons, one of whom is independent of the gaming machine department.
- (3) Two employees (separate from key custodian) shall be required to accompany such keys while checked out and observe each time gaming machine drop cabinets are accessed, unless surveillance is notified each time keys are checked out and surveillance observes the person throughout the period the keys are checked out.

**(m) Table game drop box key control standards.**

- (1) Procedures shall be developed and implemented to insure that unauthorized access to empty table game drop boxes shall not occur from the time the boxes leave the storage racks until they are placed on the tables.
- (2) The involvement of at least two persons independent of the cage department shall be required to access stored empty table game drop boxes.
- (3) The release keys shall be separately keyed from the contents keys.
- (4) At least two count team members are required to be present at the time count room and other count keys are issued for the count.
- (5) All duplicate keys shall be maintained in a manner that provides the same degree of control as is required for the original keys. Records shall be maintained for each key duplicated that indicate the number of keys made and destroyed.
- (6) Logs shall be maintained by the custodian of sensitive keys to document authorization of personnel accessing keys.
- (7) An independent department must be responsible for maintaining and restricting access to keys. This department must be Casino Security or other designated departments/systems, as approved by the CNGC.

**(n) Table game drop box release keys.**

- (1) The table game drop box release keys shall be maintained by a department independent of the pit department.
  - (i) The independent department that maintains and restricts access to keys must be Casino Security or other designated departments/systems, as approved by the CNGC.
- (2) Only the person(s) authorized to remove table game drop boxes from the tables shall be allowed access to the table game drop box release keys; however, the count team members may have access to the release keys during the soft count in order to reset the table game drop boxes.
- (3) Persons authorized to remove the table game drop boxes shall be precluded from having simultaneous access to the table game drop box contents keys and release keys.
- (4) For situations requiring access to a table game drop box at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

**(o) Bill acceptor canister release keys.**

- (1) The bill acceptor canister release keys shall be maintained by a department independent of the gaming machine department.
  - (i) The independent department must be Casino Security or other designated departments/systems as approved by the CNGC.
- (2) Only the person(s) authorized to remove bill acceptor canisters from the gaming machines shall be allowed access to the release keys.
  - (i) These authorized persons must include: Gaming Machine Department Associates, Security Department Associates and Drop Department Associates.
- (3) Persons authorized to remove the bill acceptor canisters shall be precluded from having simultaneous access to the bill acceptor canister contents keys and release keys.
- (4) For situations requiring access to a bill acceptor canister at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

**(p) Table game drop box storage rack keys.** Persons authorized to obtain table game drop box storage rack keys shall be precluded from having simultaneous access to table game drop box contents keys with the exception of the count team.

- (1) An independent department must be responsible for maintaining and restricting access to keys. This department must be Casino Security or other designated departments/systems, as approved by the CNGC.

**(q) Bill acceptor canister storage rack keys.** Persons authorized to obtain bill acceptor canister storage rack keys shall be precluded from having simultaneous access to bill acceptor canister contents keys with the exception of the count team.

- (1) An independent department must be responsible for maintaining and restricting access to keys. This department must be Casino Security or other designated departments/systems, as approved by the CNGC.

**(r) Table game drop box contents keys.**

- (1) The physical custody of the keys needed for accessing stored, full table game drop box contents shall require the involvement of persons from at least two separate departments, with the exception of the count team.
  - (i) Casino Security must be the designated department independent of the gaming machine department and must be present from the time the keys are issued until they are returned.
- (2) Access to the table game drop box contents key at other than scheduled count times shall require the involvement of at least two persons from separate departments, including management. The reason for access shall be documented with the signatures of all participants and observers.
- (3) Only count team members shall be allowed access to table game drop box contents keys during the count process.
- (4) An independent department must be responsible for maintaining and restricting access to keys. This department must be Casino Security or other designated departments/systems, as approved by the CNGC.

**(s) Bill acceptor canister contents keys.**

- (1) The physical custody of the keys needed for accessing stored, full bill acceptor canister contents shall require involvement of persons from two separate departments, with the exception of the count team.
  - (i) Casino Security must be the designated department independent of the gaming machine department and must be present from the time the keys are issued until they are returned.
- (2) Access to the bill acceptor canister contents key at other than scheduled count times shall require the involvement of at least two persons from separate departments, one of whom must be a supervisor. The reason for access shall be documented with the signatures of all participants and observers.
- (3) Only the count team members shall be allowed access to bill acceptor canister contents keys during the count process.
- (4) An independent department must be responsible for maintaining and restricting access to keys. This department must be Casino Security or other designated departments/systems, as approved by the CNGC.

**(t) Gaming machine computerized key security systems.**

- (1) Computerized key security systems which restrict access to the gaming machine drop and count keys through the use of passwords, keys or other means, other than a key custodian, must provide the same degree of control as indicated in the aforementioned key control standards; refer to paragraphs (l), (o), (q) and (s) of this section. Note: This standard does not apply to the system administrator. The system administrator is defined in paragraph (t)(2)(i) of this section.
- (2) For computerized key security systems, the following additional gaming machine key control procedures apply:
  - (i) Management personnel independent of the gaming machine department assign and control user access to keys in the computerized key security system (*i.e.*, system administrator) to ensure that gaming machine drop and count keys are restricted to authorized employees.
  - (ii) In the event of an emergency or the key box is inoperable, access to the emergency manual key(s) (a.k.a. override key), used to access the box containing the gaming machine drop and count keys, requires the physical involvement of at least three persons from separate departments, including management. The date, time, and reason for access, must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
  - (iii) The custody of the keys issued pursuant to paragraph (t)(2)(ii) of this section, requires the presence of two persons from separate departments from the time of their issuance until the time of their return.
  - (iv) Routine physical maintenance that requires accessing the emergency manual key(s) (override key) and does not involve the accessing of the gaming machine drop and count keys, only requires the presence of two persons from separate departments. The date, time and reason for access must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
- (3) For computerized key security systems controlling access to gaming machine drop and count keys, accounting/audit personnel, independent of the system administrator, will perform the following procedures:
  - (i) Daily, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes user's access within the system (*i.e.*, system administrator). Determine whether the transactions completed by the system administrator provide an adequate control over the access to the gaming machine drop and count keys. Also, determine whether any gaming machine drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized.

- (ii) For at least one day each month, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual gaming machine drop and count key removals or key returns occurred.
  - (iii) At least quarterly, review a sample of users that are assigned access to the gaming machine drop and count keys to determine that their access to the assigned keys is adequate relative to their job position.
  - (iv) All noted improper transactions or unusual occurrences are investigated with the results documented.
- (4) Quarterly, an inventory of all count room, drop box release, storage rack and contents keys is performed, and reconciled to records of keys made, issued, and destroyed. Investigations are performed for all keys unaccounted for, with the investigation being documented.

**(u) Table games computerized key security systems.**

- (1) Computerized key security systems which restrict access to the table game drop and count keys through the use of passwords, keys or other means, other than a key custodian, must provide the same degree of control as indicated in the aforementioned key control standards, refer to paragraphs (m), (n), (p) and (r) of this section. Note: This standard does not apply to the system administrator. The system administrator is defined in paragraph (u)(2)(ii) of this section.
- (2) For computerized key security systems, the following additional table game key control procedures apply:
  - (i) Management personnel independent of the table game department assign and control user access to keys in the computerized key security system (*i.e.*, system administrator) to ensure that table game drop and count keys are restricted to authorized employees.
  - (ii) In the event of an emergency or the key box is inoperable, access to the emergency manual key(s) (a.k.a. override key), used to access the box containing the table game drop and count keys, requires the physical involvement of at least three persons from separate departments, including management. The date, time, and reason for access, must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
  - (iii) The custody of the keys issued pursuant to paragraph (u)(2)(ii) of this section, requires the presence of two persons from separate departments from the time of their issuance until the time of their return.
  - (iv) Routine physical maintenance that requires accessing the emergency manual key(s) (override key) and does not involve the accessing of the table games drop and count keys, only requires the presence of two persons from separate departments. The date, time and reason for access must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
- (3) For computerized key security systems controlling access to table games drop and count keys, accounting/audit personnel, independent of the system administrator, will perform the following procedures:
  - (i) Daily, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes user's access within the system (*i.e.*, system administrator). Determine whether the transactions completed by the system administrator provide an adequate control over the access to the table games drop and count keys. Also, determine whether any table games drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized.
  - (ii) For at least one day each month, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual table games drop and count key removals or key returns occurred.
  - (iii) At least quarterly, review a sample of users that are assigned access to the table games drop and count keys to determine that their access to the assigned keys is adequate relative to their job position.
  - (iv) All noted improper transactions or unusual occurrences are investigated with the results documented.
- (4) Quarterly, an inventory of all count room, table game drop box release, storage rack and contents keys is performed, and reconciled to records of keys made, issued, and destroyed. Investigations are performed for all keys unaccounted for, with the investigations being documented.

**(v) Emergency drop procedures.**

- (1) Emergency drop procedures shall be developed by the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority.
  - (i) In the event that an emergency drop or unscheduled pull is deemed necessary:

(A) Surveillance must be notified of the emergency drop or unscheduled pull and the reason prior to commencement.

(B) The emergency drop or unscheduled pull must be documented by using an approved manual or electronic method.

**(w) Equipment standards for gaming machine count.**

- (1) A weigh scale calibration module shall be secured so as to prevent unauthorized access (e.g., pre-numbered seal, lock and key, etc.).
- (2) A person independent of the cage, vault, gaming machine, and count team functions shall be required to be present whenever the calibration module is accessed. Such access shall be documented and maintained.
- (3) If a weigh scale interface is used, it shall be adequately restricted so as to prevent unauthorized access (passwords, keys, etc.).
- (4) If the weigh scale has a zero adjustment mechanism, it shall be physically limited to minor adjustments (e.g., weight of a bucket) or physically situated such that any unnecessary adjustments to it during the weigh process would be observed by other count team members.
- (5) The weigh scale and weigh scale interface (if applicable) shall be tested by a person or persons independent of the cage, vault, and gaming machine departments and count team at least quarterly. At least annually, this test shall be performed by internal audit in accordance with the internal audit standards. The result of these tests shall be documented and signed by the person or persons performing the test.
- (6) Prior to the gaming machine count, at least two employees shall verify the accuracy of the weigh scale with varying weights or with varying amounts of previously counted coin for each denomination to ensure the scale is properly calibrated (varying weights/coin from drop to drop is acceptable).
- (7) If a mechanical coin counter is used (instead of a weigh scale), the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with procedures that are equivalent to those described in paragraphs (u)(4), (u)(5), and (u)(6) of this section.

(i) Refer to 542.31(w)(4), (w)(5) and (w)(6).

- (8) If a coin meter count machine is used, the count team member shall record the machine number denomination and number of coins in ink on a source document, unless the meter machine automatically records such information.

(i) A count team member shall test the coin meter count machine before the actual count to ascertain if the metering device is functioning properly with a predetermined number of coins for each denomination.

(ii) [Reserved]

*[MICS Revision 542 October 2008]*

## **§ 542.41 Drop and Count Tier C**

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## § 542.41 What are the minimum internal control standards for drop and count for Tier C gaming operations?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) **Computer applications.** For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Tribal gaming regulatory authority, will be acceptable.

(1) Additional requirements regarding computer application standards are located in the “General TICS” section of this document.

(b) **Table game drop standards.**

- (1) The setting out of empty table game boxes and the drop shall be a continuous process.

(i) The drop officially begins once the Drop Keys are checked out.

- (2) At the end of each shift:

(i) All locked table game drop boxes shall be removed from the tables by a person independent of the pit shift being dropped.

(ii) A separate drop box shall be placed on each table opened at any time during each shift or a gaming operation may utilize a single drop box with separate openings and compartments for each shift; and

(A) One (1) Table/Card Game shift may be considered the casino gaming day (not to exceed twenty-four [24] hours).

(iii) Upon removal from the tables, table game drop boxes shall be transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.

- (3) If drop boxes are not placed on all tables, then the pit department shall document which tables were open during the shift.

- (4) The transporting of table game drop boxes shall be performed by a minimum of two persons, at least one of whom is independent of the pit shift being dropped.

- (5) All table game drop boxes shall be posted with a number corresponding to a permanent number on the gaming table and marked to indicate game, table number, and shift.

- (6) Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities.

- (7) Primary and alternative drop routes, times and days must be predetermined by casino management to ensure that Surveillance is able to adequately monitor the Drop Team. Documentation of the routes, times and days must be provided to Surveillance, Compliance Department and the CNGC.

- (8) If several route options are provided, Surveillance must be notified of the specific route that the Drop Team is going to use, before the drop begins, in order to adequately monitor the Drop Team throughout the drop process.

- (9) Any proposed adjustments to the drop route, times or days must be submitted (via email) to Surveillance at least seventy-two (72) hours prior to desired start time. Once documented endorsement from Surveillance has been received, the revised drop route, times or days may be implemented.

(i) Detailed changes to drop routes, times or days must be provided (via email) to Surveillance, Compliance Department and CNGC.

(ii) Drop routes must be followed by the Drop Team, except for emergency drops.

- (10) If an emergency drop/unscheduled pull is required, Surveillance must be notified before the drop/pull is conducted.

- (11) If there is any delay in the start time of the scheduled drop, the Drop Supervisor/Manager or designated associate must notify Surveillance immediately of the delay, if live Surveillance is provided.

- (12) Card Games must ensure an adequate number of drop boxes are utilized for each table to prevent commingling of received collections (e.g., rake and promotional pool).

(c) **Soft count room personnel.**

- (1) The table games soft count and the gaming machine bill acceptor count shall be performed by a minimum of three employees.



- (2) Count room personnel shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. At no time during the count, shall there be fewer than three employees in the count room until the drop proceeds have been accepted into cage/vault accountability. Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.
  - (i) All Soft Count Associates involved in the Soft Count process must remain on the premises until all funds have been verified by the Vault.
    - (A) In the event of an emergency, Soft Count Associates may leave with management approval.
  - (ii) A schedule for breaks must be established by management and followed by Soft Count Associates. The break schedule must be provided to Surveillance.
- (3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same three persons more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count of more than three people.
  - (i) Functions performed by Count Team Associates must be rotated on a routine basis, regardless of the number of associates involved in the count process.
- (4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments; however, an accounting representative may be used if there is an independent audit of all soft count documentation.
  - (i) Drop and Count Associates can be combined (if workload allows) at the discretion of the Casino General Management Team and with the approval of the CNGC.

**(d) Table game soft count standards.**

- (1) The table game soft count shall be performed in a soft count room or other equivalently secure area with comparable controls.
  - (i) Count equipment and systems must be tested, with the results documented, at minimum before the first count begins to ensure the accuracy of the equipment.
- (2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
- (3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
- (4) The table game drop boxes shall be individually emptied and counted in such a manner to prevent the commingling of funds between boxes until the count of the box has been recorded.
  - (i) The count of each box shall be recorded in ink or other permanent form of recordation.
  - (ii) A second count shall be performed by an employee on the count team who did not perform the initial count.
  - (iii) Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.
- (5) If currency counters are utilized and the count room table is used only to empty boxes and sort/stack contents, a count team member shall be able to observe the loading and unloading of all currency at the currency counter, including rejected currency.
- (6) Table game drop boxes, when empty, shall be shown to another member of the count team, or to another person who is observing the count, or to surveillance, provided the count is monitored in its entirety by a person independent of the count.
- (7) Orders for fill/credit (if applicable) shall be matched to the fill/credit slips. Fills and credits shall be traced to or recorded on the count sheet.
- (8) Pit marker issue and payment slips (if applicable) removed from the table game drop boxes shall either be:
  - (i) Traced to or recorded on the count sheet by the count team; or
  - (ii) Totaled by shift and traced to the totals documented by the computerized system. Accounting personnel shall verify the issue/payment slip for each table is accurate.

- (9) Foreign currency exchange forms (if applicable) removed from the table game drop boxes shall be reviewed for the proper daily exchange rate and the conversion amount shall be recomputed by the count team. Alternatively, this may be performed by accounting/auditing employees.
- (10) The opening/closing table and marker inventory forms (if applicable) shall either be:
  - (i) Examined and traced to or recorded on the count sheet; or
  - (ii) If a computerized system is used, accounting personnel can trace the opening/closing table and marker inventory forms to the count sheet. Discrepancies shall be investigated with the findings documented and maintained for inspection.
- (11) The count sheet shall be recorded to the total drop by a count team member who shall not function as the sole recorder.
- (12) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.
  - (i) Count Team Associates are required to provide their signature and legible gaming license number (or electronic equivalent).
- (13) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
  - (i) Before transferring funds, the Soft Count Supervisor/Manager or designated Soft Count Associate must contact Surveillance to notify them of the transfer and await acknowledgement. Once acknowledgement has been received, the funds or currency equivalents must be immediately transferred to the Vault.
    - (A) Notification to Surveillance must include the amount of each denomination being transferred to allow for adequate surveillance coverage.
  - (ii) The Vault Associate (who must be independent of the Count Team and Slot Department) accepting the counted drop proceeds and cash equivalents must perform an independent count and make a comparison to ensure accuracy and individual accountability. All discrepancies must be noted and investigated. Unverified transfers of cash and/or cash equivalents are prohibited.
- (14) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.
  - (i) A secured bag/container must be utilized to transport soft count documentation.
    - (A) The bag/container must be secured under audio and video surveillance.
- (15) Access to stored, full table game drop boxes shall be restricted to authorized members of the drop and count teams.

**(e) Gaming machine bill acceptor drop standards.**

- (1) A minimum of three employees shall be involved in the removal of the gaming machine drop, at least one of who is independent of the gaming machine department.
  - (i) The drop officially begins once the Drop Keys are checked out.
  - (ii) For Tier level C sites, a Drop Team will consist of a minimum of three (3) associates, at least one (1) of whom is Security.
- (2) All bill acceptor canisters shall be removed only at the time previously designated by the gaming operation and reported to the Tribal gaming regulatory authority, except for emergency drops.
- (3) Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities.
  - (i) Primary and alternative drop routes, times and days must be predetermined by casino management to ensure that Surveillance is able to adequately monitor the Drop Team. Documentation of the routes, times and days must be provided to Surveillance, Compliance Department and the CNGC.
  - (ii) If several route options are provided, Surveillance must be notified of the specific route that the Drop Team is going to use, before the drop begins, in order to adequately monitor the Drop Team throughout the drop process.
  - (iii) Any proposed adjustments to the drop route, times or days must be submitted (via email) to Surveillance at least seventy-two (72) hours prior to desired start time. Once documented endorsement from Surveillance has been received, the revised drop route, times or days may be implemented.

- (A) Detailed changes to drop routes, times or days must be provided (via email) to Surveillance, Compliance Department and CNGC.
- (B) Drop routes must be followed by the Drop Team, except for emergency drops.
- (iv) If an emergency drop/unscheduled pull is required, Surveillance must be notified before the drop/pull is conducted.
- (v) If there is any delay in the start time of the scheduled drop, the Drop Supervisor/Manager or designated associate must notify Surveillance immediately of the delay, if live Surveillance is provided.
- (vi) A schedule for breaks must be established by management and followed by Drop Associates. The break schedule must be provided to Surveillance.
- (4) The bill acceptor canisters shall be removed by a person independent of the gaming machine department then transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.
  - (i) Security shall be provided over the bill acceptor canisters removed from the gaming machines and awaiting transport to the count room.
  - (ii) The transporting of bill acceptor canisters shall be performed by a minimum of two persons, at least one of who is independent of the gaming machine department.
  - (iii) Any funds removed from the canisters during the drop process must be locked in a canister/bag. Security must accompany the locked canister/bag until the funds are secured in the Soft Count area.
- (5) All bill acceptor canisters shall be posted with a number corresponding to a permanent number on the gaming machine.
  - (i) An electronic/computerized equivalent of meeting these standards is also considered acceptable.
- (6) For Travel Plazas that are not equipped to perform the drop and count procedures independently, the assigned main casino must be responsible for following proper procedures during the drop and count process.
  - (i) Notification must be given to Surveillance by a Security Officer accompanying the Drop Team (for those sites with a twenty-four [24] hour Surveillance Department) at the following times:
    - (A) Prior to leaving to fulfill drop duties at Travel Plaza(s):
    - (B) Upon arrival to inform of commencement of drop:
    - (C) Once drop is complete:
    - (D) When exiting the Travel Plaza; and
    - (E) Upon arrival back to main site.
  - (ii) The transport of ANY bank/draw to an adjacent facility requires a Security escort. Funds must be secured inside a locked bag/container. Access to the bag/container keys during transport is prohibited.
    - (A) The bag/container must be locked and unlocked under audio/video surveillance.

**(f) Gaming machine bill acceptor count standards.**

- (1) The gaming machine bill acceptor count shall be performed in a soft count room or other equivalently secure area with comparable controls.
  - (i) Count equipment and systems must be tested, and the results documented, before the first count begins, to ensure the accuracy of the equipment. (543.17)
- (2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
- (3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
- (4) The bill acceptor canisters shall be individually emptied and counted in such a manner to prevent the commingling of funds between canisters until the count of the canisters has been recorded.

- (i) The count of each canister shall be recorded in ink or other permanent form of recordation.
  - (ii) Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.
- (5) If currency counters are utilized and the count room table is used only to empty canisters and sort/stack contents, a count team member shall be able to observe the loading and unloading of all currency at the currency counter, including rejected currency.
- (6) Canisters, when empty, shall be shown to another member of the count team, or to another person who is observing the count, or to surveillance, provided that the count is monitored in its entirety by a person independent of the count.
- (7) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder.
- (8) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.
- (i) Count Team Associates are required to provide their signature and legible gaming license number (or electronic equivalent).
- (9) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
- (i) Before transferring funds, the Soft Count Supervisor/Manager or designated Soft Count Associate must contact Surveillance to notify them of the transfer and await acknowledgement. Once acknowledgement has been received, the funds or currency equivalents must be immediately transferred to the Vault.
  - (A) Notification to Surveillance must include the amount of each denomination being transferred to allow for adequate surveillance coverage.
  - (ii) The Vault Associate (who must be independent of the Count Team and Slot Department) accepting the counted drop proceeds and cash equivalents must perform an independent count and make a comparison to ensure accuracy and individual accountability. All discrepancies must be noted and investigated. Unverified transfers of cash and/or cash equivalents are prohibited.
- (10) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.
- (i) A secured bag/container must be utilized to transport soft count documentation.
  - (A) The bag/container must be secured under audio and video surveillance.
- (11) Access to stored bill acceptor canisters, full or empty, shall be restricted to:
- (i) Authorized members of the drop and count teams; and
  - (ii) Authorized personnel in an emergency for the resolution of a problem.

**(g) Gaming machine coin drop standards.**

- (1) A minimum of three employees shall be involved in the removal of the gaming machine drop, at least one of who is independent of the gaming machine department.
- (i) Choctaw Casinos do not operate coin drop gaming machines.
- (2) All drop buckets shall be removed only at the time previously designated by the gaming operation and reported to the Tribal gaming regulatory authority, except for emergency drops.
- (3) Surveillance shall be notified when the drop is to begin in order that surveillance may monitor the activities.
- (4) Security shall be provided over the buckets removed from the gaming machine drop cabinets and awaiting transport to the count room.
- (5) As each machine is opened, the contents shall be tagged with its respective machine number if the bucket is not permanently marked with the machine number. The contents shall be transported directly to the area designated for the counting of such drop proceeds. If more than one trip is required to remove the contents of the machines, the filled carts of coins shall be

securely locked in the room designed for counting or in another equivalently secure area with comparable controls. There shall be a locked covering on any carts in which the drop route includes passage out of doors.

(i) Alternatively, a smart bucket system that electronically identifies and tracks the gaming machine number, and facilitates the proper recognition of gaming revenue, shall satisfy the requirements of the paragraph.

(ii) [Reserved]

(6) Each drop bucket in use shall be:

(i) Housed in a locked compartment separate from any other compartment of the gaming machine and keyed differently than other gaming machine compartments; and

(ii) Identifiable to the gaming machine from which it is removed. If the gaming machine is identified with a removable tag that is placed in the bucket, the tag shall be placed on top of the bucket when it is collected.

(7) Each gaming machine shall have drop buckets into which coins or tokens that are retained by the gaming machine are collected. Drop bucket contents shall not be used to make change or pay hand-paid payouts.

(8) The collection procedures may include procedures for dropping gaming machines that have trays instead of drop buckets.

**(h) Hard count room personnel.**

(1) The weigh/count shall be performed by a minimum of three employees.

(2) At no time during the weigh/count shall there be fewer than three employees in the count room until the drop proceeds have been accepted into cage/vault accountability. Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.

(i) If the gaming machine count is conducted with a continuous mechanical count meter that is not reset during the count and is verified in writing by at least three employees at the start and end of each denomination count, then one employee may perform the wrap.

(ii) [Reserved]

(3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same three persons more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count team of more than three persons.

(4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments, unless they are non-supervisory gaming machine employees and perform the laborer function only (A non-supervisory gaming machine employee is defined as a person below the level of gaming machine shift supervisor). A cage cashier may be used if this person is not allowed to perform the recording function. An accounting representative may be used if there is an independent audit of all count documentation.

**(i) Gaming machine coin count and wrap standards.**

(1) Coins shall include tokens.

(2) The gaming machine coin count and wrap shall be performed in a count room or other equivalently secure area with comparable controls.

(i) Alternatively, an on-the-floor drop system utilizing a mobile scale shall satisfy the requirements of this paragraph, subject to the following conditions:

(A) The gaming operation shall utilize and maintain an effective on-line gaming machine monitoring system, as described in § 542.13(m)(3);

(B) Components of the on-the-floor drop system shall include, but not be limited to, a weigh scale, a laptop computer through which weigh/count applications are operated, a security camera available for the mobile scale system, and a VCR to be housed within the video compartment of the mobile scale. The system may include a mule cart used for mobile weigh scale system locomotion.

(C) The gaming operation must obtain the security camera available with the system, and this camera must be added in such a way as to eliminate tampering.

(D) Prior to the drop, the drop/count team shall ensure the scale batteries are charged;

- (E) Prior to the drop, a videotape shall be inserted into the VCR used to record the drop in conjunction with the security camera system and the VCR shall be activated;
- (F) The weigh scale test shall be performed prior to removing the unit from the hard count room for the start of the weigh/drop/count;
- (G) Surveillance shall be notified when the weigh/drop/count begins and shall be capable of monitoring the entire process.
- (H) An observer independent of the weigh/drop/count teams (independent observer) shall remain by the weigh scale at all times and shall observe the entire weight/drop/count process;
- (I) Physical custody of the key(s) needed to access the laptop and video compartment shall require the involvement of two persons, one of whom is independent of the drop and count team;
- (J) The mule key (if applicable), the laptop and video compartment keys, and the remote control for the VCR shall be maintained by a department independent of the gaming machine department. The appropriate personnel shall sign out these keys;
- (K) A person independent of the weigh/drop/count teams shall be required to accompany these keys while they are checked out, and observe each time the laptop compartment is opened;
- (L) The laptop access panel shall not be opened outside the hard count room, except in instances when the laptop must be rebooted as a result of a crash, lock up, or other situation requiring immediate corrective action;
- (M) User access to the system shall be limited to those employees required to have full or limited access to complete the weigh/drop/count; and
- (N) When the weigh/drop/count is completed, the independent observer shall access the laptop compartment, end the recording session, eject the videotape, and deliver the videotape to surveillance.

(ii) [Reserved]

- (3) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution or problems, and authorized maintenance personnel.
- (4) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
- (5) The following functions shall be performed in the counting of the gaming machine drop:
  - (i) Recorder function, which involves the recording of the gaming machine count; and
  - (ii) Count team supervisor function, which involves the control of the gaming machine weigh and wrap process. The supervisor shall not perform the initial recording of the weigh/count unless a weigh scale with a printer is used.
- (6) The gaming machine drop shall be counted, wrapped, and reconciled in such a manner to prevent the commingling of gaming machine drop coin with coin (for each denomination) from the next gaming machine drop until the count of the gaming machine drop has been recorded. If the coins are not wrapped immediately after being weighed or counted, they shall be secured and not commingled with other coin.
  - (i) The amount of the gaming machine drop from each machine shall be recorded in ink or other permanent form of recordation on a gaming machine count document by the recorder or mechanically printed by the weigh scale.
  - (ii) Corrections to information originally recorded by the count team on gaming machine count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.
- (A) If a weigh scale interface is used, corrections to the gaming machine count data shall be made using either of the following:
  - 1) Drawing a single line through the error on the gaming machine document, writing the correct figure above the original figure, and then obtaining the initials of at least two count team employees. If this procedure is used, an employee independent of the gaming machine department and count team shall enter the correct figure into the computer system prior to the generation of related gaming machine reports; or
  - 2) During the count process, correct the error in the computer system and enter the passwords of at least two count team employees. If this procedure is used, an exception report shall be generated by the computer system

identifying the gaming machine number, the error, the correction, and the count team employees attesting to the correction.

(B) [Reserved]

- (7) If applicable, the weigh shall be converted to dollar amounts before the reconciliation of the weigh to the wrap.
- (8) If a coin meter is used, a count team member shall convert the coin count for each denomination into dollars and shall enter the results on a summary sheet.
- (9) The recorder and at least one other count team member shall sign the weigh tape and the gaming machine count department attesting to the accuracy of the weigh/count.
- (10) All members of the count team shall sign the count documentation or a summary report to attest to their participation in the count.
  - (i) Count Team Associates are required to provide their signature and legible gaming license number (or electronic equivalent).
- (11) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
  - (i) The Vault Associate (who must be independent of the Count Team and Slot Department) accepting the counted drop proceeds and cash equivalents must perform an independent count and make a comparison to ensure accuracy and individual accountability. All discrepancies must be noted and investigated. Unverified transfers of cash and/or cash equivalents are prohibited.
- (12) All gaming machine count and wrap documentation, including any applicable computer storage media, shall be delivered to the accounting department by a count team member or a person independent of the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.
- (13) If the coins are transported off the property, a second (alternative) count procedure shall be performed before the coins leave the property. Any variances shall be documented.
- (14) Variances. Large (by denomination, either \$1,000 or 2% of the drop, whichever is less) or unusual (e.g., zero for weigh/count or patterned for all counts) variances between the weigh/count and wrap shall be investigated by management personnel independent of the gaming machine department, count team, and the cage/vault functions on a timely basis. The results of such investigation shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

**(j) Security of the count room inventory during the gaming machine coin count and wrap.**

- (1) If the count room serves as a coin room and coin room inventory is not secured so as to preclude access by the count team, then the following standards shall apply:
  - (i) At the commencement of the gaming machine count the following requirements shall be met:
    - (A) The coin room inventory shall be counted by at least two employees, one of whom is a member of the count team and the other is independent of the weigh/count and wrap procedures;
    - (B) The count in paragraph (j)(1)(i)(A) of this section shall be recorded on an appropriate inventory form;
  - (ii) Upon completion of the wrap of the gaming machine drop:
    - (A) At least two members of the count team (wrap team), independently from other, shall count the ending coin room inventory;
    - (B) The counts in paragraph (j)(1)(ii)(A) of this section shall be recorded on a summary report(s) that evidences the calculation of the final wrap by subtracting the beginning inventory from the sum of the ending inventory and transfers in and out of the coin room;
    - (C) The same count team members shall compare the calculated wrap to the weigh/count, recording the comparison and noting any variances on the summary report;
    - (D) A member of the cage/vault department shall count the ending coin room inventory by denomination and shall reconcile it to the beginning inventory, wrap, transfers, and weigh/count; and

(E) At the conclusion of the reconciliation, at least two count/wrap team members and the verifying employee shall sign the summary report(s) attesting to its accuracy.

- (2) If the count room is segregated from the coin room, or if the coin room is used as a count room and the coin room inventory is secured to preclude access by the count team, all of the following requirements shall be completed, at the conclusion of the count:
- (i) At least two members of the count/wrap team shall count the final wrapped gaming machine drop independently from each other;
  - (ii) The counts shall be recorded on a summary report;
  - (iii) The same count team members (or the accounting department) shall compare the final wrap to the weigh/count, recording the comparison and noting any variances on the summary report;
  - (iv) A member of the cage/vault department shall count the wrapped gaming machine drop by denomination and reconcile it to the weigh/count;
  - (v) At the conclusion of the reconciliation, at least two count team members and the cage/vault employee shall sign the summary report attesting to its accuracy; and
  - (vi) The wrapped coins (exclusive of proper transfers) shall be transported to the cage, vault or coin vault after the reconciliation of the weigh/count to the wrap.

**(k) Transfers during the gaming machine coin count and wrap.**

- (1) Transfers may be permitted during the count and wrap only if permitted under the internal control standards approved by the Tribal gaming regulatory authority.
- (2) Each transfer shall be recorded on a separate multi-part form with a preprinted or concurrently-printed form number (used solely for gaming machine count transfers) that shall be subsequently reconciled by the accounting department to ensure the accuracy of the reconciled gaming machine drop.
- (3) Each transfer must be counted and signed for by at least two members of the count team and by a person independent of the count team who is responsible for authorizing the transfer.

**(l) Gaming machine drop key control standards.**

- (1) Gaming machine coin drop cabinet keys, including duplicates, shall be maintained by a department independent of the gaming machine department.
  - (i) The independent department that maintains and restricts access to keys must be Casino Security or other designated departments/systems, as approved by the CNGC.
- (2) The physical custody of the keys needed to access gaming machine coin drop cabinets, including duplicates, shall require the involvement of two persons, one of whom is independent of the gaming machine department.
- (3) Two employees (separate from key custodian) shall be required to accompany such keys while checked out and observe each time gaming machine drop cabinets are accessed, unless surveillance is notified each time keys are checked out and surveillance observes the person throughout the period the keys are checked out.

**(m) Table game drop box key control standards.**

- (1) Procedures shall be developed and implemented to insure that unauthorized access to empty table game drop boxes shall not occur from the time the boxes leave the storage racks until they are placed on the tables.
- (2) The involvement of at least two persons independent of the cage department shall be required to access stored empty table game drop boxes.
- (3) The release keys shall be separately keyed from the contents keys.
- (4) At least three (two for table game drop box keys in operations with three tables or fewer) count team members are required to be present at the time count room and other count keys are issued for the count.
- (5) All duplicate keys shall be maintained in a manner that provides the same degree of control as is required for the original keys. Records shall be maintained for each key duplicated that indicate the number of keys made and destroyed.
- (6) Logs shall be maintained by the custodian of sensitive keys to document authorization of personnel accessing keys.



- (7) An independent department must be responsible for maintaining and restricting access to keys. This department must be Casino Security or other designated departments/systems, as approved by the CNGC.

**(n) Table game drop box release keys.**

- (1) The table game drop box release keys shall be maintained by a department independent of the pit department.
  - (i) The independent department must be Casino Security or other designated departments/systems as approved by the CNGC.
- (2) Only the person(s) authorized to remove table game drop boxes from the tables shall be allowed access to the table game drop box release keys; however, the count team members may have access to the release keys during the soft count in order to reset the table game drop boxes.
- (3) Persons authorized to remove the table game drop boxes shall be precluded from having simultaneous access to the table game drop box contents keys and release keys.
- (4) For situations requiring access to a table game drop box at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

**(o) Bill acceptor canister release keys.**

- (1) The bill acceptor canister release keys shall be maintained by a department independent of the gaming machine department.
  - (i) The independent department must be Casino Security or other designated departments/systems as approved by the CNGC.
- (2) Only the person(s) authorized to remove bill acceptor canisters from the gaming machines shall be allowed access to the release keys.
  - (i) These authorized persons must include: Gaming Machine Department Associates, Security Department Associates and Drop Department Associates.
- (3) Persons authorized to remove the bill acceptor canisters shall be precluded from having simultaneous access to the bill acceptor canister contents keys and release keys.
- (4) For situations requiring access to a bill acceptor canister at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

**(p) Table game drop box storage rack keys.**

- (1) A person independent of the pit department shall be required to accompany the table game drop box storage rack keys and observe each time table game drop boxes are removed from or placed in storage racks.
- (2) Persons authorized to obtain table game drop box storage rack keys shall be precluded from having simultaneous access to table game drop box contents keys with the exception of the count team.
- (3) An independent department must be responsible for maintaining and restricting access to keys. This department must be Casino Security or other designated departments/systems, as approved by the CNGC.

**(q) Bill acceptor canister storage rack keys.**

- (1) A person independent of the gaming machine department shall be required to accompany the bill acceptor canister storage rack keys and observe each time canisters are removed from or placed in storage racks.
- (2) Persons authorized to obtain bill acceptor canister storage rack keys shall be precluded from having simultaneous access to bill acceptor canister contents keys with the exception of the count team.
- (3) An independent department must be responsible for maintaining and restricting access to keys. This department must be Casino Security or other designated departments/systems, as approved by the CNGC.

**(r) Table game drop box contents keys.**

- (1) The physical custody of the keys needed for accessing stored, full table game drop box contents shall require the involvement of persons from at least two separate departments, with the exception of the count team.
  - (i) Casino Security must be the designated department independent of the gaming machine department and must be present from the time the keys are issued until they are returned.

- (2) Access to the table game drop box contents key at other than scheduled count times shall require the involvement of at least three persons from separate departments, including management. The reason for access shall be documented with the signature of all participants and observers.
- (3) Only count team members shall be allowed access to table game drop box content keys during the count process.
- (4) An independent department must be responsible for maintaining and restricting access to keys. This department must be Casino Security or other designated departments/systems, as approved by the CNGC.

**(s) Bill acceptor canister contents keys.**

- (1) The physical custody of the keys needed for accessing stored, full bill acceptor canister contents shall require involvement of persons from two separate departments, with the exception of the count team.
  - (i) Casino Security must be the designated department independent of the gaming machine department and must be present from the time the keys are issued until they are returned.
- (2) Access to the bill acceptor canister contents key at other than scheduled count times shall require the involvement of at least three persons from separate departments, one of whom must be a supervisor. The reason for access shall be documented with the signatures of all participants and observers.
- (3) Only the count team members shall be allowed access to bill acceptor canister contents keys during the count process.
- (4) An independent department must be responsible for maintaining and restricting access to keys. This department must be Casino Security or other designated departments/systems, as approved by the CNGC.

**(t) Gaming machine computerized key security systems.**

- (1) Computerized key security systems which restrict access to the gaming machine drop and count keys through the use of passwords, keys or other means, other than a key custodian, must provide the same degree of control as indicated in the aforementioned key control standards; refer to paragraphs (l), (o), (q) and (s) of this section. Note: This standard does not apply to the system administrator. The system administrator is defined in paragraph (t)(2)(i) of this section.
- (2) For computerized key security systems, the following additional gaming machine key control procedures apply:
  - (i) Management personnel independent of the gaming machine department assign and control user access to keys in the computerized key security system (*i.e.*, system administrator) to ensure that gaming machine drop and count keys are restricted to authorized employees.
  - (ii) In the event of an emergency or the key box is inoperable, access to the emergency manual key(s) (a.k.a. override key), used to access the box containing the gaming machine drop and count keys, requires the physical involvement of at least three persons from separate departments, including management. The date, time, and reason for access, must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
  - (iii) The custody of the keys issued pursuant to paragraph (t)(2)(ii) of this section requires the presence of two persons from separate departments from the time of their issuance until the time of their return.
  - (iv) Routine physical maintenance that requires accessing the emergency manual key(s) (override key) and does not involve the accessing of the gaming machine drop and count keys, only requires the presence of two persons from separate departments. The date, time and reason for access must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
- (3) For computerized key security systems controlling access to gaming machine drop and count keys, accounting/audit personnel, independent of the system administrator, will perform the following procedures:
  - (i) Daily, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes user's access within the system (*i.e.*, system administrator). Determine whether the transactions completed by the system administrator provide an adequate control over the access to the gaming machine drop and count keys. Also, determine whether any gaming machine drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized.
  - (ii) For at least one day each month, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual gaming machine drop and count key removals or key returns occurred.
  - (iii) At least quarterly, review a sample of users that are assigned access to the gaming machine drop and count keys to determine that their access to the assigned keys is adequate relative to their job position.

(iv) All noted improper transactions or unusual occurrences are investigated with the results documented.

- (4) Quarterly, an inventory of all count room, drop box release, storage rack and contents keys is performed, and reconciled to records of keys made, issued, and destroyed. Investigations are performed for all keys unaccounted for, with the investigation being documented.

**(u) Table games computerized key security systems.**

- (1) Computerized key security systems which restrict access to the table game drop and count keys through the use of passwords, keys or other means, other than a key custodian, must provide the same degree of control as indicated in the aforementioned key control standards; refer to paragraphs (m), (n), (p) and (r) of this section. Note: This standard does not apply to the system administrator. The system administrator is defined in paragraph (u)(2)(ii) of this section.
- (2) For computerized key security systems, the following additional table game key control procedures apply:
- (i) Management personnel independent of the table game department assign and control user access to keys in the computerized key security system (*i.e.*, system administrator) to ensure that table game drop and count keys are restricted to authorized employees.
  - (ii) In the event of an emergency or the key box is inoperable, access to the emergency manual key(s) (a.k.a. override key), used to access the box containing the table game drop and count keys, requires the physical involvement of at least three persons from separate departments, including management. The date, time, and reason for access, must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
  - (iii) The custody of the keys issued pursuant to paragraph (u)(2)(ii) of this section requires the presence of two persons from separate departments from the time of their issuance until the time of their return.
  - (iv) Routine physical maintenance that requires accessing the emergency manual key(s) (override key) and does not involve the accessing of the table games drop and count keys, only requires the presence of two persons from separate departments. The date, time and reason for access must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
- (3) For computerized key security systems controlling access to table games drop and count keys, accounting/audit personnel, independent of the system administrator, will perform the following procedures:
- (i) Daily, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes user's access within the system (*i.e.*, system administrator). Determine whether the transactions completed by the system administrator provide an adequate control over the access to the table games drop and count keys. Also, determine whether any table games drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized.
  - (ii) For at least one day each month, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual table games drop and count key removals or key returns occurred.
  - (iii) At least quarterly, review a sample of users that are assigned access to the table games drop and count keys to determine that their access to the assigned keys is adequate relative to their job position.
  - (iv) All noted improper transactions or unusual occurrences are investigated with the results documented.
- (4) Quarterly, an inventory of all count room, table game drop box release, storage rack and contents keys is performed, and reconciled to records of keys made, issued, and destroyed. Investigations are performed for all keys unaccounted for, with the investigations being documented.

**(v) Emergency drop procedures.**

- (1) Emergency drop procedures shall be developed by the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority.
- (i) In the event that an emergency drop or unscheduled pull is deemed necessary:
    - (A) Surveillance must be notified of the emergency drop or unscheduled pull and the reason prior to commencement.
    - (B) The emergency drop or unscheduled pull must be documented by using an approved manual or electronic method.

**(w) Equipment standards for gaming machine count.**

- (1) A weigh scale calibration module shall be secured so as to prevent unauthorized access (e.g., pre-numbered seal, lock and key, etc.).
- (2) A person independent of the cage, vault, gaming machine, and count team functions shall be required to be present whenever the calibration module is accessed. Such access shall be documented and maintained.
- (3) If a weigh scale interface is used, it shall be adequately restricted so as to prevent unauthorized access (passwords, keys, etc.).
- (4) If the weigh scale has a zero adjustment mechanism, it shall be physically limited to minor adjustments (e.g., weight of a bucket) or physically situated such that any unnecessary adjustments to it during the weigh process would be observed by other count team members.
- (5) The weigh scale and weigh scale interface (if applicable) shall be tested by a person or persons independent of the cage, vault, and gaming machine departments and count team at least quarterly. At least annually, this test shall be performed by internal audit in accordance with the internal audit standards. The result of these tests shall be documented and signed by the person or persons performing the test.
- (6) Prior to the gaming machine count, at least two employees shall verify the accuracy of the weigh scale with varying weights or with varying amounts of previously counted coin for each denomination to ensure the scale is properly calibrated (varying weights/coin from drop to drop is acceptable).
- (7) If a mechanical coin counter is used (instead of a weigh scale), the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with procedures that are equivalent to those described in paragraphs (u)(4), (u)(5), and (u)(6) of this section.
  - (i) Refer to 542.41(w)(4), (w)(5) and (w)(6).
- (8) If a coin meter count machine is used, the count team member shall record the machine number denomination and number of coins in ink on a source document, unless the meter machine automatically records such information.
  - (i) A count team member shall test the coin meter count machine before the actual count to ascertain if the metering device is functioning properly with a predetermined number of coins for each denomination.
  - (ii) [Reserved]

[MICS Revision 542 October 2008]

# § 543.17 Drop and Count

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## § 543.17 What are the minimum internal control standards for drop and count?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

**NOTE: Gaming regulations specified in Drop and Count 542.21, 542.31, 542.41 (depending on gaming operation Tier level) must be adhered to in conjunction with the following standards.**

- (a) **Supervision.** Supervision must be provided for drop and count as needed by an agent(s) with authority equal to or greater than those being supervised.
- (b) **Count room access.** Controls must be established and procedures implemented to limit physical access to the count room to count team agents, designated staff, and other authorized persons. Such controls must include the following:
- (1) Count team agents may not exit or enter the count room during the count except for emergencies or scheduled breaks.
  - (2) Surveillance must be notified whenever count room agents exit or enter the count room during the count.
  - (3) The count team policy, at a minimum, must address the transportation of extraneous items such as personal belongings, tool boxes, beverage containers, etc., into or out of the count room.
    - (i) Additional requirements regarding extraneous item standards are located in the "General TICS" section of this document.
- (c) **Count team.** Controls must be established and procedures implemented to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud. Such controls must include the following:
- (1) For Tier A and B operations, all counts must be performed by at least two agents. For Tier C operations, all counts must be performed by at least three agents.
  - (2) For Tier A and B operations, at no time during the count can there be fewer than two count team agents in the count room until the drop proceeds have been accepted into cage/vault accountability. For Tier C operations, at no time during the count can there be fewer than three count team agents in the count room until the drop proceeds have been accepted into cage/vault accountability.
  - (3) For Tier A and B operations, count team agents must be rotated on a routine basis such that the count team is not consistently the same two agents more than four days per week. This standard does not apply to gaming operations that utilize a count team of more than two agents. For Tier C operations, count team agents must be rotated on a routine basis such that the count team is not consistently the same three agents more than four days per week. This standard does not apply to gaming operations that utilize a count team of more than three agents.
  - (4) Functions performed by count team agents must be rotated on a routine basis.
    - (i) Functions performed by Count Team Associates must be rotated on a routine basis, regardless of the number of associates involved in the count process.
  - (5) Count team agents must be independent of the department being counted. A cage/vault agent may be used if they are not the sole recorder of the count and do not participate in the transfer of drop proceeds to the cage/vault. An accounting agent may be used if there is an independent audit of all count documentation.
    - (i) Drop and Count Associates can be combined (if work load allows) at the discretion of the Casino General Management Team and with the approval of the CNGC.
  - (6) All Soft Count Associates involved in the Soft Count process must remain on the premises until all funds have been verified by the Vault.
- (d) **Card game drop standards.** Controls must be established and procedures implemented to ensure security of the drop process. Such controls must include the following:
- (1) Surveillance must be notified when the drop is to begin so that surveillance may monitor the activities.
    - (i) Drop officially begins once the Drop Keys are checked out.
  - (2) At least two agents must be involved in the removal of the drop box, at least one of whom is independent of the card games department.
  - (3) Once the drop is started, it must continue until finished.

- (4) All drop boxes may be removed only at the time previously designated by the gaming operation and reported to the TGRA. If an emergency drop is required, surveillance must be notified before the drop is conducted and the TGRA must be informed within a timeframe approved by the TGRA.
- (i) Primary and alternative drop routes, times and days must be predetermined by casino management to ensure that Surveillance is able to adequately monitor the Drop Team. Documentation of the routes, times and days must be provided to Surveillance, Compliance Department and the CNGC.
  - (ii) If several route options are provided, Surveillance must be notified of the specific route that the Drop Team is going to use, before the drop begins, in order to adequately monitor the Drop Team throughout the drop process.
  - (iii) Any proposed adjustments to the drop route, times or days must be submitted (via email) to Surveillance at least seventy-two (72) hours prior to desired start time. Once documented endorsement from Surveillance has been received, the revised drop route, times or days may be implemented.
    - (A) Detailed changes to drop routes, times or days must be provided (via email) to Surveillance, Compliance Department and CNGC.
    - (B) Drop routes must be followed by the Drop Team, except for emergency drops.
  - (iv) If an emergency drop/unscheduled pull is required, Surveillance must be notified before the drop/pull is conducted.
  - (v) If there is any delay in the start time of the scheduled drop, the Drop Supervisor/Manager or designated associate must notify Surveillance immediately of the delay, if live Surveillance is provided.
  - (vi) Card Games must ensure an adequate number of drop boxes are utilized for each table to prevent commingling of received collections (e.g., rake and promotional pool).
- (5) At the end of each shift:
- (i) All locked card game drop boxes must be removed from the tables by an agent independent of the card game shift being dropped;
  - (ii) For any tables opened during the shift, a separate drop box must be placed on each table, or a gaming operation may utilize a single drop box with separate openings and compartments for each shift; and
    - (A) One (1) Table/Card Game shift may be considered the casino gaming day (not to exceed twenty-four [24] hours).
  - (iii) Card game drop boxes must be transported directly to the count room or other equivalently secure area by a minimum of two agents, at least one of whom is independent of the card game shift being dropped, until the count takes place.
- (6) All tables that were not open during a shift and therefore not part of the drop must be documented.
- (7) All card game drop boxes must be posted with a number corresponding to a permanent number on the gaming table and marked to indicate game, table number, and shift, if applicable.

**(e) Player interface and financial instrument storage component drop standards.**

- (1) Surveillance must be notified when the drop is to begin so that surveillance may monitor the activities.
- (i) Primary and alternative drop routes, times and days must be predetermined by casino management to ensure that Surveillance is able to adequately monitor the Drop Team. Documentation of the routes, times and days must be provided to Surveillance, Compliance Department and the CNGC.
  - (ii) If several route options are provided, Surveillance must be notified of the specific route that the Drop Team is going to use, before the drop begins, in order to adequately monitor the Drop Team throughout the drop process.
  - (iii) Any proposed adjustments to the drop route, times or days must be submitted (via email) to Surveillance at least seventy-two (72) hours prior to desired start time. Once documented endorsement from Surveillance has been received, the revised drop route, times or days may be implemented.
    - (A) Detailed changes to drop routes, times or days must be provided (via email) to Surveillance, Compliance Department and CNGC.
    - (B) Drop routes must be followed by the Drop Team, except for emergency drops.
  - (iv) If an emergency drop/unscheduled pull is required, Surveillance must be notified before the drop/pull is conducted and the CNGC must be informed no more than twenty-four (24) hours after the drop/pull is conducted.

- (v) If there is any delay in the start time of the scheduled drop, the Drop Supervisor/Manager or designated associate must notify Surveillance immediately of the delay, if live Surveillance is provided.
- (2) At least two agents must be involved in the removal of the player interface storage component drop, at least one of whom is independent of the player interface department.
  - (i) For Tier level A or Tier B sites, a Drop Team will consist of a minimum of two (2) associates, at least one (1) of whom is Security.
  - (ii) For Tier level C sites, a Drop Team will consist of a minimum of three (3) associates, at least one (1) of whom is Security.
- (3) All financial instrument storage components may be removed only at the time previously designated by the gaming operation and reported to the TGRA. If an emergency drop is required, surveillance must be notified before the drop is conducted and the TGRA must be informed within a timeframe approved by the TGRA.
- (4) The financial instrument storage components must be removed by an agent independent of the player interface department, then transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.
  - (i) Security must be provided for the financial instrument storage components removed from player interfaces and awaiting transport to the count room.
    - (A) Any funds removed from the canisters during the drop process must be locked in a canister/bag. Security must accompany the locked canister/bag until the funds are secured in the Soft Count area.
  - (ii) Transportation of financial instrument storage components must be performed by a minimum of two agents, at least one of whom is independent of the player interface department.
- (5) All financial instrument storage components must be posted with a number corresponding to a permanent number on the player interface.
  - (i) An electronic/computerized equivalent of meeting these standards is also considered acceptable.

**(f) Card game count standards.**

- (1) Access to stored, full card game drop boxes must be restricted to:
  - (i) Authorized members of the drop and count teams; and
  - (ii) In an emergency, authorized persons for the resolution of a problem.
- (2) The card game count must be performed in a count room or other equivalently secure area with comparable controls.
- (3) Access to the count room during the count must be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
- (4) If counts from various revenue centers occur simultaneously in the count room, procedures must be in effect to prevent the commingling of funds from different revenue centers.
- (5) Count equipment and systems must be tested, with the results documented, at minimum before the first count begins to ensure the accuracy of the equipment.
- (6) The card game drop boxes must be individually emptied and counted so as to prevent the commingling of funds between boxes until the count of the box has been recorded.
  - (i) The count of each box must be recorded in ink or other permanent form of recordation.
  - (ii) For counts that do not utilize a currency counter, a second count must be performed by a member of the count team who did not perform the initial count. Separate counts of chips and tokens must always be performed by members of the count team.
  - (iii) Coupons or other promotional items not included in gross revenue must be recorded on a supplemental document by either the count team members or accounting personnel. All single-use coupons must be cancelled daily by an authorized agent to prevent improper recirculation.
    - (A) Coupons, vouchers, or other promotional items not included in gross revenue may be recorded on a supplemental document by the Soft Count Team. All single-use coupons/vouchers must be cancelled daily to prevent improper recirculation.



- (iv) If a currency counter interface is used:
  - (A) It must be restricted to prevent unauthorized access; and
  - (B) The currency drop figures must be transferred via direct communications line or computer storage media to the accounting department.
- (7) If currency counters are utilized, a count team member must observe the loading and unloading of all currency at the currency counter, including rejected currency.
- (8) Two counts of the currency rejected by the currency counter must be recorded per table, as well as in total. Posting rejected currency to a nonexistent table is prohibited.
- (9) Card game drop boxes, when empty, must be shown to another member of the count team, to another agent observing the count, or to surveillance, provided that the count is monitored in its entirety by an agent independent of the count.
- (10) Procedures must be implemented to ensure that any corrections to the count documentation are permanent and identifiable, and that the original, corrected information remains legible. Corrections must be verified by two count team agents.
- (11) The count sheet must be reconciled to the total drop by a count team member who may not function as the sole recorder, and variances must be reconciled and documented.
- (12) All count team agents must sign the count sheet attesting to their participation in the count.
- (13) A final verification of the total drop proceeds, before transfer to cage/vault, must be performed by at least two agents, one of whom is a supervisory count team member, and one a count team agent.
  - (i) Final verification must include a comparison of currency counted totals against the currency counter/system report, if any counter/system is used.
  - (ii) Any unresolved variances must be documented, and the documentation must remain part of the final count record forwarded to accounting.
  - (iii) This verification does not require a complete recount of the drop proceeds, but does require a review sufficient to verify the total drop proceeds being transferred.
  - (iv) The two agents must sign the report attesting to the accuracy of the total drop proceeds verified.
  - (v) All drop proceeds and cash equivalents that were counted must be submitted to the cage or vault agent (who must be independent of the count team), or to an agent independent of the revenue generation source and the count process, for verification. The agent must certify, by signature, the amount of the drop proceeds delivered and received. Any unresolved variances must be reconciled, documented, and/or investigated by accounting/revenue audit.
    - (A) Before transferring funds, the Soft Count Supervisor/Manager or designated Soft Count Associate must contact Surveillance to notify them of the transfer and await acknowledgement. Once acknowledgement has been received, the funds or currency equivalents must be immediately transferred to the Vault.
      - 1) Notification to Surveillance must include the amount of each denomination being transferred to allow for adequate surveillance coverage.
    - (B) The Vault Associate (who must be independent of the Count Team and Slot Department) accepting the counted drop proceeds and cash equivalents must perform an independent count and make a comparison to ensure accuracy and individual accountability. All discrepancies must be noted and investigated. Unverified transfers of cash and/or cash equivalents are prohibited.
- (14) After verification by the agent receiving the funds, the drop proceeds must be transferred to the cage/vault.
  - (i) The count documentation and records must not be transferred to the cage/vault with the drop proceeds.
  - (ii) The cage/vault agent must have no knowledge or record of the drop proceeds total before it is verified.
  - (iii) All count records must be forwarded to accounting or secured and accessible only by accounting agents.
  - (iv) The cage/vault agent receiving the transferred drop proceeds must sign the count sheet attesting to the verification of the total received, and thereby assume accountability of the drop proceeds, ending the count.
  - (v) Any unresolved variances between total drop proceeds recorded on the count sheet and the cage/vault final verification during transfer must be documented and investigated.

- (15) The count sheet, with all supporting documents, must be delivered to the accounting department by a count team member or an agent independent of the cage/vault. Alternatively, it may be secured so that it is only accessible to accounting agents.

**(g) Player interface financial instrument count standards.**

- (1) Access to stored full financial instrument storage components must be restricted to:
  - (i) Authorized members of the drop and count teams; and
  - (ii) In an emergency, authorized persons for the resolution of a problem.
- (2) The player interface financial instrument count must be performed in a count room or other equivalently secure area with comparable controls.
- (3) Access to the count room during the count must be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
- (4) If counts from various revenue centers occur simultaneously in the count room, procedures must be in effect that prevent the commingling of funds from different revenue centers.
- (5) The count team must not have access to amount-in or bill-in meter amounts until after the count is completed and the drop proceeds are accepted into the cage/vault accountability.
- (6) Count equipment and systems must be tested, and the results documented, before the first count begins, to ensure the accuracy of the equipment.
- (7) If a currency counter interface is used:
  - (i) It must be adequately restricted to prevent unauthorized access; and
  - (ii) The currency drop figures must be transferred via direct communications line or computer storage media to the accounting department.
- (8) The financial instrument storage components must be individually emptied and counted so as to prevent the commingling of funds between storage components until the count of the storage component has been recorded.
  - (i) The count of each storage component must be recorded in ink or other permanent form of recordation.
  - (ii) Coupons or other promotional items not included in gross revenue may be recorded on a supplemental document by the count team members or accounting personnel. All single-use coupons must be cancelled daily by an authorized agent to prevent improper recirculation.

(A) Coupons, vouchers, or other promotional items not included in gross revenue may be recorded on a supplemental document by the Soft Count Team. All single-use coupons/vouchers must be cancelled daily to prevent improper recirculation.
- (9) If currency counters are utilized, a count team member must observe the loading and unloading of all currency at the currency counter, including rejected currency.
- (10) Two counts of the currency rejected by the currency counter must be recorded per interface terminal as well as in total. Rejected currency must be posted to the player interface from which it was collected.
- (11) Storage components, when empty, must be shown to another member of the count team, to another agent who is observing the count, or to surveillance, provided that the count is monitored in its entirety by an agent independent of the count.
- (12) Procedures must be implemented to ensure that any corrections to the count documentation are permanent, identifiable and the original, corrected information remains legible. Corrections must be verified by two count team agents.
- (13) The count sheet must be reconciled to the total drop by a count team member who may not function as the sole recorder, and variances must be reconciled and documented. This standard does not apply to vouchers removed from the financial instrument storage components.
- (14) All count team agents must sign the report attesting to their participation in the count.
  - (i) Count Team Associates are required to provide their signature and legible gaming license number (or electronic equivalent).

(15) A final verification of the total drop proceeds, before transfer to cage/vault, must be performed by the at least two agents, one of whom is a supervisory count team member and the other a count team agent.

- (i) Final verification must include a comparison of currency counted totals against the currency counter/system report, if a counter/system is used.
- (ii) Any unresolved variances must be documented and the documentation must remain a part of the final count record forwarded to accounting.
- (iii) This verification does not require a complete recount of the drop proceeds but does require a review sufficient to verify the total drop proceeds being transferred.
- (iv) The two agents must sign the report attesting to the accuracy of the total drop proceeds verified.
- (v) All drop proceeds and cash equivalents that were counted must be turned over to the cage or vault cashier (who must be independent of the count team) or to an agent independent of the revenue generation and the count process for verification. Such cashier or agent must certify, by signature, the amount of the drop proceeds delivered and received. Any unresolved variances must be reconciled, documented, and/or investigated by accounting/revenue audit.

(A) Before transferring funds, the Soft Count Supervisor/Manager or designated Soft Count Associate must contact Surveillance (where live Surveillance is available) to notify them of the transfer and await acknowledgement. Once acknowledgement has been received, the funds or currency equivalents must be immediately transferred to the Vault.

1) Notification to Surveillance must include the amount of each denomination being transferred to allow for adequate surveillance coverage.

(B) The Vault Associate (who must be independent of the Count Team and Slot Department) accepting the counted drop proceeds and cash equivalents must perform an independent count and make a comparison to ensure accuracy and individual accountability. All discrepancies must be noted and investigated. Unverified transfers of cash and/or cash equivalents are prohibited.

(16) After certification by the agent receiving the funds, the drop proceeds must be transferred to the cage/vault.

- (i) The count documentation and records must not be transferred to the cage/vault with the drop proceeds.
- (ii) The cage/vault agent must not have knowledge or record of the drop proceeds total before it is verified.
- (iii) All count records must be forwarded to accounting secured and accessible only by accounting agents.
- (iv) The cage/vault agent receiving the transferred drop proceeds must sign the count sheet attesting to the verification of the total received, and thereby assuming accountability of the drop proceeds, and ending the count.
- (v) Any unresolved variances between total drop proceeds recorded on the count room report and the cage/vault final verification during transfer must be documented and investigated.

(17) The count sheet, with all supporting documents, must be delivered to the accounting department by a count team member or agent independent of the cashier's department. Alternatively, it may be adequately secured and accessible only by accounting department.

**(h) Collecting currency cassettes and financial instrument storage components from kiosks.** Controls must be established and procedures implemented to ensure that currency cassettes and financial instrument storage components are securely removed from kiosks. Such controls must include the following:

- (1) Surveillance must be notified prior to the financial instrument storage components or currency cassettes being accessed in a kiosk.
- (2) At least two agents must be involved in the collection of currency cassettes and/or financial instrument storage components from kiosks and at least one agent should be independent of kiosk accountability.
- (3) Currency cassettes and financial instrument storage components must be secured in a manner that restricts access to only authorized agents.
- (4) Redeemed vouchers and pulltabs (if applicable) collected from the kiosk must be secured and delivered to the appropriate department (cage or accounting) for reconciliation.
- (5) Controls must be established and procedures implemented to ensure that currency cassettes contain the correct denominations and have been properly installed.

- (i) Associates who are responsible for maintaining currency cassettes must provide their signature and gaming license number on each cassette verification receipt printed from the currency counter when completing any cassette transaction involving currency.

**(i) Kiosk count standards.**

- (1) Access to stored full kiosk financial instrument storage components and currency cassettes must be restricted to:
  - (i) Authorized agents; and
  - (ii) In an emergency, authorized persons for the resolution of a problem.
- (2) The kiosk count must be performed in a secure area, such as the cage or count room.
  - (i) The kiosk count must be performed in the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.
- (3) If counts from various revenue centers and kiosks occur simultaneously in the count room, procedures must be in effect that prevent the commingling of funds from the kiosks with any revenue centers.
- (4) The kiosk financial instrument storage components and currency cassettes must be individually emptied and counted so as to prevent the commingling of funds between kiosks until the count of the kiosk contents has been recorded.
  - (i) The count of each box must be recorded in ink or other permanent form of recordation.
  - (ii) Coupons or other promotional items not included in gross revenue (if any) may be recorded on a supplemental document. All single-use coupons must be cancelled daily by an authorized agent to prevent improper recirculation.
    - (A) Coupons, vouchers, or other promotional items not included in gross revenue may be recorded on a supplemental document by the Soft Count Team. All single-use coupons/vouchers must be cancelled daily to prevent improper recirculation.
- (5) Procedures must be implemented to ensure that any corrections to the count documentation are permanent, identifiable, and the original, corrected information remains legible. Corrections must be verified by two agents.

**(j) Controlled keys.** Controls must be established and procedures implemented to safeguard the use, access, and security of keys in accordance with the following:

- (1) Each of the following requires a separate and unique key lock or alternative secure access method:
  - (i) Drop cabinet;
  - (ii) Drop box release;
  - (iii) Drop box content; and
  - (iv) Storage racks and carts used for the drop.
- (2) Access to and return of keys or equivalents must be documented with the date, time, and signature or other unique identifier of the agent accessing or returning the key(s).
  - (i) For Tier A and B operations, at least two (2) drop team agents are required to be present to access and return keys. For Tier C operations, at least three (3) drop team agents are required to be present to access and return keys.
  - (ii) For Tier A and B operations, at least two (2) count team agents are required to be present at the time count room and other count keys are issued for the count. For Tier C operations, at least three (two for card game drop box keys in operations with three tables or fewer) count team agents are required to be present at the time count room and other count keys are issued for the count.
- (3) Documentation of all keys, including duplicates, must be maintained, including:
  - (i) Unique identifier for each individual key;
  - (ii) Key storage location;
  - (iii) Number of keys made, duplicated, and destroyed; and
  - (iv) Authorization and access.

- (4) Custody of all keys involved in the drop and count must be maintained by a department independent of the count and the drop agents as well as those departments being dropped and counted.
- (5) Other than the count team, no agent may have access to the drop box content keys while in possession of storage rack keys and/or release keys.
- (6) Other than the count team, only agents authorized to remove drop boxes are allowed access to drop box release keys.
- (7) Any use of keys at times other than the scheduled drop and count must be properly authorized and documented.
- (8) Emergency manual keys, such as an override key, for computerized, electronic, and alternative key systems must be maintained in accordance with the following:
  - (i) Access to the emergency manual key(s) used to access the box containing the player interface drop and count keys requires the physical involvement of at least three agents from separate departments, including management. The date, time, and reason for access, must be documented with the signatures of all participating persons signing out/in the emergency manual key(s);
  - (ii) The custody of the emergency manual keys requires the presence of two agents from separate departments from the time of their issuance until the time of their return; and
  - (iii) Routine physical maintenance that requires access to the emergency manual key(s), and does not involve accessing the player interface drop and count keys, only requires the presence of two agents from separate departments. The date, time, and reason for access must be documented with the signatures of all participating agents signing out/in the emergency manual key(s).
- (9) Controls must be established and procedures implemented to safeguard the use, access, and security of keys for kiosks.
- (k) Variances.** The operation must establish, as approved by the TGRA, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.
- (1) Additional requirements regarding notification of variance standards are located in the "General TICS" section of this document.

## **§ 542.13 Gaming Machines**

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## § 542.13 What are the minimum internal control standards for gaming machines?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

### (a) Standards for gaming machines.

- (1) For this section only, credit or customer credit means a unit of value equivalent to cash or cash equivalents deposited, wagered, won, lost, or redeemed by a customer.
- (2) Coins shall include tokens.
- (3) For all computerized gaming machine systems, a personnel access listing shall be maintained, which includes at a minimum:
  - (i) Employee name or employee identification number (or equivalent); and
  - (ii) Listing of functions employee can perform or equivalent means of identifying same.
  - (iii) The associate's CNGC gaming license number must be used as the associate's identification number.
    - (A) A list must be maintained at the site and provided to the CNGC upon request.
- (4) Documentation for electronic game(s) must be maintained for a period of five (5) years from the date the games are played (or a time frame established by the Tribal gaming regulatory authority). This data may be kept in an archived manner, provided the information can be produced within seventy-two (72) hours upon request.
- (5) Installation testing.
  - (i) Testing must be completed during the installation process to verify that the player interface has been properly installed. This must include testing of the following, as applicable:
    - (A) Communication with the Class II gaming system;
    - (B) Communication with the accounting system;
    - (C) Communication with the player tracking system;
    - (D) Currency and vouchers to bill acceptor;
    - (E) Voucher printing;
    - (F) Meter incrementation;
    - (G) Pay table, for verification;
    - (H) Player interface denomination, for verification;
    - (I) All buttons, to ensure that all are operational and programmed appropriately;
    - (J) System components, to ensure that they are safely installed at location; and
    - (K) Locks, to ensure that they are secure and functioning.
- (6) The Slot Operations Department must ensure each electronic gaming machine is labeled with the following information:
  - (i) Area, Bank, Location (ABL)/Area, Section, Location (ASL);
  - (ii) Asset number; and
  - (iii) Manufacturer (must reflect manufacturer listed in the gaming system).
- (7) An accurate inventory list of electronic gaming machines (EGMs) must be maintained by the Slot Operations Manager and/or Assistant General Manager or above. This inventory list must distinguish between Class II or Class III gaming machines and include the following information:
  - (i) Area, Bank, Location (ABL)/Area, Section, Location (ASL);
  - (ii) Asset;

- (iii) Serial;
  - (iv) Seal number;
  - (v) Manufacturer;
  - (vi) Game theme; and
  - (vii) Denomination.
- (8) Floor Map. On at least an annual basis, Slot Operations must compile and update a floor map for the Surveillance Department that provides an accurate mapping of all gaming machines on the casino floor.
- (9) System software signature verification.
- (i) Procedures must be implemented for system software verifications. These procedures must include comparing signatures generated by the verification programs required by 25 CFR 547.8, to the signatures provided in the independent test laboratory letter for that software version.
  - (ii) An agent independent of the gaming operation must perform system software signature verification(s) to verify that only approved software is installed.
  - (iii) Procedures must be implemented for investigating and resolving any software verification variances.
  - (iv) Internal audits must be conducted as set forth in § 543.23, Audit and Accounting. Such audits must be documented.
- (10) Malfunctions. Procedures must be implemented to investigate, document and resolve malfunctions. Such procedures must address the following:
- (i) Determination of the event causing the malfunction;
  - (ii) Review of relevant records, game recall, reports, logs, surveillance records;
  - (iii) Repair or replacement of the Class II gaming component; and
  - (iv) Verification of the integrity of the Class II gaming component before restoring it to operation.
- (11) Removal, retirement and/or destruction. Procedures must be implemented to retire or remove any or all associated components of a **Class II** gaming system from operation. Procedures must include the following:
- (i) For player interfaces and components that accept cash or cash equivalents:
    - (A) Coordinate with the drop team to perform a final drop;
    - (B) Collect final accounting information such as meter readings, drop and payouts;
    - (C) Remove and/or secure any or all associated equipment such as locks, card reader or ticket printer from the retired or removed component; and
    - (D) Document removal, retirement and/or destruction.
  - (ii) For removal of software components:
    - (A) Purge and/or return the software to the license holder; and
    - (B) Document the removal.
  - (iii) For other related equipment such as interface cards:
    - (A) Remove and/or secure equipment; and
    - (B) Document the removal or securing of equipment.
  - (iv) For all components:
    - (A) Verify that unique identifiers and descriptions of removed/retired components are recorded as part of the retirement documentation; and



(B) Coordinate with the accounting department to properly retire the component in the system records.

(v) Where the TGRA authorizes destruction of any Class II gaming system components, procedures must be developed to destroy such components. Such procedures must include the following:

(A) Methods of destruction;

(B) Witness or surveillance of destruction;

(C) Documentation of all components destroyed; and

(D) Signatures of agent(s) destroying components attesting to destruction.

(12) Procedures must be implemented to retire or remove any or all associated components of a **Class III** gaming system from operation. Procedures must include the following:

(i) For player interfaces and components that accept cash or cash equivalents:

(A) Coordinate with the drop team to perform a final drop;

(B) Collect final accounting information such as meter readings, drop and payouts; and

(C) Remove and/or secure any or all associated equipment such as locks and card readers.

(13) Game history. With the exception of troubleshooting or investigating Guest disputes, associates are prohibited from disclosing the history of any gaming machine's payouts to a Guest.

(14) Physical security. All gaming machines must be adequately restricted to prevent unauthorized access (e.g., locking all gaming machine doors, restrict access to EPROMs or other equivalent game software media, and restrict physical access to computer hardware, etc.).

**(b) Computer applications.** For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by Tribal gaming regulatory authority, will be acceptable.

(1) Additional requirements regarding computer application standards are located in the "General TICS" section of this document.

**(c) Standards for drop and count.** The procedures for the collection of the gaming machine drop and the count thereof shall comply with § 542.21, § 542.31, or § 542.41 (as applicable).

(1) The procedures for the collection of the gaming machine drop and the count thereof shall also comply with § 543.17.

**(d) Jackpot payouts, gaming machine fills, short pays and accumulated credit payout standards.**

(1) For jackpot payouts and gaming machine fills, documentation shall include the following information:

(i) Date and time;

(ii) Machine number;

(iii) Dollar amount of cash payout or gaming machine fill (both alpha and numeric) or description of personal property awarded, including fair market value. Alpha is optional if another unalterable method is used for evidencing the amount of the payout;

(iv) Game outcome (including reel symbols, card values, suits, etc.) for jackpot payouts. Game outcome is not required if a computerized jackpot/fill system is used;

(v) Preprinted or concurrently printed sequential number; and

(vi) Signatures of at least two employees verifying and witnessing the payout or gaming machine fill (except as otherwise provided in paragraphs (d)(1)(vi)(A), (B), and (C) of this section).

(A) Jackpot payouts over a predetermined amount shall require the signature and verification of a supervisory or management employee independent of the gaming machine department (in addition to the two signatures required in paragraph (d)(1)(vi) of this section). Alternatively, if an on-line accounting system is utilized, only two signatures are required: one employee and one supervisory or management employee independent of the gaming machine department. This predetermined amount shall be authorized by management (as approved by the Tribal gaming regulatory authority), documented, and maintained.

1) The predetermined threshold amount for requiring additional signatures is [REDACTED] or more.

(B) With regard to jackpot payouts and hopper fills, the signature of one employee is sufficient if an on-line accounting system is utilized and the jackpot or fill is less than \$1,200.

(C) On graveyard shifts (eight-hour maximum) payouts/fills less than \$100 can be made without the payout/fill being witnessed by a second person.

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

(i) Date and time;

(ii) Machine number;

(iii) Dollar amount of payout (both alpha and numeric); and

(iv) The signature of at least one (1) employee verifying and witnessing the payout.

(A) Where the payout amount is \$50 or more, signatures of at least two (2) employees verifying and witnessing the payout. Alternatively, the signature of one (1) employee is sufficient if an on-line accounting system is utilized and the payout amount is less than \$3,000.

(B) [Reserved]

(v) Ticket validation number (if available).

(vi) For short pays of [REDACTED] or more, a supervisor must verify the validity of the voucher prior to payment.

(vii) For all Choctaw Casinos, short pays must be considered the equivalent of hand pays. Documentation must meet or exceed the requirements listed above.

(3) Computerized jackpot/fill systems shall be restricted so as to prevent unauthorized access and fraudulent payouts by one person as required by § 542.16(a).

(4) Payout forms shall be controlled and routed in a manner that precludes any one person from producing a fraudulent payout by forging signatures or by altering the amount paid out subsequent to the payout and misappropriating the funds.

(5) Prior to any jackpot payout, the associate must:

(i) Verify the Guest's name is not on the IRS issued Backup Withholding Notification (B-List). This list includes Guests that have been flagged by the IRS due to receiving an incorrect taxpayer identification number (TIN);

(A) If the Guest's name appears on the B-List, a valid Social Security Card or equivalent documentation must be provided to complete the transaction.

1) If a valid Social Security Card or equivalent documentation cannot be provided by the Guest, adequate procedures must be established and implemented by the gaming operation to withhold the amount required by the IRS.

(ii) Verify the Guest's name is not flagged for Office of Foreign Assets Control (OFAC);

(A) If the Guest's name appears as a hundred percent (100%) match on OFAC, the associate must terminate the payout transaction and notify a supervisor immediately.

(iii) Verify the Guest does not have an active casino-banned/self-banned status; and

(A) If the Guest's name appears on the Banned Patron List, the associate will terminate the transaction and notify Security immediately.

(iv) The gaming operation must establish and implement procedures to ensure that the Guest's identity is independently verified and documented by at least two (2) associates prior to any jackpot payout.

(6) Controls regarding jackpots, short pays, prize claims, and accumulated credit for mobile gaming must be established and implemented, as approved by CNGC.

(e) Promotional payouts or awards.

- (1) If a gaming operation offers promotional payouts or awards that are not reflected on the gaming machine pay table, then the payout form/documentation shall include:
  - (i) Date and time;
  - (ii) Machine number and denomination;
  - (iii) Dollar amount of payout or description of personal property (e.g., jacket, toaster, car, etc.), including fair market value;
  - (iv) Type of promotion (e.g., double jackpots, four of a kind bonus, etc.); and
  - (v) Signature of at least one employee authorizing and completing the transaction.
- (2) Additional requirements regarding promotional payouts and/or awards standards are located in the "General TICS" section of this document.

**(f) Gaming machine department funds standards.**

- (1) The gaming machine booths and change banks that are active during the shift shall be counted down and reconciled each shift by two employees utilizing appropriate accountability documentation. Unverified transfers of cash and/or cash equivalents are prohibited.
  - (i) Electronic verification (such as recyclers) may be utilized as an alternative for one (1) associate.
  - (ii) The transport of ANY bank/draw to an adjacent facility requires a Security escort. Funds must be secured inside a locked bag/container. Access to the bag/container keys during transport is prohibited.
    - (A) The bag/container must be locked and unlocked under audio/video surveillance.
      - 1) Access to the bag/container keys during currency transport is prohibited when transport cannot be continuously viewed by Surveillance.
- (2) The wrapping of loose gaming machine booth and cage cashier coin shall be performed at a time or location that does not interfere with the hard count/wrap process or the accountability of that process.
- (3) A record shall be maintained evidencing the transfers of wrapped and unwrapped coins and retained for seven (7) days.

**(g) EPROM control standards.**

- (1) At least annually, procedures shall be performed to insure the integrity of a sample of gaming machine game programs EPROMs, or other equivalent game software media, by personnel independent of the gaming machine department or the machines being tested.
- (2) The Tribal gaming regulatory authority, or the gaming operation subject to the approval of the Tribal gaming authority, shall develop and implement procedures for the following:
  - (i) Removal of EPROMs, or other equivalent game software media, from devices, the verification of the existence of errors as applicable, and the correction via duplication from the master game program EPROM, or other equivalent game software media;
    - (A) Prior to the removal of EPROMs or other equivalent game software media, approval must be obtained from the CNGC.
    - (B) EPROM access is generally available through the logic compartment; therefore, any access to the logic compartment keys must only be granted to authorized associates. The logic compartment keys must have limited use and associates who utilize them must ensure they are promptly returned.
  - (ii) Copying one gaming device program to another approved program;
  - (iii) Verification of duplicated EPROMs before being offered for play;
  - (iv) Receipt and destruction of EPROMs, or other equivalent game software media; and
  - (v) Securing the EPROM, or other equivalent game software media, duplicator, and master game EPROMs, or other equivalent game software media, from unrestricted access.
  - (vi) The CNGC Technical Compliance Department must:

- (A) Provide approval prior to the installation of EPROMs or other equivalent game software media;
  - (B) Seal the logic compartment that contains the game software media and verify proper documentation is completed prior to any "live" play on the game; and
  - (C) Maintain an accurate inventory list of Gaming Commission Seals on all electronic gaming machines.
- (vii) Before **breaking** a Gaming Commission Seal, written approval must be obtained from the CNGC.
- (viii) The logic compartment that contains the game software media must be sealed and proper documentation verified prior to any "live" play on the game.
- (ix) Only CNGC Associates are permitted to **place and attach** a Gaming Commission Seal over the Logic compartment, EPROM or other equivalent game software media.
- (x) Tampering with the Gaming Commission Seal without CNGC approval or knowledge is prohibited.
- (xi) Failure to comply with the standards in paragraphs (g)(2)(vi)-(ix) will result in disciplinary action that may include a Notice of Violation (NOV) being issued and/or gaming license suspension.
- (3) The master game program number, par percentage, and the pay table shall be verified to the par sheet when initially received from the manufacturer.
- (i) The above information must be maintained (electronic or hard copy) by Slot Operations and provided to the CNGC upon request.
- (A) The information must be kept in a secure area accessible only by authorized management. Documents may be archived with prior approval from the CNGC.
- (4) Gaming machines with potential jackpots in excess of \$100,000 shall have the game software circuit boards locked or physically sealed. The lock or seal shall necessitate the presence of a person independent of the gaming machine department to access the device game program EPROM, or other equivalent game software media. If a seal is used to secure the board to the frame of the gaming device, it shall be pre-numbered.
- (5) Records that document the procedures in paragraph (g)(2)(i) of this section shall include the following information:
- (i) Date;
  - (ii) Machine number (source and destination);
  - (iii) Manufacturer;
  - (iv) Program number;
  - (v) Personnel involved;
  - (vi) Reason for duplication;
  - (vii) Disposition of any permanently removed EPROM, or other equivalent game software media;
  - (viii) Seal numbers, if applicable; and
  - (ix) Approved testing lab approval numbers, if available.
- (6) EPROMS, or other equivalent game software media, returned to gaming devices shall be labeled with the program number. Supporting documentation shall include the date, program number, information identical to that shown on the manufacturer's label, and initials of the person replacing the EPROM, or other equivalent game software media.

**(h) Standards for evaluating theoretical and actual hold percentages.**

- (1) Accurate and current theoretical hold worksheets shall be maintained for each gaming machine.
- (i) The above information must be kept (electronic or hard copy) in a secure area accessible only by authorized management and provided to the CNGC upon request.
- (2) For multi-game/multi-denominational machines, an employee or department independent of the gaming machine department shall:

- (i) Weekly, record the total coin-in meter;
- (ii) Quarterly, record the coin in meters for each pay table contained in the machine; and
- (iii) On an annual basis, adjust the theoretical hold percentage in the gaming machine statistical report to a weighted average based on the rate of coin-in-game for each pay table.

(A) The annual adjustment process will include all gaming machines that have been active for at least one (1) year.

- (3) For those gaming operations that are unable to perform the weighted average calculation as required by paragraph (h)(2) of this section, the following procedures shall apply:

(A) The CNGC considers section (h)(3) to only be pertinent to multi-game/multi-denominational machines as it is a continuance of paragraph (h)(2).

- (i) On at least an annual basis, calculate the actual hold percentage for each gaming machine;
- (ii) On at least an annual basis, adjust the theoretical hold percentage in the gaming machine statistical report for each gaming machine to the previously calculated actual hold percentage; and

(A) The annual adjustment process will include all gaming machines that have been active for at least one (1) year.

- (iii) The adjusted theoretical hold percentage shall be within the spread between the minimum and maximum theoretical payback percentages.

- (4) The adjusted theoretical hold percentage for multi-game/multi-denominational machines may be combined for machines with exactly the same game mix throughout the year.
- (5) The theoretical hold percentages used in the gaming machine analysis reports should be within the performance standards set by the manufacturer.
- (6) Records shall be maintained for each machine indicating the dates and type of changes made and the recalculation of theoretical hold as a result of the changes.
- (7) Records shall be maintained for each machine that indicate the date the machine was placed into service, the date the machine was removed from operation, the date the machine was placed back into operation, and any changes in machine numbers and designations.

- (i) The Slot Operation Files (SOF) for active gaming machines must be maintained (electronic or hard copy) by Slot Operations and contain game specific information that consists of:

(A) Date placed into service:

(B) Date made available for play:

(C) Manufacturer:

(D) Software version:

(E) Machine serial number:

(F) Game theme:

(G) Asset and/or location number:

(H) Seal number; and

(I) Initial meter reading.

- (ii) Other information must be filed by vendor and include the following (if applicable):

(A) Work orders:

(B) Ram clears; and

(C) Prize claims.

- (iii) Once a gaming machine becomes inactive, documentation of the removal must be maintained.

## §542.13 Gaming Machines

- (8) All of the gaming machines shall contain functioning meters that shall record coin-in or credit-in, or on-line gaming machine monitoring system that captures similar data.
- (9) All gaming machines with bill acceptors shall contain functioning billing meters that record the dollar amounts or number of bills accepted by denomination.
- (10) Gaming machine in-meter readings shall be recorded at least weekly (monthly for Tier A and Tier B gaming operations) immediately prior to or subsequent to a gaming machine drop. On-line gaming machine monitoring systems can satisfy this requirement. However, the time between readings may extend beyond one week in order for a reading to coincide with the end of an accounting period only if such extension is for no longer than six (6) days.
- (11) The employee who records the in-meter reading shall either be independent of the hard count team or shall be assigned on a rotating basis, unless the in-meter readings are randomly verified quarterly for all gaming machines and bill acceptors by a person other than the regular in-meter reader.
- (12) Upon receipt of the meter reading summary, the accounting department shall review all meter readings for reasonableness using pre-established parameters.
- (13) Prior to final preparation of statistical reports, meter readings that do not appear reasonable shall be reviewed with gaming machine department employees or other appropriate designees, and exceptions documented, so that meters can be repaired or clerical errors in the recording of meter readings can be corrected.
- (14) A report shall be produced at least monthly showing month-to-date, year-to-date (previous twelve (12) months data preferred), and if practicable, life-to-date actual hold percentage computations for individual machines and a comparison to each machine's theoretical hold percentage previously discussed.
- (15) Each change to a gaming machine's theoretical hold percentage, including progressive percentage contributions, shall result in that machine being treated as a new machine in the statistical reports (i.e., not commingling various hold percentages), except for adjustments made in accordance with paragraph (h)(2) of this section.
- (16) If promotional payouts or awards are included on the gaming machine statistical reports, it shall be in a manner that prevents distorting the actual hold percentages of the affected machines.
- (17) The statistical reports shall be reviewed by both gaming machine department management and management employees' independent of the gaming machine department on at least a monthly basis.
  - (i) The Slot Manager or designated associate must review, investigate and document variances identified on the statistical reports on a monthly basis. The reports and supporting documentation, including an explanation for any variances, must then be submitted (via email) to Revenue Audit for review and retention. The reports reviewed should be readily accessible and provided upon request. (refer to 542.19[b][4])
  - (ii) If statistical reports are unable to be produced from the gaming system, a designated associate must compile a monthly statistical report.
- (18) For those machines that have experienced at least 100,000 wagering transactions, large variances (three percent (3%) recommended) between theoretical hold and actual hold shall be investigated and resolved by a department independent of the gaming machine department with the findings documented and provided to the Tribal gaming regulatory authority upon request in a timely manner.
  - (i) The Gaming Operation will establish and implement a method to review variances, as approved by the CNGC.
    - (A) The Slot Manager or designated associate must review, investigate and document these variances on a quarterly basis. The reports and supporting documentation, including an explanation for any variances, must then be submitted (via email) to Revenue Audit for review and retention. The reports reviewed should be readily accessible and provided upon request.
- (19) Maintenance of the on-line gaming machine monitoring system data files shall be performed by a department independent of the gaming machine department. Alternatively, maintenance may be performed by gaming machine supervisory employees if sufficient documentation is generated and it is randomly verified on a monthly basis by employees independent of the gaming machine department.
- (20) Updates to the on-line gaming machine monitoring system to reflect additions, deletions, or movements of gaming machines shall be made at least weekly prior to in-meter readings and the weigh process.
- (21) Reporting standards, as described by 542.13 (h), must be established and implemented for wireless gaming systems, as approved by CNGC.

(i) **Gaming machine hopper contents standards.**

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- (1) When machines are temporarily removed from the floor, gaming machine drop and hopper contents shall be protected to preclude the misappropriation of stored funds.
- (2) When machines are permanently removed from the floor, the gaming machine drop and hopper contents shall be counted and recorded by at least two employees with appropriate documentation being routed to the accounting department for proper recording and accounting for initial hopper loads.

**(j) Player tracking system.**

- (1) The following standards apply if a player tracking system is utilized:
  - (i) The player tracking system shall be secured so as to prevent unauthorized access (e.g., changing passwords at least quarterly and physical access to computer hardware, etc.).
  - (ii) The addition of points to members' accounts other than through actual gaming machine play shall be sufficiently documented (including substantiation of reasons for increases) and shall be authorized by a department independent of the player tracking and gaming machines. Alternatively, addition of points to members' accounts may be authorized by gaming machine supervisory employees if sufficient documentation is generated and it is randomly verified by employees independent of the gaming machine department on a quarterly basis.
  - (iii) Booth employees who redeem points for members shall be allowed to receive lost player's club cards, provided that they are immediately deposited into a secured container for retrieval by independent personnel.
    - (A) The independent department responsible for destruction of Choctaw Rewards Club Cards must be Security or other designated departments, as approved by the CNGC. Disposal of lost Choctaw Rewards Club Cards must be completed on at least a monthly basis.
  - (iv) Changes to the player tracking system parameters, such as point structures and employee access, shall be performed by supervisory employees independent of the gaming machine department. Alternatively, changes to player tracking system parameters may be performed by gaming machine supervisory employees if sufficient documentation is generated and it is randomly verified by supervisory employees independent of the gaming machine department on a monthly basis.
  - (v) All other changes to the player tracking system shall be appropriately documented.
  - (vi) At least monthly, a review must be completed of any modifications or additions to the parameters originally set by Corporate Marketing, as stated in MICS 543.12 (c)(1), including addition of group members.
- (2) [Reserved]
- (3) A Surveillance system capable of recording a general overview of all areas where Choctaw Rewards Club Cards are issued is required.
- (4) Choctaw Rewards Club pre-enrollment.
  - (i) Designated associates may obtain and enter relevant information into the Choctaw Rewards Club system prior to the Guest's arrival. However, a card cannot be embossed until the Guest presents their government issued photo ID.
    - (A) Prior to completing the pre-enrollment process, the associate(s) obtaining the Guest's information must verify the Guest is not on the Banned Patron List.
    - (B) If the Guest's name is on the Banned Patron List, the associate must terminate the pre-enrollment process.
- (5) Activating Choctaw Rewards Club Cards.
  - (i) A government issued photo ID is required to enroll in the Choctaw Rewards Club.
  - (ii) Prior to issuing a Choctaw Rewards Club Card, the Guest's ID must be used to verify the Guest is not on the Banned Patron List.
    - (A) If the Guest's name is on the Banned Patron List, a Choctaw Rewards Club Card must not be issued and Security must be notified immediately.
  - (iii) A 10-key PIN pad must be used by Guests to input their individual PIN.
- (6) Reprinting/reissuing a Choctaw Rewards Club Card.
  - (i) Prior to reprinting/reissuing a Choctaw Rewards Club Card, the Guest's ID must be used to verify the Guest is not on the Banned Patron List.

**(7) Resetting Choctaw Rewards Club Card PIN.**

- (i) The ability to perform PIN resets to members' accounts must be limited to Choctaw Rewards Club Associates, designated management and other approved electronic devices.
- (ii) Anytime a change is made to a Guest's PIN on a Choctaw Rewards Club Card, the Guest must be present and provide a government issued photo identification card. An expired government issued photo identification card may be accepted with upper management's written approval.
- (iii) A 10-key PIN pad must be used by Guests to reset their individual PIN.

**(8) Special event cards.**

- (i) The gaming operation must establish a process, as approved by the CNGC, for all special event cards (e.g., group conference, perfect attendance, birthday, etc.).
  - (A) The applicable department must maintain documentation regarding number of cards created, issued and/or unused for each event.
  - (B) Prior to issuing any free play or PBT to a special event card, Choctaw Rewards Club Associates/Managers must ensure the intended recipient(s) of the special event card does not have an active casino-banned/self-banned status.

**(k) In-house progressive gaming machine standards.**

- (1) A meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.
  - (i) The gaming operation must provide the Surveillance Department and Revenue Audit Department with a list of all re-seed or base amounts for each In-House Progressive Gaming Machine. This list must be updated by the operation anytime new progressive gaming machines are installed.
- (2) At least once each day, each gaming operation shall record the amount shown on each progressive jackpot meter at the gaming operation except for those jackpots that can be paid directly from the machine's hopper;
- (3) Explanations for meter reading decreases shall be maintained with the progressive meter reading sheets, and where the payment of a jackpot is the explanation for a decrease, the gaming operation shall record the jackpot payout number on the sheet or have the number reasonably available; and
- (4) Each gaming operation shall record the base amount of each progressive jackpot the gaming operation offers.
- (5) The Tribal gaming regulatory authority shall approve procedures specific to the transfer of progressive amounts in excess of the base amount to other gaming machines. Such procedures may also include other methods of distribution that accrue to the benefit of the gaming public via an award or prize.
  - (i) The accumulated progressive amount less the base (seed) amount (excluding Wide-Area Progressives) must be distributed under the following provisions:
    - (A) All documentation of the transfer or prize giveaway must be submitted by Casino Management to the CNGC for approval at least thirty (30) days in advance of the transfer or prize.
    - (B) The rules of the promotion cannot require the Guest to make a wager for initial entry.
      - 1) Additional entries may be earned through wagering activities.

**(l) Wide-area progressive gaming machine standards.**

- (1) A meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.
  - (i) The gaming operation must provide the Surveillance Department and Revenue Audit Department with a list of all re-seed or base amounts for each Wide-Area Progressive Gaming Machine. This list must be updated by the operation anytime new progressive gaming machines are installed.
- (2) As applicable to participating gaming operations, the wide area progressive gaming machine system shall be adequately restricted to prevent unauthorized access (e.g., changing passwords at least quarterly, restrict access to EPROMs or other equivalent game software media, and restrict physical access to computer hardware, etc.).
- (3) The Tribal gaming regulatory authority shall approve procedures for the wide area progressive system that:



- (i) Reconcile meters and jackpot payouts;
- (ii) Collect/drop gaming machine funds;
- (iii) Verify jackpot, payment, and billing to gaming operations on pro-rata basis;

(A) Verification procedures of the jackpot must be completed and notification must be made to the appropriate casino associates and CNGC.

(B) Security must secure the area around the gaming machine to prevent any tampering by either casino associates or Guests.

(C) Casino associates must refer to the appropriate vendor Wide-Area Progressive Jackpot Winner Manuals and follow documented procedures.

- (iv) System maintenance;
- (v) System accuracy; and
- (vi) System security.

- (4) Reports, where applicable, adequately documenting the procedures required in paragraph (l)(3) of this section shall be generated and retained.

**(m) Accounting/auditing standards.**

- (1) Gaming machine accounting/auditing procedures shall be performed by employees who are independent of the transactions being reviewed.
- (2) For on-line gaming machine monitoring systems, procedures shall be performed at least monthly to verify that the system is transmitting and receiving data from the gaming machines properly and to verify the continuing accuracy of the coin-in meter readings as recorded in the gaming machine statistical report.
- (3) For weigh scale and currency interface systems, for at least one drop period per month accounting/auditing employees shall make such comparisons as necessary to the system generated count as recorded in the gaming machine statistical report. Discrepancies shall be resolved prior to generation/distribution of gaming machine reports.
- (4) For each drop period, accounting/auditing personnel shall compare the coin-to-drop meter reading to the actual drop amount. Discrepancies should be resolved prior to generation/distribution of on-line gaming machine monitoring system statistical reports.
- (5) Follow-up shall be performed for any one machine having an unresolved variance between actual coin drop and coin-to-drop meter reading in excess of three percent (3%) and over \$25.00. The follow-up performed and results of the investigation shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.
- (6) For each drop period, accounting/auditing employees shall compare the bill-in meter reading to the total bill acceptor drop amount for the period. Discrepancies shall be resolved before the generation/distribution of gaming machine statistical reports.
- (7) Follow-up shall be performed for any one machine having an unresolved variance between actual currency drop and bill-in meter reading in excess of an amount that is both more than \$25 and at least three percent (3%) of the actual currency drop. The follow-up performed and results of the investigation shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.
  - (i) In addition, any gaming machine variances of [REDACTED] or more, not resolved by the next drop or a timeframe not to exceed seventy-two (72) hours, requires immediate notification to the CNGC (via email) at [cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com).
- (8) At least annually, accounting/auditing personnel shall randomly verify that EPROM or other equivalent game software media changes are properly reflected in the gaming machine analysis reports.
- (9) Accounting/auditing employees shall review exception reports for all computerized gaming machine systems on a daily basis for propriety of transactions and unusual occurrences.
  - (i) A standard for RAM clears must be developed and followed by gaming operations. The standard, as well as any revisions, must be submitted to CNGC for approval prior to implementation.
- (10) All gaming machine auditing procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

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

**NOTE:** The CNGC requires all Choctaw Casinos (Tier A, B and C) to adhere to the following standards:

- (1) In addition to the applicable auditing and accounting standards in paragraph (m) of this section, on a quarterly basis, the gaming operation shall foot all jackpot cash-out tickets equal to or greater than \$1,200 and trace totals to those produced by the host validation computer system.
- (2) The customer may request a cash-out ticket from the gaming machine that reflects all remaining credits. The cash-out ticket shall be printed at the gaming machine by an internal document printer. The cash-out ticket shall be valid for a time period specified by the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority. Cash-out tickets may be redeemed for payment or inserted in another gaming machine and wagered, if applicable, during the specified time period.
  - (i) All cash-out tickets must indicate they are valid for fourteen (14) days.
  - (ii) For Guest service purposes, designated management may approve payment of expired cash-out tickets.
    - (A) The gaming operation must establish and implement a standard for paying expired cash-out tickets that cannot be validated by the system, as approved by the CNGC.
- (3) The customer shall redeem the cash-out ticket at a change booth or cashiers' cage. Alternatively, if a gaming operation utilizes a remote computer validation system, the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall develop alternate standards for the maximum amount that can be redeemed, which shall not exceed \$2,999.99 per cash-out transaction.
- (4) Upon presentation of the cash-out ticket(s) for redemption, the following shall occur:
  - (i) Scan the bar code via an optical reader or its equivalent; or
  - (ii) Input the cash-out ticket validation number into the computer.
  - (iii) All tickets must be validated prior to payout, unless paragraphs (n)(2)(ii)(A) or (n)(8) apply.
- (5) The information contained in paragraph (n)(4) of this section shall be communicated to the host computer. The host computer shall verify the authenticity of the cash-out ticket and communicate directly to the redeemer of the cash-out ticket.
- (6) If valid, the cashier (redeemer of the cash-out ticket) pays the customer the appropriate amount and the cash-out ticket is electronically noted "paid" in the system. The "paid" cash-out ticket shall remain in the cashier's bank for reconciliation purposes. The host validation computer system shall electronically reconcile the cashier's banks for the paid cashed-out tickets.
- (7) If invalid, the host computer shall notify the cashier (redeemer of the cash-out ticket). The cashier (redeemer of the cash-out ticket) shall refuse payment to the customer and notify a supervisor of the invalid condition. The supervisor shall resolve the dispute.
- (8) If the host validation computer system temporarily goes down, cashiers may redeem cash-out tickets at a change booth or cashier's cage after recording the following:
  - (i) Serial number of the cash-out ticket;
  - (ii) Date and time;
  - (iii) Dollar amount;
  - (iv) Issuing gaming machine number;
    - (A) Prior to payout, a ticket of [REDACTED] or more requires three (3) signatures (Guest, associate and supervisor or Security Officer).
  - (v) Marking ticket "paid"; and
  - (vi) Ticket shall remain in cashier's bank for reconciliation purposes.
- (9) Cash-out tickets shall be validated as expeditiously as possible when the host validation computer system is restored.

(10) The Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with procedures to control cash-out ticket paper, which shall include procedures that:

- (i) Mitigate the risk of counterfeiting of cash-out ticket paper;
- (ii) Adequately control the inventory of the cash-out ticket paper; and
- (iii) Provide for the destruction of all unused cash-out ticket paper.
- (iv) Alternatively, if the gaming operation utilizes a computer validation system, this standard shall not apply.

(11) If the host validation computer system is down for more than four (4) hours, the gaming operation shall promptly notify the Tribal gaming regulatory authority or its designated representative.

- (i) Notification must be given to the CNGC Technical Compliance Department (via email) at [cngctechcomp@choctawnation.com](mailto:cngctechcomp@choctawnation.com).

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

- (i) Standards for bill acceptor drop and count;
- (ii) Standards for coin drop and count; and
- (iii) Standards concerning EPROMS or other equivalent game software media.

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

- (i) Unredeemed vouchers can only be voided in the voucher system by Corporate Accounting supervisory employees. The Revenue Audit Department will maintain the voided voucher, if available.

**(o) Account access cards.** For gaming machines that utilize account access cards to activate play of the machine, the following standards shall apply:

(1) *Equipment.*

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

(2) *Player terminal standards.*

- (i) The player terminals are connected to a game server;
- (ii) The game server shall generate and transmit to the bank of player terminals a set of random numbers, colors, and/or symbols at regular intervals. The subsequent game results are determined at the player terminal and the resulting information is transmitted to the account server;
- (iii) The game server shall be housed in a game server room or a secure locked cabinet.

(A) Access into the game Server Room must be restricted as outlined in Information Technology TICS (a)(1).

(3) *Customer account maintenance standards.*

- (i) A central computer acting as an account server shall provide customer account maintenance and the deposit/withdrawal function of those account balances;
- (ii) Customers may access their accounts on the computer system by means of an account access card at the player terminal. Each player terminal may be equipped with a card reader and personal identification number (PIN) pad or touch screen array for this purpose;

- (iii) All communications between the player terminal, or bank of player terminals, and the account server shall be encrypted for security reasons.

(4) *Customer account generation standards.*

- (i) A computer file for each customer shall be prepared by a clerk, with no incompatible functions, prior to the customer being issued an account access card to be utilized for machine play. The customer may select his/her PIN to be used in conjunction with the account access card.
- (ii) For each customer file, an employee shall:
  - (A) Record the customer's name and current address;
  - (B) The date the account was opened; and
  - (C) At the time the initial deposit is made, account opened, or credit extended, the identity of the customer shall be verified by examination of a valid driver's license or other reliable identity credential.
- (iii) The clerk shall sign-on with a unique password to a terminal equipped with peripherals required to establish a customer account. Passwords are issued and can only be changed by information technology personnel at the discretion of the department director.
- (iv) After entering a specified number of incorrect PIN entries at the cage or player terminal, the customer shall be directed to proceed to a clerk to obtain a new PIN. If a customer forgets, misplaces or requests a change to their PIN, the customer shall proceed to a clerk for assistance.

(5) *Deposit of credits standards.*

- (i) The cashier shall sign-on with a unique password to a cashier terminal equipped with peripherals required to complete the credit transactions. Passwords are issued and can only be changed by information technology personnel at the discretion of the department director.
- (ii) The customer shall present cash, chips, coin or coupons along with their account access card to a cashier to deposit credits.
- (iii) The cashier shall complete the transaction by utilizing a card scanner that the cashier shall slide the customer's account access card through.
- (iv) The cashier shall accept the funds from the customer and enter the appropriate amount on the cashier terminal.
- (v) A multi-part deposit slip shall be generated by the point of sale receipt printer. The cashier shall direct the customer to sign the deposit slip receipt. One copy of the deposit slip shall be given to the customer. The other copy of the deposit slip shall be secured in the cashier's cash drawer.
- (vi) The cashier shall verify the customer's balance before completing the transaction. The cashier shall secure the funds in their cash drawer and return the account access card to the customer.
- (vii) Alternatively, if a kiosk is utilized to accept a deposit of credits, the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with procedures that safeguard the integrity of the kiosk system.

(6) *Prize standards.*

- (i) Winners at the gaming machines may receive cash, prizes redeemable for cash or merchandise.
- (ii) The redemption period of account access cards, as approved by the Tribal gaming regulatory authority, shall be conspicuously posted in the gaming operation.

(7) *Credit withdrawal.* The customer shall present their account access card to a cashier to withdraw their credits. The cashier shall perform the following:

- (i) Scan the account access card;
- (ii) Request the customer to enter their PIN, if the PIN was selected by the customer;
- (iii) The cashier shall ascertain the amount the customer wishes to withdraw and enter the amount into the computer;

- (iv) A multi-part withdrawal slip shall be generated by the point of sale receipt printer. The cashier shall direct the customer to sign the withdrawal slip;
- (v) The cashier shall verify that the account access card and the customer match by:
  - (A) Comparing the customer to image on the computer screen;
  - (B) Comparing the customer to image on customer's picture ID; or
  - (C) Comparing the customer signature on the withdrawal slip to signature on the computer screen.
- (vi) The cashier shall verify the customer's balance before completing the transaction. The cashier shall pay the customer the appropriate amount, issue the customer the original withdrawal slip and return the account access card to the customer;
- (vii) The copy of the withdrawal slip shall be placed in the cash drawer. All account transactions shall be accurately tracked by the account server computer system. The copy of the withdrawal slip shall be forwarded to the accounting department at the end of the gaming day; and
- (viii) In the event the imaging function is temporarily disabled, customers shall be required to provide positive ID for cash withdrawal transactions at the cashier stations.

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

**(q) Technologic aids.** Controls must be established and procedures implemented to safeguard the integrity of technologic aids during installations, operations, modifications, removal and retirements. Such procedures must include the following:

**(1) Shipping and receiving.**

- (i) A communication procedure must be established between the supplier, the gaming operation and the TGRA to properly control the shipping and receiving of all software and hardware components. Such procedures must include:
  - (A) Notification of pending shipments must be provided to the TGRA by the gaming operation;
  - (B) Certification in accordance with 25 CFR Part 547;
  - (C) Notification from the supplier to the TGRA or gaming operation, as approved by the TGRA, of the shipping date and expected date of delivery. The shipping notification must include:
    - 1) Name and address of the supplier;
    - 2) Description of shipment;
    - 3) For player interfaces: a serial number;
    - 4) For software: software version and description of software;
    - 5) Method of shipment; and
    - 6) Expected date of delivery.
- (ii) Procedures must be implemented for the exchange of gaming system components for maintenance and replacement.
- (iii) Gaming system components must be shipped in a secure manner to deter unauthorized access.
- (iv) The TGRA, or its designee, must receive all gaming system components and game play software packages and verify the contents against the shipping notification.

**(r) Mobile gaming devices and wireless gaming systems.**

- (1) Inventory control standards must be established and implemented for any mobile gaming devices maintained by Choctaw Casinos, as approved by CNGC.
- (i) These standards must include the following, at a minimum:
  - (A) The Guest's valid mobile gaming account and current banned status must be confirmed prior to checking out a device; and

(B) Immediate notification of lost/stolen devices to the applicable department for deactivation.

*[MICS Revision 542 October 2008]*

**§ 543.12 Gaming Promotions and Player Tracking Systems**

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(B) GAMING PROMOTIONS ..... 160

(C) PLAYER TRACKING SYSTEMS AND GAMING PROMOTIONS ..... 160

(D) VARIANCES ..... 160

**§ 543.12 What are the minimum internal control standards for gaming promotions and player tracking systems?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) **Supervision.** Supervision must be provided as needed for gaming promotions and player tracking by an agent(s) with authority equal to or greater than those being supervised.
- (b) **Gaming promotions.** The rules of the gaming promotion must be displayed or made readily available to patron upon request. Gaming promotions rules require TGRA approval and must include the following:
- (1) The rules of play;
  - (2) The nature and value of the associated prize(s) or cash award(s);
  - (3) Any restrictions or limitations on participant eligibility;
  - (4) The date(s), time(s), and location(s) for the associated promotional activity or activities;
  - (5) Any other restrictions or limitations, including any related to the claim of prizes or cash awards;
  - (6) The announcement date(s), time(s), and location(s) for the winning entry or entries; and
  - (7) Rules governing promotions offered across multiple gaming operations, third party sponsored promotions, and joint promotions involving third parties.
  - (8) The promotional rules (including the above-mentioned requirements) must be submitted to [cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com) for approval at least thirty (30) days in advance.
  - (9) Additional requirements regarding promotional payouts and/or awards standards are located in the “General TICS” section of this document.
- (c) **Player tracking systems and gaming promotions.**
- (1) Changes to the player tracking systems, promotion and external bonusing system parameters, which control features such as the awarding of bonuses, the issuance of cashable credits, non-cashable credits, coupons and vouchers, must be performed under the authority of supervisory agents, independent of the department initiating the change. Alternatively, the changes may be performed by supervisory agents of the department initiating the change if sufficient documentation is generated and the propriety of the changes are randomly verified by supervisory agents independent of the department initiating the change on a monthly basis.
  - (2) All other changes to the player tracking system must be appropriately documented.
  - (3) At least monthly, a review must be completed of any modifications or additions to the parameters originally set by Corporate Marketing, as stated in MICS 543.12 (c)(1), including addition of group members.
  - (4) The gaming operation must establish and implement procedures to ensure the confidentiality of Guests' information.
- (d) **Variances.** The operation must establish, as approved by the TGRA, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.
- (1) Additional requirements regarding notification of variance standards are located in the “General TICS” section of this document.



# Information Technology (IT) TICS

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## **What are the Tribal Internal Control Standards for information technology?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

**Newly published or revised TICS are highlighted in yellow scale and underlined.**

### **(a) General controls for gaming hardware and software.**

- (1) Management must take an active role in making sure that physical and logical security measures are implemented, maintained, and adhered to by associates to prevent unauthorized access that could cause errors or compromise data or processing integrity.
  - (i) Access to the Server Room must be limited to the following:
    - (A) Information Technology;
    - (B) Security;
    - (C) Surveillance (if surveillance equipment is housed in Server Room);
    - (D) Senior Executive-Level Management;
    - (E) Choctaw Nation Surveillance Technology Department;
    - (F) CNGC; and/or
    - (G) Other associates as approved (via email) by CNGC and/or IT Executive-Level Management.
    - (H) Access for unauthorized persons is only permissible with an authorized escort ([a][1][i][A-G] of this section). The authorized escort must remain present until the unauthorized person exits the restricted area.
  - (ii) At no time must Security escort any unauthorized person(s) to areas involving telecommunications, information technology or data without prior approval from IT Management.
    - (A) This approval must be documented and provided upon request.
- (2) Server Room Entry Log.
  - (i) IT Associates are excluded from IT Server Room Log requirements when performing routine maintenance (temperature checks, system upgrades, etc.).
    - (A) Gaming operations must define server rooms, Demarc rooms, and data closets, as approved by the CNGC.
  - (ii) Surveillance Associates are excluded from Surveillance Server Room Log requirements and completion of any other Server Room Logs that house Surveillance equipment when performing routine maintenance (temperature checks, etc.).
  - (iii) Each person (including escort) is responsible for ensuring the Server Room Log is completed in its entirety with all required information.
    - (A) At a minimum, the following information must be **legibly** recorded on the Server Room Entry Log:
      - 1) Date;
      - 2) **First and last name and gaming license or temporary work license number** of all persons entering;
      - 3) Company name/department;
      - 4) Reason for entry;
      - 5) Time in; and
      - 6) Time out.
    - (B) All logs must be provided to the CNGC upon request.
- (3) Management must ensure that all new gaming vendor hardware and software agreements/contracts contain language requiring the vendor to adhere to tribal internal control standards applicable to the goods and services the vendor is providing.

- (4) Physical security measures must exist over computer, computer terminals and storage media to prevent unauthorized access and loss of integrity of data and processing.
- (5) Access to systems software and application programs must be limited to authorized personnel.
- (6) Access to computer data must be limited to authorized personnel.
- (7) Access to computer communications facilities, or the computer system, and information transmissions must be limited to authorized personnel.
- (8) Standards in paragraph (a)(1) of this section must apply to each applicable department within the gaming operation.
  - (i) A list of authorized associates must be provided to the CNGC upon request.
- (9) The main computers (e.g., hardware, software and data files) for each gaming application (e.g., keno, race, gaming machines, etc.) must be in a secured area with access restricted to authorized persons, including vendors.
- (10) Access to computer operations must be restricted to authorized personnel to reduce the risk of loss of integrity of data or processing.
- (11) Incompatible duties must be adequately segregated and monitored to prevent error in general information technology procedures to go undetected or fraud to be concealed.
- (12) Non-information technology personnel, with the exception of CNGC, must be precluded from having unrestricted access to the secured computer areas.
- (13) The computer systems, including application software, must be secured through the use of passwords or other approved means where applicable. Management personnel or persons independent of the department being controlled must assign and control access to system functions.
- (14) Passwords must be controlled as follows, unless otherwise addressed in the standards in this section.
  - (i) Each user must have their own individual password:
  - (ii) Passwords must be changed at least quarterly with changes documented; and
  - (iii) For computer systems that automatically force a password change on a quarterly basis, documentation must be maintained listing the systems and the date the user was given access.
  - (iv) Passwords must be kept confidential to the individual user at all times.
- (15) Adequate backup and recovery procedures must be in place that includes:
  - (i) Frequent backup of data files;
  - (ii) Backup of all programs;
  - (iii) Secured off-site storage of all backup data files and programs, or other adequate protection; and
  - (iv) Recovery procedures, which are tested on a sample basis at least annually with documentation of results.
    - (A) The CNGC must be notified (via email) of recovery testing procedures prior to its occurrence. Results and documentation of testing must be made available to the CNGC upon request.
- (16) Adequate information technology system documentation must be maintained, including descriptions of hardware and software, operator manuals, etc.
  - (i) System documentation must include:
    - (A) Physical network topology that provides the actual geometric layout of workstations, servers, switches, etc.
    - (B) Logical network topology that details the pathways network signals follow to reach all areas of the operation network(s).
    - (C) Both network topologies must include demarcation points that clearly identify the responsibilities of vendors and gaming operations.
    - (D) An equipment inventory list including a perpetual inventory of all IT devices.

- (17) Anytime the gaming system is expected to be down due to a scheduled upgrade or maintenance, the IT Department must notify (via email) all affected departments, including but not limited to: CNGC, Revenue Audit, Slot Operations and Cage Operations.

**(b) Independence of the Information Technology Department.**

- (1) The Information Technology Department must be independent of the gaming areas (e.g., cage, pit, count rooms, etc.). Information technology personnel procedures and controls should be documented and responsibilities communicated.
- (2) The Information Technology Department must be precluded from unauthorized access to:
- (i) Computers and terminals located in gaming areas;
  - (ii) Source documents; and
  - (iii) Live data files (not test data).
- (3) The Information Technology Department must be restricted from:
- (i) Having unauthorized access to cash or other liquid assets; and
  - (ii) Initiating general or subsidiary ledger entries.

**(c) Gaming program changes.**

- (1) Program changes for in-house developed systems should be documented as follows:
- (i) Requests for new programs or program changes must be reviewed by the information technology supervisor. Approvals to begin work on the program must be documented;
  - (ii) A written plan of implementation for new and modified programs must be maintained and must include, at a minimum, the date the program is to be placed into service, the nature of the change, a description of procedures required in order to bring the new or modified program into service (conversion or input of data, installation procedures, etc.) and an indication of who is to perform all such procedures;
  - (iii) Testing of new and modified programs must be performed and documented prior to implementation; and
  - (iv) A record of the final program or program changes, including evidence of user acceptance, date in service, programmer and reason for changes, must be documented and maintained.

**(d) Security logs.**

- (1) If computer security logs are generated by the system, they must be reviewed by Information Technology Management for evidence of:
- (i) Multiple attempts to log-on, or alternatively, the system must deny access after three attempts to log-on;
  - (ii) Unauthorized changes to live data files; and
  - (iii) Any other unusual transactions.
- (2) This paragraph must not apply to personal computers.

**(e) Remote access.**

- (1) If remote access to any associated equipment is allowed for software support, the gaming operation must maintain an access log that includes:
- (i) Name of associate authorizing modem access;
  - (ii) Name of authorized programmer or manufacturer representative;
  - (iii) Reason for modem access;
  - (iv) Description of work performed; and
  - (v) Date, time and duration of access.

(2) [Reserved]

(3) Vendor associates are not allowed access to gaming computer/technology equipment without a valid gaming license and prior approval from the Casino Information Technology Department.

**(f) Document storage.**

(1) Documents may be scanned or directly stored to an unalterable storage medium under the following conditions:

(i) The storage medium must contain the exact duplicate of the original document.

(ii) All documents stored on the storage medium must be maintained with a detailed index containing the gaming operation department and date. This index must be available upon request by the Commission.

(iii) Upon request and adequate notice by the Commission, hardware (terminal, printer, etc.) must be made available in order to perform auditing procedures.

(iv) Controls must exist to ensure the accurate reproduction of records up to and including the printing of stored documents used for auditing purposes.

(v) The storage medium must be retained for a minimum of five (5) years.

(2) [Reserved]

# § 543.20 Information Technology and Information Technology Data

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**§ 543.20 What are the minimum internal control standards for information technology and information technology data?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

**NOTE: In addition to the Information Technology (IT) TICS, Class III gaming systems must also adhere to the following standards, where applicable.**

**(a) Supervision.**

- (1) Controls must identify the supervisory agent in the department or area responsible for ensuring that the department or area is operating in accordance with established policies and procedures.
- (2) The supervisory agent must be independent of the operation of Class II games.
- (3) Controls must ensure that duties are adequately segregated and monitored to detect procedural errors and to prevent the concealment of fraud.
- (4) Information technology agents having access to Class II gaming systems may not have signatory authority over financial instruments and payout forms and must be independent of and restricted from access to:
  - (i) Financial instruments;
  - (ii) Accounting, audit, and ledger entries; and
  - (iii) Payout forms.

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

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

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

**(d) Physical security.**

- (1) The information technology environment and infrastructure must be maintained in a secured physical location such that access is restricted to authorized agents only.
- (2) Access devices to the systems' secured physical location, such as keys, cards, or fobs, must be controlled by an independent agent.
- (3) Access to the systems' secured physical location must be restricted to agents in accordance with established policies and procedures, which must include maintaining and updating a record of agents granted access privileges.
- (4) Network Communication Equipment must be physically secured from unauthorized access.

(5) Gaming system server(s) shall be located within the confines of a tribal gaming operation falling under the jurisdiction of the CNGC. Hosting premises for gaming server(s), or redundant facilities for gaming servers, must be approved by the CNGC.

**(e) Logical security.**

- (1) Controls must be established and procedures implemented to protect all systems and to ensure that access to the following is restricted and secured:
  - (i) Systems' software and application programs;
  - (ii) Data associated with Class II gaming; and
  - (iii) Communications facilities, systems, and information transmissions associated with Class II gaming systems.
- (2) Unused services and non-essential ports must be disabled whenever possible.
- (3) Procedures must be implemented to ensure that all activity performed on systems is restricted and secured from unauthorized access, and logged.
- (4) Communications to and from systems via Network Communication Equipment must be logically secured from unauthorized access.

**(f) User controls.**

- (1) Systems, including application software, must be secured with passwords or other means for authorizing access.
- (2) Management personnel or agents independent of the department being controlled must assign and control access to system functions.
- (3) Access credentials such as passwords, PINs, or cards must be controlled as follows:
  - (i) Each user must have his or her own individual access credential;
  - (ii) Access credentials must be changed at an established interval approved by the TGRA; and
  - (iii) Access credential records must be maintained either manually or by systems that automatically record access changes and force access credential changes, including the following information for each user:
    - (A) User's name;
    - (B) Date the user was given access and/or password change; and
    - (C) Description of the access rights assigned to user.
- (4) Lost or compromised access credentials must be deactivated, secured or destroyed within an established time period approved by the TGRA.
- (5) Access credentials of terminated users must be deactivated within an established time period approved by the TGRA.
  - (i) Additional requirements regarding computer application standards are located in the "General TICS" section of this document.
- (6) Only authorized agents may have access to inactive or closed accounts of other users, such as player tracking accounts and terminated user accounts.

**(g) Installations and/or modifications.**

- (1) Only TGRA authorized or approved systems and modifications may be installed.
  - (i) The CNGC will develop and implement a process to determine authorization of new systems and/or modifications of existing systems.
- (2) Records must be kept of all new installations and/or modifications to Class II gaming systems. These records must include, at a minimum:
  - (i) The date of the installation or modification;
  - (ii) The nature of the installation or change such as new software, server repair, significant configuration modifications;
  - (iii) Evidence of verification that the installation or the modifications are approved; and
  - (iv) The identity of the agent(s) performing the installation/modification.



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

**(h) Remote access.**

- (1) Agents may be granted remote access for system support, provided that each access session is documented and maintained at the place of authorization. The documentation must include:
  - (i) Name of agent authorizing the access;
  - (ii) Name of agent accessing the system;
  - (iii) Verification of the agent's authorization;
  - (iv) Reason for remote access;
  - (v) Description of work to be performed;
  - (vi) Date and time of start of end-user remote access session; and
  - (vii) Date and time of conclusion of end-user remote access session.
- (2) All remote access must be performed via a secured method.
- (3) Vendor associates are not allowed access to gaming computer/technology equipment without a valid gaming license and prior approval from the Casino Information Technology Department.

**(i) Incident monitoring and reporting.**

- (1) Procedures must be implemented for responding to, monitoring, investigating, resolving, documenting, and reporting security incidents associated with information technology systems.
- (2) All security incidents must be responded to within an established time period approved by the TGRA and formally documented.
  - (i) The timeframe for responding to any security incident must not exceed twenty-four (24) hours from the time of detection.

**(j) Data backups.**

- (1) Controls must include adequate backup, including, but not limited to, the following:
  - (i) Daily data backup of critical information technology systems;
  - (ii) Data backup of critical programs or the ability to reinstall the exact programs as needed;
  - (iii) Secured storage of all backup data files and programs, or other adequate protection;
  - (iv) Mirrored or redundant data source; and
  - (v) Redundant and/or backup hardware.
- (2) Controls must include recovery procedures, including, but not limited to, the following:
  - (i) Data backup restoration;
  - (ii) Program restoration; and
  - (iii) Redundant or backup hardware restoration.
- (3) Recovery procedures must be tested on a sample basis at specified intervals at least annually. Results must be documented.
- (4) Backup data files and recovery components must be managed with at least the same level of security and access controls as the system for which they are designed to support.

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

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

**(m) Mobile gaming devices and wireless gaming systems.**

- (1) Wireless gaming system gaming server(s) shall be located within the confines of a tribal gaming operation falling under the jurisdiction of the CNGC. Hosting premises for gaming server(s), or redundant facilities for gaming servers, must be approved by the CNGC.
- (2) Physical and logical security control standards must be established and implemented, as approved by CNGC, and address the following:
  - (i) In order to prevent the unauthorized use of any device to place a wireless wager when the Guest is not within the authorized gaming area, operations must utilize a geofencing system to reasonably detect the physical location of the Guest attempting to access the wireless gaming system and place a wager, and to monitor and block unauthorized attempts to access the wireless gaming system in order to place a wager when the Guest is not within the authorized gaming area.
  - (ii) The geofencing system shall ensure that all Guests are located within the authorized gaming area when placing any wager and shall be equipped to dynamically monitor the Guest's location and block unauthorized attempts to access the wireless gaming system in order to place a wager throughout the duration of the mobile gaming session.
  - (iii) The wireless gaming system as well as any mobile devices maintained by Choctaw Casinos must be appropriately secured as described in 543.20 (e):
    - (A) For any mobile gaming devices maintained by Choctaw Casinos, physical and logical security control standards must be established and implemented, as approved by CNGC, and address the following:
      - 1) Upon notification, stolen or lost mobile gaming devices must be immediately disabled.
      - 2) The wireless gaming system wireless network traffic must be logically segmented from all non-gaming wireless networks.
      - 3) The wireless gaming system wireless network must operate in isolation mode whereby peer-to-peer communications is blocked, and mobile gaming devices may only communicate to the wireless access point.
  - (iv) The wireless gaming system must include or integrate with a cashless system where value/money is stored. Thus, the wireless gaming system must authenticate the Guest using at minimum a username and PIN/Password.
  - (v) All wireless gaming system data transmitted over a wireless network must be encrypted. If Guest-provisioned mobile gaming devices are allowed, associated wireless gaming system software must provide strong encryption between the mobile device client application and the wireless gaming system server.
  - (vi) A standard statement must be prominently displayed within the mobile gaming login screen regarding problem gaming and age verification. Each player must confirm and/or acknowledge they have read and understand the statement to proceed.
  - (vii) Wireless gaming system data transmitted between host facilities and remote gaming facilities must be protected using a point-to-point encrypted tunnel (e.g., VPN) using a wireless gaming system vendor-supplied, dedicated communication circuit.

§ 542.22 Internal Audit Tier A

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**§ 542.22 What are the minimum internal control standards for internal audit for Tier A gaming operations?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

**(a) Internal audit personnel.**

- (1) For Tier A gaming operations, a separate internal audit department must be maintained. Alternatively, designating personnel (who are independent with respect to the departments/procedures being examined) to perform internal audit work satisfies the requirements of this paragraph.
- (2) The internal audit personnel shall report directly to the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe in accordance with the definition of internal audit § 542.2.
  - (i) The CNGC will complete the required annual MICS and TICS audits. The CNGC will also perform shortage investigations, financial audits and other independent audits as necessary.
  - (ii) Choctaw Casinos must maintain an independent department responsible for performing, at a minimum, all Revenue Audit, and/or Accounting procedures.

**(b) Audits.**

- (1) Internal audit personnel shall perform audits of all major gaming areas of the gaming operation. The following shall be reviewed at least annually.
  - (i) Bingo, including but not limited to, bingo card control, payout procedures, and cash reconciliation process;
  - (ii) Pull-tabs, including but not limited to, statistical records, winner verification, perpetual inventory, and accountability of sales versus inventory;
  - (iii) Card games, including but not limited to, card games operation, cash exchange procedures, skill transactions, and count procedures;
  - (iv) Keno, including but not limited to, game write and payout procedures, sensitive key location and control, and a review of keno auditing procedures;
  - (v) Pari-mutuel wagering, including write and payout procedures, and pari-mutuel auditing procedures;
  - (vi) Table games, including but not limited to, fill and credit procedures, pit credit play procedures, rim credit procedures, soft drop/count procedures and the subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies;
  - (vii) Gaming machines, including but not limited to, jackpot payout and gaming machine fill procedures, gaming machine drop/count and bill acceptor drop/count and subsequent transfer of funds, unannounced testing of weigh scale and weigh scale interface, unannounced testing of count room currency counters and/or currency interface, gaming machine drop cabinet access, tracing of source documents to summarized documentation and accounting records, reconciliation to restricted copies, location and control over sensitive keys, compliance with EPROM duplication procedures, and compliance with MICS procedures for gaming machines that accept currency or coin(s) and issue cash-out tickets or gaming machines that do not accept currency or coin(s) and do not return currency or coin(s);
  - (viii) Cage and credit procedures including all cage, credit, and collection procedures, and the reconciliation of trial balances to physical instruments on a sample basis. Cage accountability shall be reconciled to the general ledger;
  - (ix) Information technology functions, including review for compliance with information technology standards;
  - (x) Complimentary service or item, including but not limited to, procedures whereby complimentary service items are issued, authorized, and redeemed; and
  - (xi) Any other internal audits as required by the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.
- (2) In addition to the observation and examinations performed under paragraph (b)(1) of this section, follow-up observations and examinations shall be performed to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit, the independent accountant, and/or the Commission. The verification shall be performed within six (6) months following the date of notification.

- (3) Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without the employees being forewarned that their activities will be observed). Additionally, if the independent accountant also performs the internal audit function, the accountant shall perform separate observations of the table games/gaming machine drops and counts to satisfy the internal audit observation requirements and independent accountant tests of controls as required by the American Institute of Certified Public Accountants guide.

**(c) Documentation.**

- (1) Documentation (e.g., checklists, programs, reports, etc.) shall be prepared to evidence all internal audit work performed as it relates to the requirements in this section, including all instances of noncompliance.
- (2) The internal audit department shall operate with audit programs, which, at a minimum, address the MICS. Additionally, the department shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. Institute of Internal Auditors standards are recommended but not required.

**(d) Reports.**

- (1) Reports documenting audits performed shall be maintained and made available to the Commission upon request.
- (2) Such audit reports shall include the following information:
  - (i) Audit objectives;
  - (ii) Audit procedures and scope;
  - (iii) Findings and conclusions;
  - (iv) Recommendations, if applicable; and
  - (v) Management's response.

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

**(f) Role of management.**

- (1) Internal audit findings shall be reported to management.
- (2) Management shall be required to respond to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception.
  - (i) Management must respond to any audit exception within ten (10) business days.
- (3) Such management responses shall be included in the internal audit report that will be delivered to management, the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.

- (g) Internal Audit Guidelines.** In connection with the internal audit testing pursuant to paragraph (b)(1) of this section, the Commission shall develop recommended Internal Audit Guidelines, which shall be available upon request.

*[MICS Revision 542 October 2008]*

§ 542.32 Internal Audit Tier B

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**§ 542.32 What are the minimum internal control standards for internal audit for Tier B gaming operations?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

**(a) Internal audit personnel.**

- (1) For Tier B gaming operations, a separate internal audit department must be maintained. Alternatively, designating personnel (who are independent with respect to the departments/procedures being examined) to perform internal audit work satisfies the requirements of this paragraph.
- (2) The internal audit personnel shall report directly to the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe in accordance with the definition of internal audit § 542.2.
  - (i) The CNGC will complete the required annual MICS and TICS audits. The CNGC will also perform shortage investigations, financial audits and other independent audits as necessary.
  - (ii) Choctaw Casinos must maintain an independent department responsible for performing, at a minimum, all Revenue Audit, and/or Accounting procedures.

**(b) Audits.**

- (1) Internal audit personnel shall perform audits of all major gaming areas of the gaming operation. The following shall be reviewed at least annually:
  - (i) Bingo, including but not limited to, bingo card control, payout procedures, and cash reconciliation process;
  - (ii) Pull-tabs, including but not limited to, statistical records, winner verification, perpetual inventory, and accountability of sales verses inventory;
  - (iii) Card games, including but not limited to, card games operation, cash exchange procedures, shill transactions, and count procedures;
  - (iv) Keno, including but not limited to, game write and payout procedures, sensitive key location and control, and a review of keno auditing procedures;
  - (v) Pari-mutuel wagering, including write and payout procedures, and pari-mutuel auditing procedures;
  - (vi) Table games, including but not limited to, fill and credit procedures, pit credit play procedures, rim credit procedures, soft drop/count procedures and the subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies;
  - (vii) Gaming machines, including but not limited to, jackpot payout and gaming machine fill procedures, gaming machine drop/count and bill acceptor drop/count and subsequent transfer of funds, unannounced testing of weigh scale interface, unannounced testing of count room currency counters and/or currency interface, gaming machine drop cabinet access, tracing of source documents to summarized documentation and accounting records, reconciliation to restricted copies, location and control over sensitive keys, compliance with EPROM duplication procedures, and compliance with MICS procedures for gaming machines that accept currency or coin(s) and do not return currency or coin(s);
  - (viii) Cage and credit procedures including all cage, credit, and collection procedures, and the reconciliation of trial balances to physical instruments on a sample basis. Cage accountability shall be reconciled to the general ledger;
  - (ix) Information technology functions, including review for compliance with information technology standards;
  - (x) Complimentary service or item, including but not limited to, procedures whereby complimentary service items are issued, authorized, and redeemed; and
  - (xi) And other internal audits as required by the Tribe, Tribal regulatory authority, audit committee, or other entity designated by the Tribe.
- (2) In addition to the observation and examinations shall be performed under paragraph (b)(1) of this section, follow-up observations and examinations shall be performed to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit, the independent accountant, and/or the Commission. The verification shall be performed within six (6) months following the date of notification.

- (3) Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without the employees being forewarned that their activities will be observed). Additionally, if the independent accountant also performs the internal audit function, the accountant shall perform separate observations of the table games/gaming machine drops and counts to satisfy the internal audit observation requirements and independent accountant tests of controls required by the American Institute of Certified Public Accountants guide.

**(c) Documentation.**

- (1) Documentation (e.g., checklists, programs, reports, etc.) shall be prepared to evidence all internal audit work performed as it relates to the requirements in this section, including all instances of noncompliance.
- (2) The internal audit department shall operate with audit programs, which, at a minimum, address the MICS. Additionally, the department shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. Institute of Internal Auditors standards are recommended but not required.

**(d) Reports.**

- (1) Reports documenting audits performed shall be maintained and made available to the Commission upon request.
- (2) Such audit reports shall include the following information:
  - (i) Audit objectives;
  - (ii) Audit procedures and scope;
  - (iii) Findings and conclusions;
  - (iv) Recommendations, if applicable; and
  - (v) Management's response.

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

**(f) Role of management.**

- (1) Internal audit findings shall be reported to management.
- (2) Management shall be required to respond to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception.
  - (i) Management must respond to any audit exception within ten (10) business days.
- (3) Such management responses shall be included in the internal audit report that will be delivered to management, the Tribe, Tribal gaming regularity authority, audit committee, or other entity designated by the Tribe.

- (g) Internal Audit Guidelines.** In connection with the internal audit testing pursuant to paragraph (b)(1) of the section, the Commission shall develop recommended Internal Audit Guidelines, which shall be available upon request.

*[MICS Revision 542 October 2008]*



§ 542.42 Internal Audit Tier C

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**§ 542.42 What are the minimum internal control standards for internal audit for Tier C gaming operations?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

**(a) Internal audit personnel.**

- (1) For Tier C gaming operations, a separate internal audit department must be maintained. Alternatively, designating personnel (who are independent with respect to the departments/procedures being examined) to perform internal audit work satisfies the requirements of this paragraph.
- (2) The internal audit personnel shall report directly to the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe in accordance with the definition of internal audit § 542.2.
  - (i) The CNGC will complete the required annual MICS and TICS audits. The CNGC will also perform shortage investigations, financial audits and other independent audits as necessary.
  - (ii) Choctaw Casinos must maintain an independent department responsible for performing, at a minimum, all Revenue Audit, and/or Accounting procedures.

**(b) Audits.**

- (1) Internal audit personnel shall perform audits of all major gaming areas of the gaming operation. The following shall be reviewed at least annually:
  - (i) Bingo, including but not limited to, bingo card control, payout procedures, and cash reconciliation process;
  - (ii) Pull-tabs, including but not limited to, statistical records, winner verification, perpetual inventory, and accountability of sales verses inventory;
  - (iii) Card games, including but not limited to, card games operation, cash exchange procedures, shill transactions, and count procedures;
  - (iv) Keno, including but not limited to, game write and payout procedures, sensitive key location and control, and a review of keno auditing procedures;
  - (v) Pari-mutuel wagering, including write and payout procedures, and pari-mutuel auditing procedures;
  - (vi) Table games, including but not limited to, fill and credit procedures, pit credit play procedures, rim credit procedures, soft drop/count procedures and the subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies;
  - (vii) Gaming machines, including but not limited to, jackpot payout and gaming machine fill procedures, gaming machine drop/count and bill acceptor drop/count and subsequent transfer of funds, unannounced testing of weigh scale interface, unannounced testing of count room currency counters and/or currency interface, gaming machine drop cabinet access, tracing of source documents to summarized documentation and accounting records, reconciliation to restricted copies, location and control over sensitive keys, compliance with EPROM duplication procedures, and compliance with MICS procedures for gaming machines that accept currency or coin(s) and do not return currency or coin(s);
  - (viii) Cage and credit procedures including all cage, credit, and collection procedures, and the reconciliation of trial balances to physical instruments on a sample basis. Cage accountability shall be reconciled to the general ledger;
  - (ix) Information technology functions, including review for compliance with information technology standards;
  - (x) Complimentary service or item, including but not limited to, procedures whereby complimentary service items are issued, authorized, and redeemed; and
  - (xi) And other internal audits as required by the Tribe, Tribal regulatory authority, audit committee, or other entity designated by the Tribe.
- (2) In addition to the observation and examinations shall be performed under paragraph (b)(1) of this section, follow-up observations and examinations shall be performed to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit, the independent accountant, and/or the Commission. The verification shall be performed within six (6) months following the date of notification.
- (3) Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without the employees being forewarned that their activities will be observed). Additionally, if the independent account also performs the internal audit

function, the accountant shall perform separate observations of the table games/gaming machine drops and counts to satisfy the internal audit observation requirements and independent accountant tests of controls required by the American Institute of Certified Public Accountants guide.

**(c) Documentation.**

- (1) Documentation (e.g., checklists, programs, reports, etc.) shall be prepared to evidence all internal audit work performed as it relates to the requirements in this section, including all instances of noncompliance.
- (2) The internal audit department shall operate with audit programs, which, at a minimum, address the MICS. Additionally, the department shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. Institute of Internal Auditors standards are recommended but not required.

**(d) Reports.**

- (1) Reports documenting audits performed shall be maintained and made available to the Commission upon request.
- (2) Such audit reports shall include the following information:
  - (i) Audit objectives;
  - (ii) Audit procedures and scope;
  - (iii) Findings and conclusions;
  - (iv) Recommendations, if applicable; and
  - (v) Management's response.

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

**(f) Role of management.**

- (1) Internal audit findings shall be reported to management.
- (2) Management shall be required to respond to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception.
  - (i) Management must respond to any audit exception within ten (10) business days.
- (3) Such management responses shall be included in the internal audit report that will be delivered to management, the Tribe, Tribal gaming regularity authority, audit committee, or other entity designated by the Tribe.

**(g) Internal Audit Guidelines.** In connection with the internal audit testing pursuant to paragraph (b)(1) of the section, the Commission shall develop recommended Internal Audit Guidelines, which shall be available upon request.

*[MICS Revision 542 October 2008]*

## **§ 542.10 Keno**

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## § 542.10 What are the minimum internal control standards for keno?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

**(a) Computer applications.** For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Tribal gaming regulatory authority, will be acceptable.

**(b) Game play standards.**

- (1) The computerized customer ticket shall include the date, game number, ticket sequence number, station number, and conditioning (including multi-race if applicable).
- (2) The information on the ticket shall be recorded on a restricted transaction log or computer storage media concurrently with the generation of the ticket.
- (3) Keno personnel shall be precluded from having access to the restricted transaction log or computer storage media.
- (4) When it is necessary to void a ticket, the void information shall be inputted in the computer and the computer shall document the appropriate information pertaining to the voided wager (e.g., void slip is issued or equivalent documentation is generated).
- (5) Controls shall exist to prevent the writing and voiding of tickets after a game has been closed and after the number selection process for that game has begun.
- (6) The controls in effect for tickets prepared in outstations (if applicable) shall be identical to those in effect for the primary keno game.

**(c) Rabbit ear or wheel system.**

- (1) The following standards shall apply if a rabbit ear or wheel system is utilized:
  - (i) A dedicated camera shall be utilized to monitor the following both prior to, and subsequent to, the calling of a game:
    - (A) Empty rabbit ears or wheel;
    - (B) Date and time;
    - (C) Game number; and
    - (D) Full rabbit ears or wheel.
  - (ii) The film of the rabbit ears or wheel shall provide a legible identification of the numbers on the balls drawn.
  - (iii) Keno personnel shall immediately input the selected numbers in the computer and the computer shall document the date, the game number, the time the game was closed, and the numbers drawn.
  - (iv) The Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with procedures that prevent unauthorized access to keno balls in play.
  - (v) Back-up keno ball inventories shall be secured in a manner to prevent unauthorized access.
  - (vi) The Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with procedures for inspecting new keno balls put into play as well as for those in use.
- (2) [Reserved]

**(d) Random number generator.**

- (1) The following standards shall apply if a random number generator is utilized:
  - (i) The random number generator shall be linked to the computer system and shall directly relay the numbers selected into the computer without manual input.
  - (ii) Keno personnel shall be precluded from access to the random number generator.

(2) [Reserved]

**(e) Winning tickets.** Winning tickets shall be verified and paid as follows:

- (1) The sequence number of tickets presented for payment shall be inputted into the computer, and the payment amount generated by the computer shall be given to the customer.
- (2) The Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with procedures that preclude payment on tickets previously presented for payment, unclaimed winning tickets (sleepers) after a specified period of time, voided tickets, and tickets that have not been issued yet.
- (3) All payouts shall be supported by the customer (computer-generated) copy of the winning ticket (payout amount is indicated on the customer ticket or a payment slip is issued).
- (4) A manual report or other documentation shall be produced and maintained documenting any payments made on tickets that are not authorized by the computer.
- (5) Winning tickets over a specified dollar amount (not to exceed \$10,000 for locations with more than \$5 million annual keno write and \$3,000 for all other locations) shall also require the following:
  - (i) Approval of management personnel independent of the keno department, evidenced by their signature;
  - (ii) Review of the video recording and/or digital record of the rabbit ears or wheel to verify the legitimacy of the draw and the accuracy of the draw ticket (for rabbit ear or wheel systems only);
  - (iii) Comparison of the winning customer copy to the computer reports;
  - (iv) Regrading of the customer copy using the payout schedule and draw information; and
  - (v) Documentation and maintenance of the procedures in this paragraph.
- (6) When the keno game is operated by one person, all winning tickets in excess of an amount to be determined by management (not to exceed \$1,500) shall be reviewed and authorized by a person independent of the keno department.

**(f) Check out standards at the end of each keno shift.**

- (1) For each writer station, a cash summary report (count sheet) shall be prepared that includes:
  - (i) Computation of net cash proceeds for the shift and the cash turned in; and
  - (ii) Signatures of two employees who have verified the net cash proceeds for the shift and the cash turned in. Unverified transfers of cash and/or cash equivalents are prohibited. (Revised August 12, 2005)
- (2) [Reserved]

**(g) Promotional payouts or awards.**

- (1) If a gaming operation offers promotional payouts or awards, the payout form/documentation shall include the following information:
  - (i) Date and time;
  - (ii) Dollar amount of payout or description of personal property (e.g., jacket, toaster, car, etc.), including fair market value;
  - (iii) Type of promotion; and
  - (iv) Signature of at least one employee authorizing and completing the transaction.
- (2) [Reserved]

**(h) Standards for statistical reports.**

- (1) Records shall be maintained that include win and write by individual writer for each day.
- (2) Records shall be maintained that include win, write, and win-to-write hold percentage for:

- (i) Each shift;
  - (ii) Each day;
  - (iii) Month-to-date; and
  - (iv) Year-to-date or fiscal year-to-date as applicable.
- (3) A manager independent of the keno department shall review keno statistical data at least on a monthly basis and investigate any large or unusual statistical variances.
  - (4) At a minimum, investigations shall be performed for statistical percentage fluctuations from the base level for a month in excess of +/-3%. The base level shall be defined as the gaming operation's win percentage for the previous business year or the previous twelve (12) months.
  - (5) Such investigations shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

**(i) System security standards.**

- (1) All keys (including duplicates) to sensitive computer hardware in the keno area shall be maintained by a department independent of the keno function.
- (2) Personnel independent of the keno department shall be required to accompany such keys to the keno area and shall observe changes or repairs each time the sensitive areas are accessed.

**(j) Documentation standards.**

- (1) Adequate documentation of all pertinent keno information shall be generated by the computer system.
- (2) This documentation shall be restricted to authorized personnel.
- (3) The documentation shall include, at a minimum:
  - (i) Ticket information (as described in paragraph (b)(1) of this section);
  - (ii) Payout information (date, time, ticket number, amount, etc.);
  - (iii) Game information (number, ball draw, time, etc.);
  - (iv) Daily recap information, including:
    - (A) Write;
    - (B) Payouts; and
    - (C) Gross revenue (win);
  - (v) System exception information, including:
    - (A) Voids;
    - (B) Late pays; and
    - (C) Appropriate system parameter information (e.g., changes in pay tables, ball draws, payouts over a predetermined amount, etc.); and
  - (vi) Personnel access listing, including:
    - (A) Employee name or employee identification number; and
    - (B) Listing of functions employee can perform or equivalent means of identifying same.

**(k) Keno audit standards.**

- (1) The keno audit function shall be independent of the keno department.

- (2) At least annually, keno audit shall foot the write on the restricted copy of the keno transaction report for a minimum of one shift and compare the total to the total as documented by the computer.
  - (3) For at least one shift every other month, keno audit shall perform the following:
    - (i) Foot the customer copy of the payouts and trace the total to the payout report; and
    - (ii) Regrade at least 1% of the winning tickets using the payout schedule and draw ticket.
  - (4) Keno audit shall perform the following:
    - (i) For a minimum of five games per week, compare the video recording and/or digital record of the rabbit ears or wheel to the computer transaction summary;
    - (ii) Compare net cash proceeds to the audited win/loss by shift and investigate any large cash overages or shortages (i.e., in excess of \$25.00);
    - (iii) Review and regrade all winning tickets greater than or equal to \$1,500, including all forms that document that proper authorizations and verifications were obtained and performed;
    - (iv) Review the documentation for payout adjustments made outside the computer and investigate large and frequent payments;
    - (v) Review personnel access listing for inappropriate functions an employee can perform;
    - (vi) Review system exception information on a daily basis for propriety of transactions and unusual occurrences including changes to the personnel access listing;
    - (vii) If a random number generator is used, then at least weekly review the numerical frequency distribution for potential patterns; and
    - (viii) Investigate and document results of all noted improper transactions or unusual occurrences.
  - (5) When the keno game is operated by one person:
    - (i) The customer copies of all winning tickets in excess of \$100 and at least 5% of all other winning tickets shall be regraded and traced to the computer payout report;
    - (ii) The video recording and/or digital record of rabbit ears or wheel shall be randomly compared to the computer game information report for at least 10% of the games during the shift; and
    - (iii) Keno audit personnel shall review winning tickets for proper authorization pursuant to paragraph (e)(6) of this section.
  - (6) In the event any person performs the writer and deskman functions on the same shift, the procedures described in paragraphs (k)(5)(i) and (ii) of this section (using the sample sizes indicated) shall be performed on tickets written by that person.
  - (7) Documentation (e.g., a log, checklist, etc.) that evidences the performance of all keno audit procedures shall be maintained.
  - (8) A manager independent of the keno department shall review keno audit exceptions, and perform and document investigations into unresolved exceptions. These investigations shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.
  - (9) When a multi-game ticket is part of the sample in paragraphs (k)(3)(ii), (k)(5)(i) and (k)(6) of this section, the procedures may be performed for ten (10) games or ten percent (10%) of the games won, whichever is greater.
- (l) Access.** Access to the computer system shall be adequately restricted (i.e., passwords are changed at least quarterly, access to computer hardware is physically restricted, etc.).
- (m) Equipment standards.**
- (1) There shall be effective maintenance planned to service keno equipment, including computer program updates, hardware servicing, and keno ball selection equipment (e.g., service contract with lessor).
  - (2) Keno equipment maintenance (excluding keno balls) shall be independent of the operation of the keno game.
  - (3) Keno maintenance personnel shall report irregularities to management personnel independent of the keno department.



- (4) If the gaming operation utilizes a barcode or microchip reader in connection with the play of keno, the reader shall be tested at least annually by personnel independent of the keno department to determine that it is correctly reading the barcode or microchip.

**(n) Document retention.**

- (1) All documents (including computer storage media) discussed in this section shall be retained for five (5) years, except for the following, which shall be retained for at least seven (7) days:

- (i) Video recordings and/or digital records of rabbit ears or wheel;

- (ii) All copies of winning keno tickets of less than \$1,500.00.

- (2) [Reserved]

**(o) Multi-race tickets.**

- (1) Procedures shall be established to notify keno personnel immediately of large multi-race winners to ensure compliance with standards in paragraph (e)(5) of this section.

- (2) Procedures shall be established to ensure that keno personnel are aware of multi-race tickets still in process at the end of a shift.

- (p) Manual keno.** For gaming operations that conduct manual keno games, alternate procedures that provide at least the level of control described by the standards in this section shall be developed and implemented.

*[MICS Revision 542 October 2008]*

**§ 542.11 Pari-Mutuel Wagering**

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## § 542.11 What are the minimum internal control standards for pari-mutuel wagering?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

### (a) Exemptions.

- (1) The requirements of this section shall not apply to gaming operations who house pari-mutuel wagering operations conducted entirely by a state licensed simulcast service provider pursuant to an approved tribal state compact if:
  - (i) The simulcast service provider utilizes its own employees for all aspects of the pari-mutuel wagering operation;
  - (ii) The gaming operation posts, in a location visible to the public, that the simulcast service provider and its employees are wholly responsible for the conduct of pari-mutuel wagering offered at that location;
  - (iii) The gaming operation receives a predetermined fee from the simulcast service provider; and
  - (iv) In addition, the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with standards that ensure that the gaming operation receives, from the racetrack, its contractually guaranteed percentage of the handle.
- (2) Gaming operations that contract directly with a state regulated racetrack as a simulcast service provider, but whose on-site pari-mutuel operations are conducted wholly or in part by tribal gaming operation employees, shall not be required to comply with paragraphs (h)(5) thru (h)(9) of this section.
  - (i) If any standard contained within this section conflicts with state law, a tribal-state compact, or a contract, then the gaming operation shall document the basis for noncompliance and shall maintain such documentation for inspection by the Tribal gaming regulatory authority and the Commission.
  - (ii) In addition, the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with standards that ensure that the gaming operation receives, from the racetrack, its contractually guaranteed percentage of the handle.

### (b) Computer applications. For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Tribal gaming regulatory authority, will be acceptable.

- (1) Additional requirements regarding computer application standards are located in the "General TICS" section of this document.

### (c) Betting ticket and equipment standards.

- (1) All pari-mutuel wagers shall be transacted through the pari-mutuel satellite system. In case of computer failure between the pari-mutuel book and the hub, no tickets shall be manually written.
- (2) Whenever a betting station is opened for wagering or turned over to a new writer/cashier, the writer/cashier shall sign on and the computer shall document gaming operation name (or identification number), station number, the writer/cashier identifier, and the date and time.
  - (i) Each OTB Cashier must verify their own beginning bank and any additional draws prior to utilizing funds. Each bundle must be broken down and individually verified to prevent commingling with other bundles.
  - (ii) The associate's cash drawer must be individually keyed and locked when the associate is away from the cage area and cannot be shared (with the exception of training purposes, if necessary).
    - (A) During training, the trainer must remain present while their cash drawer is being utilized.
  - (iii) In the event of a variance, the associate and/or supervisor on-duty should make all attempts to investigate and identify the reason for the variance.
- (3) A betting ticket shall consist of at least two parts:
  - (i) An original, which shall be transacted and issued through a printer and given to the customer; and
  - (ii) A copy that shall be recorded concurrently with the generation of the original ticket either on paper or other storage media (e.g., tape or diskette).

- (4) Upon accepting a wager, the betting ticket that is created shall contain the following:
  - (i) A unique transaction identifier;
  - (ii) Gaming operation name (or identification number) and station number;
  - (iii) Race track, race number, horse identification or event identification, as applicable;
  - (iv) Type of bet(s), each bet amount, total number of bets, and total take; and
  - (v) Date and time.
- (5) All tickets shall be considered final at post time.
- (6) If a gaming operation voids a betting ticket written prior to post time, it shall be immediately entered into the system.
- (7) Future wagers shall be accepted and processed in the same manner as regular wagers.

**(d) Payout standards.**

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

**(e) Checkout standards.**

- (1) Whenever the betting station is closed or the writer/cashier is replaced, the writer/cashier shall sign off and the computer shall document the gaming operation name (or identification number), station number, the writer/cashier identifier, the date and time, and cash balance.
- (2) For each writer/cashier station a summary report shall be completed at the conclusion of each shift including:
  - (i) Computation of cash turned in for the shift; and
  - (ii) Signature of two employees who have verified the cash turned in for the shift. Unverified transfers of cash and/or cash equivalents are prohibited.

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

**(g) Computer reports standards.**

- (1) Adequate documentation of all pertinent pari-mutuel information shall be generated by the computer system.
- (2) This documentation shall be restricted to authorized personnel.
- (3) The documentation shall be created for each day's operation and shall include, but is not limited to:
  - (i) Unique transaction identifier;
  - (ii) Date/time of transaction;
  - (iii) Type of wager;
  - (iv) Animal identification or event identification;
  - (v) Amount of wagers (by ticket, writer/SAM, track/event, and total);
  - (vi) Amount of payouts (by ticket, writer/SAM, track/event, and total);
  - (vii) Tickets refunded (by ticket, writer, track/event, and total);
  - (viii) Unpaid winners/vouchers ("outs") (by ticket/voucher, track/event, and total);
  - (ix) Voucher sales/payments (by ticket, writer/SAM, and track/event);

- (x) Voids (by ticket, writer, and total);
- (xi) Future wagers (by ticket, date of event, total by day, and total at the time of revenue recognition);
- (xii) Results (winners and payout data);
- (xiii) Breakage data (by race and track/event);
- (xiv) Commission data (by race and track/event); and
- (xv) Purged data (by ticket and total).

(4) The system shall generate the following reports:

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

**(h) Accounting and auditing functions.** A gaming operation shall perform the following accounting and auditing functions:

- (1) The pari-mutuel audit shall be conducted by personnel independent of the pari-mutuel operation.
- (2) Documentation shall be maintained evidencing the performance of all pari-mutuel accounting and auditing procedures.
- (3) An accounting employee shall review handle, commission, and breakage for each day's play and recalculate the net amount due to or from the systems operator on a weekly basis.
- (4) The accounting employee shall verify actual cash/cash equivalents turned in to the system's summary report for each cashier's drawer (Beginning balance, (+) fills (draws), (+) net write (sold less voids), (-) payouts (net of IRS withholding), (-) cash backs (pays), (=) cash turn-in).

(i) The Revenue Audit Department will be responsible for completing the above-mentioned standards.

- (5) An accounting employee shall produce a gross revenue recap report to calculate gross revenue for each day's play and for a month-to-date basis, including the following totals:
  - (i) Commission;
  - (ii) Positive breakage;
  - (iii) Negative breakage;
  - (iv) Track/event fees;
  - (v) Track/event fee rebates; and
  - (vi) Purged tickets.
- (6) All winning tickets and vouchers shall be physically removed from the SAM's for each day's play.
- (7) In the event a SAM does not balance for a day's play, the auditor shall perform the following procedures:
  - (i) Foot the winning tickets and vouchers deposited and trace to the totals of SAM activity produced by the system;
  - (ii) Foot the listing of cashed vouchers and trace to the totals produced by the system;
  - (iii) Review all exceptions for propriety of transactions and unusual occurrences;
  - (iv) Review all voids for propriety;
  - (v) Verify the results as produced by the system to the results provided by an independent source;

(vi) Re-grade 1% of paid (cash) tickets to ensure accuracy and propriety; and

(vii) When applicable, reconcile the totals of future tickets written to the totals produced by the system for both earned and unearned take, and review the reports to ascertain that future wagers are properly included on the day of the event.

(viii) The Revenue Audit Department will be responsible for completing the above-mentioned standards.

(8) At least annually, the auditor shall foot the wagers for one day and trace to the total produced by the system.

(i) The Revenue Audit Department will be responsible for completing the above-mentioned standard.

(9) At least one day per quarter, the auditor shall recalculate and verify the change in the unpaid winners to the total purged tickets.

(i) The Revenue Audit Department will be responsible for completing the above-mentioned standard.

*[MICS Revision 542 October 2008]*

**§ 543.14 Patron Deposit Accounts and Cashless Systems**

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**§ 543.14 What are the minimum internal control standards for patron deposit accounts and cashless systems?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

**(a) Supervision.** Supervision must be provided as needed for patron deposit accounts and cashless systems by an agent(s) with authority equal to or greater than those being supervised.

**(b) Patron deposit accounts and cashless systems.**

- (1) Smart cards cannot maintain the only source of account data.
- (2) Establishment of patron deposit accounts. The following standards apply when a patron establishes an account.
  - (i) The patron must appear at the gaming operation in person, at a designated area of accountability, and present valid government issued picture identification; and
  - (ii) An agent must examine the patron's identification and record the following information:
    - (A) Type, number, and expiration date of the identification;
    - (B) Patron's name;
    - (C) A unique account identifier;
    - (D) Date the account was opened; and
    - (E) The agent's name.
- (3) The patron must sign the account documentation before the agent may activate the account.
- (4) The agent or cashless system must provide the patron deposit account holder with a secure method of access.

(5) These standards also apply to mobile gaming accounts.

**(c) Patron deposits, withdrawals and adjustments.**

- (1) Prior to the patron making a deposit or withdrawal from a patron deposit account, the agent or cashless system must verify the patron deposit account, the patron identity, and availability of funds. A personal identification number (PIN) is an acceptable form of verifying identification.
  - (i) A 10-key PIN pad must be used by Guests to input and/or reset their individual PIN.
  - (ii) Anytime a change is made to a Guest's PIN on a patron deposit account, the Guest must be present and provide a government issued photo identification card. An expired government issued photo identification card may be accepted with upper management's written approval.
- (2) Adjustments made to the patron deposit accounts must be performed by an agent.
  - (i) The gaming operation must establish and implement policies and procedures regarding transactions and accountability/tracking for patron deposit accounts and cashless systems.
    - (A) These procedures must include the designation of departments/positions authorized to perform deposits, withdrawals and adjustments to patron deposit accounts.
    - (B) Associates must follow all applicable BSA/AML requirements when conducting patron deposited funds transactions.
    - (C) Associates must verify the Guest is not a casino-banned or self-banned Guest.
- (3) When a deposit, withdrawal, or adjustment is processed by an agent, a transaction record must be created containing the following information:
  - (i) Same document number on all copies;
  - (ii) Type of transaction, (deposit, withdrawal, or adjustment);
  - (iii) Name or other identifier of the patron;



- (iv) The unique account identifier;
  - (v) Patron signature for withdrawals, unless a secured method of access is utilized;
  - (vi) For adjustments to the account, the reason for the adjustment;
  - (vii) Date and time of transaction;
  - (viii) Amount of transaction;
  - (ix) Nature of deposit, withdrawal, or adjustment (cash, check, chips); and
  - (x) Signature of the agent processing the transaction.
- (4) When a patron deposits or withdraws funds from a patron deposit account electronically, the following must be recorded:
- (i) Date and time of transaction;
  - (ii) Location (player interface, kiosk);
  - (iii) Type of transaction (deposit, withdrawal);
  - (iv) Amount of transaction; and
  - (v) The unique account identifier.
- (5) Patron deposit account transaction records must be available to the patron upon reasonable request.
- (6) If electronic funds transfers are made to or from a gaming operation bank account for patron deposit account funds, the bank account must be dedicated and may not be used for any other types of transactions.
- (7) These standards also apply to mobile gaming accounts.**
- (d) Variances.** The operation must establish, as approved by the TGRA, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.
- (1) Additional requirements regarding variance standards are located in the "General TICS" section of this document.**

## § 542.8 Pull-tabs

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## § 542.8 What are the minimum internal control standards for pull-tabs?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) **Computer applications.** For any computer application utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Tribal gaming regulatory, will be acceptable.

(1) Additional requirements regarding computer application standards are located in the "General TICS" section of this document.

(b) **Pull-tab inventory.**

(1) Pull-tab inventory (including unused tickets) must be controlled to assure the integrity of the Pull-tabs.

(i) Pull-tab inventory must be maintained under surveillance in a secure location. Access to the secure location must be limited to authorized associates.

(2) Purchased Pull-tabs shall be inventoried and secured by a person or persons independent of the Pull-tab sales.

(3) The issue of Pull-tabs to the cashier or sales location shall be documented and signed for by the person responsible for inventory control and the cashier. The document log shall include the serial number of the Pull-tabs issued.

(4) Appropriate documentation shall be given to the redemption booth for purposes of determining if the winner purchased the Pull-tab from the Pull-tabs issued by the gaming operation. Electronic verification satisfies this requirement.

(5) At the end of each month, a person or persons independent of Pull-tab sales and inventory control shall verify the accuracy of the ending balance in the Pull-tab control by reconciling the Pull-tabs on hand.

(i) At least monthly, the Revenue Audit Department must verify the accuracy of the Pull-tab inventory.

(ii) Within five (5) business days following a Bingo session (or upon request), the Bingo staff must verify the accuracy of the Pull-tab inventory and provide an accurate inventory to the Revenue Audit Department.

(6) A monthly comparison for reasonableness shall be made of the amount of Pull-tabs sold from the Pull-tab control log to the amount of revenue recognized.

(7) Any transfer of Bingo supplies (e.g., Bingo paper, Pull-tabs, etc.) between Choctaw facilities requires prior notification (via email) to the CNGC ([cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com)). The transferring and receiving facilities must have supporting documentation to validate the exchange. A copy of the supporting documentation must be submitted to the Compliance Department and CNGC.

(i) Bingo staff must provide the Revenue Audit Department with records of the ending balance of Pull-tabs within five (5) business days following a Bingo Session. This will allow for prompt review by the Revenue Audit Department.

(ii) The independent department responsible for verifying the accuracy of the ending Pull-tab balance must be the Revenue Audit Department.

(8) Each Choctaw Casino must use a Pull-tab destruction method that has been approved by the CNGC prior to implementation. A department independent of Bingo/Pull-tab must be utilized to destroy the Pull-tabs.

(c) **Access.** Access to Pull-tabs shall be restricted to authorized persons.

(d) **Transfers.** Transfers of Pull-tabs from storage to the sale location shall be secured and independently controlled.

(e) **Winning Pull-tabs.**

(1) Winning Pull-tabs shall be verified and paid as follows:

(i) Payouts in excess of a dollar amount determined by the gaming operation, as approved by the Tribal gaming regulatory authority, shall be verified by at least two employees.

(A) A payout of more than one hundred dollars (\$100) must be verified by at least two (2) associates, one of whom must be independent of the Pull-tab Department.

(ii) Total payout shall be computed and recorded by shift.

(iii) The winning Pull-tabs shall be voided so that they cannot be presented for payment again.

(A) A method must be developed to void all winning Pull-tabs at the end of each session. Surveillance must be notified before this process begins.

(B) A payout and void procedure must be in place for any tabs laminated for souvenir purposes.

(2) Personnel independent of Pull-tab operation shall verify the amount of winning Pull-tabs redeemed each day.

**(f) Accountability form.**

(1) All funds used to operate the Pull-tab game shall be recorded on an accountability form.

(2) All funds used to operate the Pull-tab game shall be counted independently by at least two persons and reconciled to the recorded amounts at the end of each shift or session. Unverified transfers of cash and/or cash equivalents are prohibited. (Revised August 12, 2005)

(i) In the event of a variance, the associate and/or supervisor on-duty should make all attempts to investigate and identify the reason for the variance.

**(g) Standards for statistical reports.**

(1) Records shall be maintained, which include win, write (sales), and a win-to-write hold percentage as compared to the theoretical hold percentage derived from the flare, for each deal or type of game, for:

(i) Each shift;

(ii) Each day;

(iii) Month-to-date; and

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

(2) A manager independent of the Pull-tab operations shall review statistical information at least on a monthly basis and shall investigate any large or unusual statistical fluctuations. These investigations shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

(3) Each month, the actual hold percentage shall be compared to the theoretical hold percentage. Any significant variations (3%) shall be investigated.

**(h) Electronic equipment.**

(1) If the gaming operation utilizes electronic equipment in connection with the play of Pull-tabs, then the following standards shall also apply:

(i) If the electronic equipment contains a bill acceptor, then § 542.21(e) and (f), § 542.31(e) and (f), or § 542.41(e) and (f) (as applicable) shall apply. (Revised May 4, 2005)

(ii) If the electronic equipment uses a bar code or microchip reader, the reader shall be tested periodically to determine that it is correctly reading the bar code or microchip.

(iii) If the electronic equipment returns a voucher or a payment slip to the player, then § 542.13(n)(as applicable) shall apply.

(iv) If the electronic equipment utilizes patron account access cards for activation of play, then § 542.13(o) (as applicable) shall apply. (Adopted May 11, 2006)

(2) [Reserved]

*[MICS Revision 542 October 2008]*

## § 543.9 Pull-tabs

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## § 543.9 What are the minimum internal control standards for pull-tabs?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) **Supervision.** Supervision must be provided as needed for Pull-tab operations and over Pull-tab storage areas by an agent(s) with authority equal to or greater than those being supervised.
- (b) **Pull-tab inventory.** Controls must be established and procedures implemented to ensure that:
- (1) Access to Pull-tabs is restricted to authorized agents;
  - (2) The Pull-tab inventory is controlled by agents independent of Pull-tab sales;
  - (3) Pull-tabs exchanged between agents are secured and independently controlled;
  - (4) Increases or decreases to Pull-tab inventory are recorded, tracked, and reconciled; and
  - (5) Pull-tabs are maintained in a secure location, accessible only to authorized agents, and with surveillance coverage adequate to identify persons accessing the area.
- (c) **Pull-tab sales.**
- (1) Controls must be established and procedures implemented to record, track, and reconcile all Pull-tab sales and voids.
  - (2) When Pull-tab sales are recorded manually, total sales must be verified by an agent independent of the Pull-tab sales being verified.
  - (3) No person may have unrestricted access to Pull-tab sales records.
- (d) **Winning Pull-tabs.**
- (1) Controls must be established and procedures implemented to record, track, and reconcile all redeemed Pull-tabs and Pull-tab payouts.
  - (2) The redeemed Pull-tabs must be defaced so that they cannot be redeemed for payment again.
  - (3) Pull-tabs that are uniquely identifiable with a machine readable code (including, but not limited to a barcode) may be redeemed, reconciled, and stored by kiosks without the need for defacing, so long as the redeemed Pull-tabs are secured and destroyed after removal from the kiosk in accordance with the procedures approved by the TGRA.
  - (4) At least two agents must document and verify all prize payouts above \$600, or lower threshold as authorized by management and approved by the TGRA.
    - (i) An automated method may substitute for one verification.
    - (ii) The predetermined threshold must be authorized by management, approved by the TGRA, documented, and maintained.
  - (5) Total payout must be calculated and recorded by shift.
- (e) **Pull-tab operating funds.**
- (1) All funds used to operate the Pull-tab game must be accounted for and recorded and all transfers of cash and/or cash equivalents must be verified.
  - (2) All funds used to operate the Pull-tab game must be independently counted and verified by at least two agents and reconciled to the recorded amounts at the end of each shift or session.
- (f) **Statistical records.**
- (1) Statistical records must be maintained, including (for games sold in their entirety or removed from play) a win-to-write hold percentage as compared to the expected hold percentage derived from the flare.
  - (2) A manager independent of the Pull-tab operations must review statistical information when the Pull-tab deal has ended or has been removed from the floor and must investigate any unusual statistical fluctuations. These investigations must be documented, maintained for inspection, and provided to the TGRA upon request.

**(g) Revenue audit.** Standards for revenue audit of Pull-tabs are contained in § 543.24, Revenue Audit.

**(h) Variances.** The operation must establish, as approved by the TGRA, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

(1) Additional requirements regarding notification of variance standards are located in the "General TICS" section of this document.

# Security TICS

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## **What are the Tribal Internal Control Standards for security at Choctaw Casinos?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

### **(a) Standard operations.**

- (1) Security operational procedures are to be implemented at all Choctaw Casinos and Travel Plazas that contain gaming machines.
  - (i) Security procedures, as approved by the CNGC, must differentiate responsibilities between job titles within the Security Department.
- (2) Security procedures may be modified per site due to the various Tier levels of casinos and the corresponding MICS requirements.
  - (i) Any modifications from the standard operational procedures must be documented and approved by the Senior Director of Security, or above, and the CNGC.
- (3) The Security Department must strive to ensure staff is trained in the day to day operational procedures of the site in order to efficiently and securely conduct business.
- (4) Access to the Security Room must be limited to Security Officers and designated authorized associates.
- (5) Among other responsibilities, Security may be considered the independent department as referred to in the MICS and TICS regulations.
- (6) When escorting, Security is responsible for ensuring all applicable logs are completed accurately and entirely.
- (7) Security must inspect items as requested by cash/chip handling associates and as required by MICS, TICS and SICS.
- (8) In the event of a Wide-Area Progressive jackpot, Security must secure the area around the gaming machine.
- (9) A room with audio and video surveillance must be used to detain, interview or interrogate Guests suspected of illegal or unlawful activities, (acts in violation of Federal, State or Tribal laws, NIGC MICS, Tribal/State Compact or Choctaw Gaming Ordinance). Surveillance must be notified to ensure adequate coverage. If a room is unavailable, a minimum of three (3) people must be involved; at least one (1) of these three (3) people must be from an independent department.

### **(b) Security responsibilities involving sign-in logs.**

- (1) Security must maintain a sign-in log (if a computerized system is not in use) of all visitors (including associates who work at other Choctaw Nation entities), entering the non-public areas of the casino, and any vendors entering and exiting the facility. Associates with access to "All Facilities" (including CNGC) are exempt from signing this log. Anytime a visitor or vendor arrives at the site or a temporary **work license** is issued by Security, appropriate information must be collected.
  - (i) A temporary **work license** may not be issued for more than four (4) consecutive days.
- (2) Security must maintain a sign-in log (if a computerized system is not in use) of associates who forget or misplace their gaming license. In these instances, a temporary **work license** must be issued; however, a temporary **work license** may not be issued for more than four (4) consecutive days. If an associate receives a temporary **work license**, and does not have their electronic access **control** card, an approved escort must scan (or unlock) the entryway of the secure area(s) that is pertinent to the associate's job function.
  - (i) If a computerized system is utilized it must collect, at a minimum, the same information as required on the paper log outlined below.
  - (ii) If a computerized system is not in use at the facility that tracks vendor/visitor/temporary visits, the Vendor/Visitor/Temporary Sign-In Log must be utilized and include the following **legible** information:
    - (A) Date;
    - (B) Company name or site name;
    - (C) Company or site representative **name (first and last)**;
    - (D) Vendor/associate license number or temporary **work license** number;

(E) Reason for visit;

(F) Time in;

(G) Time out; and

(H) Security Officer signature and gaming license number (an associate can log in/out vendors/visitors at Travel Plazas).

**(c) House rules.**

- (1) Security Officers are required to know and enforce Choctaw Casino House Rules to include, but not limited to, the following:
  - (i) All gaming Guests must be at least eighteen (18) years old to wager; proof of age may be required. A government issued photo ID must be provided upon request.
    - (A) If at any time a Security Officer is unsure about a Guest's eligibility to wager, they should respectfully request a government issued photo ID be provided.
  - (ii) Bags, backpacks, purses, overcoats and other items, which may conceal prohibited items, are subject to search by Security.
  - (iii) Guests are only allowed access to public areas of the casino. All visitors must check in with Security to receive a visitor's badge. Security or an approved escort will escort the visitor to the designated area.
  - (iv) Guests must be at least twenty-one (21) years old to purchase alcohol and proof of age will be required. A government issued photo ID must be provided upon request.
  - (v) All alcoholic beverages sold within the casino are prohibited from leaving the premises.

**(d) Standards for drop and count.**

- (1) Different Tier levels require different regulations to be implemented and are defined in the following sections:
  - (i) Standards of Drop and Count for Tier A gaming operations (see MICS/TICS 542.21).
  - (ii) Standards of Drop and Count for Tier B gaming operations (see MICS/TICS 542.31).
  - (iii) Standards of Drop and Count for Tier C gaming operations (see MICS/TICS 542.41).
- (2) Security Officers serve a vital role in the drop procedures at all Choctaw Casino locations. Security must ensure the protection of all money and associates throughout the drop procedure. Security Officers are responsible for securing the immediate work area and providing a physical presence to discourage any potential problems.
- (3) Where live Surveillance is available, the Security Officer must notify Surveillance and await authorization to begin the drop process.
  - (i) The Security Officer must communicate the first and last names and gaming license numbers of all associates that are performing the drop procedures.
  - (ii) Security must notify Surveillance each time the Drop Team progresses to another zone. This will ensure the necessary adjustments can be made to adequately monitor the drop process.
  - (iii) Once the drop procedure is complete, a Security Officer must communicate the conclusion of the drop to Surveillance for the completion time to be documented.
- (4) Security must accompany Drop and Soft Count Associates, when necessary, to ensure compliance with the MICS/TICS regulations.
- (5) Travel Plaza Drop.
  - (i) During the Travel Plaza drop, the following must be communicated to Surveillance:
    - (A) Prior to leaving to fulfill drop duties at Travel Plaza(s);
    - (B) Upon arrival to inform of commencement of drop;
    - (C) When drop has been completed;

(D) When exiting the Travel Plaza; and

(E) Upon arrival back to main site.

(ii) Any funds removed from the canisters during the drop process must be locked in a canister/bag. Security must accompany the locked canister/bag until the funds are secured in the Soft Count area.

(iii) The transport of ANY funds to an adjacent facility requires a Security escort. Funds must be secured inside a locked bag/container. Access to the bag/container keys during transport is prohibited.

(A) The bag/container must be locked and unlocked under audio/video surveillance.

**(e) Key control and sign out procedures.**

(1) All keys are to be tagged and kept in a designated location or a computerized key box system which may be controlled by site Security (or other designated departments/systems) and must be under video surveillance.

(2) Security may be the independent department required for sensitive keys that require dual or triple access.

(i) Security should not be the initiator of the key removal. For dual access key(s) Security must be the second person and for triple access key(s) Security must be either the second or third person.

(ii) Dual access is not required for CNGC Associates to retrieve the designated Gaming Commission key sets.

(3) Manual Key Control Log. In the event that a key box is not in working order or the site does not have a computerized key box system, Security must maintain a Manual Key Control Log to document key activity.

(i) The Manual Key Log must include the following information:

(A) Date;

(B) Time of sign out;

(C) Key number;

(D) First and last name of person(s) signing out the keys (associate's name and Security);

(E) Reason; and

(F) Time of key return.

(4) At Tier A and Tier B facilities that are unmanned (due to fibered surveillance), Security is permitted to keep an "override" key for the computerized key box system in case of system failure. The "override" key must be maintained in a secured manner as approved by the CNGC.

(i) The "override" key maintained by Security must, at a minimum, adhere to the regulations stated in 542.21 (t)(2)(ii) and 542.31 (t)(2)(ii).

(ii) Surveillance coverage is not required for the "override" key maintained by Security due to the manual signature requirements established in 542.21 (t)(2)(ii) and 542.31 (t)(2)(ii).

**(f) Reports and logs.**

(1) Security logs must document any unusual activities or events related to the Choctaw Casinos.

(i) Each Security log must consist of the following legible information:

(A) First and last name and gaming license number of Officer completing report;

(B) Date;

(C) Time;

(D) Location;

(E) Nature of the incident; and

(F) Identification of person(s) involved or who witnessed the incident.

(ii) Security logs must be made available to the CNGC upon request.

(iii) All Security logs must be submitted to the Site Security Manager/Supervisor and the Director of Security.

(iv) Lighthorse Police must provide a report updating the progress of cases not yet closed to the CNGC upon request, to allow for proper handling of the gaming license.

(v) Lighthorse Police must submit reports indicating the outcome/closure of each situation, incident or occurrence that pertains to Choctaw Casinos, upon the request of the CNGC.

**(g) Restricted area entry control.**

(1) The Security Department must ensure only authorized associates enter restricted areas (including back of house).

(i) If at any time a Security Officer is in doubt of a person's authorization to be in a restricted area, they must respectfully approach the individual, get proper identification and determine if their access is justified. If access is not justified, they must be escorted to a non-restricted area of the casino.

(2) At no time must Security escort any individual to areas involving telecommunications, information technology or data without prior approval from IT Management.

(3) The gaming operation must establish controls, as approved by CNGC, to prevent unauthorized access to restricted areas.

(4) The CNGC must have unrestricted access at all Choctaw Casino facilities.

(5) In order for all Security personnel and Lighthorse Police to qualify for unrestricted access (with the exception of Surveillance area[s]) within their facility, a valid gaming license must be obtained from the CNGC.

(6) Restricted areas must be determined and designated by the Assistant General Manager or above, and CNGC.

(i) Access to the restricted areas must be approved by CNGC.

(7) If electronic access is not utilized, a list of authorized departments or positions must be posted on doors in restricted areas.

(8) All unauthorized associates or vendor representatives who request access into a restricted area to perform job functionality must have an approved escort.

(i) The following are the approved escorts who are permitted to accompany them until they leave the restricted area:

(A) Security;

(B) CNGC;

(C) Executive-Level Management;

(D) Designated department supervisor or above.

1) Designated department associates (with management or CNGC approval).

2) Approval authorized by management must be submitted to the CNGC.

(ii) The authorized escort must remain present and observe the activity of the unauthorized person until the unauthorized person exits the restricted area.

(A) While Surveillance Associates are participating in shadow training in various Casino Departments, the approved escort is not required to remain with the Surveillance Associate after the initial escort to the location.

(9) If an associate's electronic access control card is lost or stolen, the associate must immediately notify the on-duty department supervisor for prompt deactivation.

(10) If an associate does not have their electronic access control card, an approved escort must scan (or unlock) the entryway of the secure area(s) that is pertinent to the associate's job function.

- (i) Approved escorts are not required to remain with authorized Casino Associates who do not have their scan badge after the initial escort to the location, once they have confirmed the individual requesting access has a valid gaming license issued by the Choctaw Nation Gaming Commission (CNGC).

(11) Additional requirements regarding restricted area entry control standards are located in the "General TICS" section of this document.

**(h) Information Technology Server Room Entry Log.**

(1) Each person (including escort) is responsible for ensuring the Server Room Log is completed in its entirety with all required information.

- (i) At a minimum, the following information must be legibly recorded on the Server Room Entry Log:

(A) Date:

(B) First and last name and gaming license or temporary work license number of all persons entering:

(C) Company name/department:

(D) Reason for entry:

(E) Time in; and

(F) Time out.

- (ii) All logs must be provided to the CNGC upon request.

**(i) Transfers/draws.**

(1) Security Officers are prohibited from opening the money safe or accessing the funds inside the safe.

(2) The transport of funds (i.e., cash, chips) in the amount of [REDACTED] or more within the facility and/or the transport of ANY amount of funds to an adjacent location requires a Security escort. The authorized associates must be responsible for recording, acquiring and distributing the money transfer and/or draw.

(3) All currency transports require the funds to be secured during transport using an approved bag/container which must be locked and unlocked under video surveillance.

- (i) Access to the bag/container keys during currency transport is prohibited when transport cannot be continuously viewed by Surveillance.

(ii) The chips/cheques and/or tokens being transported must be in a "birdcage" (or other approved container).

(4) Any fund transfers and/or draws without a Security escort must be transported directly to and from the designated location(s).

- (i) The gaming operation must establish and implement written procedures regarding unescorted fund transports for Tier B and C facilities.

(A) These procedures must include a requirement to notify Surveillance prior to transporting funds exceeding [REDACTED].

(5) Security or other designated departments as approved by the CNGC, must be the runner for chips/cheques and/or tokens to or from the pit area. The chips/cheques and/or tokens being transported, must be in a "birdcage" (or other approved container) and accompanied by the proper transfer forms.

**(j) Found chip/currency/ticket(s).**

(1) All facilities must ensure that a secured method is available for associates to process and maintain all found chip/currency/ticket(s).

- (i) This method must include provisions for continuous surveillance coverage and require adequate documentation.

(2) The found chip/currency/ticket(s) must be audited by Revenue Audit, on at least a monthly basis.

**(k) Found credits.** Any associate who discovers credits left on an unattended gaming machine (with no apparent sign of the Guest returning) must cash out the credits and follow the found ticket procedure.

**(l) Found Choctaw Rewards Club Cards.**

- (1) All facilities must ensure that associates have access to a secured container for the immediate deposit of all received/found Choctaw Rewards Club Cards.
  - (i) The secured container(s) must be maintained under adequate surveillance coverage and contents must be retrieved by independent personnel.
  - (ii) The independent department responsible for destroying Choctaw Rewards Club Cards must be Security or other designated departments, as approved by the CNGC.
  - (iii) Disposal of lost Choctaw Rewards Club Cards must be completed on at least a monthly basis in an area with surveillance coverage.

**(m) Card destruction (Table/Card Games).**

- (1) The independent department responsible for card destruction must be Security or other designated departments, as approved by the CNGC.
  - (i) The method of card destruction used must be approved by the CNGC prior to implementation.
  - (ii) Surveillance must be notified prior to the destruction of cards. Destruction must be performed under surveillance coverage or involve at least two (2) designated associates.

**(n) Dice and roulette ball destruction (Table/Card Games).**

- (1) The independent department responsible for dice and roulette ball destruction must be Security or other designated departments, as approved by the CNGC.
  - (i) The method of dice and roulette ball destruction used must be approved by the CNGC prior to implementation.
  - (ii) Surveillance must be notified prior to the destruction of dice and roulette balls. Destruction must be performed under surveillance coverage or involve at least two (2) designated associates.

**(o) Bingo card/Pull-tab destruction.**

- (1) The independent department responsible for Bingo card/Pull-tab destruction must be Security or other designated departments, as approved by the CNGC.
  - (i) The Bingo card/Pull-tab destruction method must be approved by the CNGC prior to implementation.
  - (ii) Surveillance must be notified prior to the destruction of cards. Destruction must be performed under surveillance coverage or involve at least two (2) designated associates.

**(p) Procedure violations.**

- (1) Security Officers should file a report of any procedure violation(s) witnessed on casino property.
  - (i) When submitting reports of violations a copy of the report must be made available to the Site or department manager, the Compliance Department and the CNGC ([cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com)).

**(q) Lost and found.**

- (1) The gaming operation must establish and implement written procedures, as approved by the CNGC, that addresses lost/found items (excluding Choctaw Rewards Club Cards and found chip/currency/ticket[s]) found by or turned in to Choctaw Casino Associates.
- (2) Additional requirements regarding lost and found standards are located in the "General TICS" section of this document.

**(r) Casino-banned and/or self-banned guests.**

- (1) When a Guest is verified as casino-banned or self-banned, Security must immediately notify Surveillance and promptly escort the Guest off of the premises.
- (2) Any promotional items, tickets and/or chips in the amount of [REDACTED] or more obtained as a result of a wager made within Choctaw Casinos will be forfeited. All promotional items forfeited will be awarded to an eligible casino

Guest in a manner approved by Choctaw Nation Gaming Commission. All other forfeiture amounts will be donated to a federally recognized non-profit organization.

(3) All gaming funds forfeited by casino-banned or self-banned Guests must be documented in the Vault.

(4) Additional requirements regarding casino-banned and/or self-banned Guest standards are located in the "General TICS" section of this document.

**(s) Trash.**

(1) Trash can liners used in Cage/Vault areas (including temporary and satellite Cages/Vaults) or card/dice/roulette ball storage areas must be transparent. Trash from these designated areas must be sifted through in the presence of a Security Officer, or other designated independent department associates as approved by the CNGC, before being removed from the secure area.

(i) Areas such as food and beverage bartending areas, gift shops, arcades, etc. are excluded from the above-mentioned requirement.

(ii) The Security Officer, or designated associate, is responsible for ensuring the trash is sifted thoroughly. The Security Officer, or designated associate, may request the associate to repeat the procedure if the process was not completed sufficiently.

**(t) Additional requirements.**

(1) Security must observe activities in restricted areas when requested by Surveillance, upper management and/or CNGC.

(2) Additional requirements regarding other pertinent standards are located in the "General TICS" section of this document.

## **§ 542.23 Surveillance Tier A**

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**§ 542.23 What are the minimum internal control standards for surveillance for Tier A gaming operations?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) Tier A gaming operations must, at a minimum, maintain and operate an unstaffed surveillance system in a secured location whereby the areas under surveillance are continually recorded.
- (1) The adjacent Choctaw Casino must have responsibility for the oversight of any Travel Plaza casino surveillance system that does not have a staffed Surveillance Department and is located within close physical proximity.
- (i) Additional duties of the adjacent casino Surveillance Department must consist of:
- (A) On a daily basis, a Surveillance Associate must view a minimum of one (1) hour of video of the gaming operation. The review, if not viewed live, must be recorded to either an analog or digital storage device and reviewed by a Surveillance Operator on site or at the staffed Tier B or C casino Surveillance Room. Alternatively, a Surveillance Associate may perform a review once a week that must consist of one (1) hour of video of the gaming operation from each day of that week (reviewing a minimum of seven [7] hours).
- (2) The system equipment, whether analog or digital devices, must be housed within a secured room or cabinet accessible only to authorized Surveillance Department Associates and/or other authorized associates as approved by the CNGC and/or the Surveillance Director. Any secured cabinet must be placed in a manner which prohibits the cabinet from being moved. This prevents the equipment from being unplugged from its power source and rendering the equipment inoperable.
- (3) Housing for the surveillance system equipment must have adequate ventilation to prevent overheating.
- (b) The entrance to the secured location shall be located so that it is not readily accessible by either gaming operation employees who work primarily on the casino floor, or the general public.
- (c) Access to the secured location shall be limited to surveillance personnel, designated employees, and other persons authorized in accordance with the surveillance department policy. Such policy shall be approved by the Tribal gaming regulatory authority.
- (1) Access to the Surveillance Room must be restricted to the following:
- (i) Surveillance Associates;
- (ii) Choctaw Nation Surveillance Technology Department;
- (iii) CNGC;
- (iv) Choctaw Nation **Lighthorse** Police Director and Executive Director;
- (v) State Compliance Agency; and
- (vi) National Indian Gaming Commission.
- (vii) All other individuals must be approved and documented by the Surveillance Director, **Senior Regional** Surveillance Manager, or CNGC.
- (2) A Surveillance Entry Log must be maintained in the Surveillance Room or secured equipment cabinet.
- (i) All persons entering the Surveillance Room must be documented (via electronic access or the Surveillance Entry Log).
- (A) Surveillance Operators working an assigned shift are excluded from completing the manual Surveillance Entry Log.
- (ii) At a minimum the following information must be recorded if a Surveillance Entry Log is used to document the entry:
- (A) Date;
- (B) **First and last name;**
- (C) Company name/department;
- (D) Reason for entry;
- (E) Time in; and

(F) Time out.

(iii) All logs must be provided to the CNGC upon request.

(d) The surveillance system shall include date and time generators that possess the capability to display the date and time of recorded events on video and/or digital recordings. The displayed date and time shall not significantly obstruct the recorded view.

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

(1) At a minimum, all Surveillance Associates are required to receive annual training for areas of observation pertinent to their facility. In addition, Surveillance Associates will be trained promptly regarding new system equipment, new types of gaming and all approved policies and procedures for departments where surveillance is provided. Training records must be maintained by the Surveillance Department identifying the following:

(i) First and last name of the individual associate(s) receiving training;

(ii) Dates of training;

(iii) Description and type of training; and

(iv) First and last name of the training official.

(2) While Surveillance Associates are participating in shadow training in various casino departments, the approved escort is not required to remain with the Surveillance Associate after the initial escort to the location.

(3) A current copy of the House Rules and approved policies and procedures for departments where surveillance is provided must be readily accessible to all Surveillance Associates.

(4) The Surveillance Department must maintain current promotional information provided by departments hosting the promotion(s).

(i) Surveillance Associates must request additional information necessary to adequately understand and monitor the event.

(f) Each camera required by the standards in this section shall be installed in a manner that will prevent it from being readily obstructed, tampered with, or disabled by customers or employees.

(g) Each camera required by the standards in this section shall possess the capability of having its picture recorded. The surveillance system shall include sufficient numbers of recorders to simultaneously record multiple gaming and count room activities, and record the views of all dedicated cameras and motion activated dedicated cameras.

(h) Reasonable effort shall be made to repair each malfunction of surveillance system equipment required by the standards in this section within seventy-two (72) hours after the malfunction is discovered. The Tribal gaming authority shall be notified of any camera(s) that has malfunctioned for more than twenty-four (24) hours.

(1) In the event of a dedicated camera malfunction, the gaming operation and/or the surveillance department shall, upon identification of the malfunction, provide alternative camera coverage or other security measures, such as additional supervisory or security personnel, to protect the subject activity.

(i) Surveillance may request Security to observe activities in restricted areas, as necessary, due to inadequate camera coverage.

(ii) If Security is unavailable, a Surveillance Associate or Department Manager may be posted to directly observe the activity.

(2) [Reserved]

(3) On a weekly basis, a Surveillance Associate must ensure MICS/TICS required cameras are operating and recording properly (including accuracy of time and date stamp) by viewing live footage of each applicable camera. Written documentation must be recorded on the Video Library Log.

(4) Repairs (camera resets, server resets, etc.) performed by a Surveillance Associate must be documented. Additional repairs that require a work order request must be submitted to the Choctaw Nation Surveillance Technology Department to allow scheduling for further technical assistance.

(i) **Bingo.** The surveillance system shall record the bingo ball drawing device, the game board, and the activities of the employees responsible for drawing, calling, and entering the balls drawn or numbers selected.

## § 542.23 Surveillance Tier A

- (j) **Card games.** The surveillance system shall record the general activities in each card room and be capable of identifying the employees performing the different functions.
- (k) **Keno.** The surveillance system shall record the keno ball-drawing device, the general activities in each keno game area, and be capable of identifying the employees performing the different functions.
- (l) **Table games.**
- (1) *Operations with four (4) or more table games.* Except as otherwise provided in paragraphs (l)(3), (l)(4), and (l)(5) of this section, the surveillance system of gaming operations operating four (4) or more table games shall provide at a minimum one (1) pan-tilt-zoom camera per two (2) tables and surveillance must be capable of taping:
- (i) With sufficient clarity to identify customers and dealers; and
  - (ii) With sufficient coverage and clarity to simultaneously view the table bank and determine the configuration of wagers, card values, and game outcome.
  - (iii) One (1) dedicated camera per table and one (1) pan-tilt-zoom camera per four (4) tables may be an acceptable alternative procedure to satisfy the requirements of this paragraph.
- (2) *Operations with three (3) or fewer table games.* The surveillance system of gaming operations operating three (3) or fewer table games shall:
- (i) Comply with the requirements of paragraph (l)(1) of this section; or
  - (ii) Have one (1) overhead camera at each table.
- (3) *Craps.* All craps tables shall have two (2) dedicated cross view cameras covering both ends of the table.
- (i) Surveillance must ensure the numbers placed on the tables can be clearly identified from the Surveillance Room.
  - (ii) Surveillance must be able to identify customers and dealers.
- (4) *Roulette.* All roulette areas shall have one (1) overhead dedicated camera covering the roulette wheel and shall also have one (1) dedicated camera covering the play of the table.
- (i) Surveillance must ensure the numbers placed on the tables can be clearly identified from the Surveillance Room.
  - (ii) Surveillance must be able to identify customers and dealers.
- (5) *Big wheel.* All big wheel games shall have one (1) dedicated camera viewing the wheel.

**(m) Progressive table games.**

- (1) Progressive table games with a progressive jackpot of \$25,000 or more shall be recorded by dedicated cameras that provide coverage of:
- (i) The table surface, sufficient that the card values and card suits can be clearly identified;
  - (ii) An overall view of the entire table with sufficient clarity to identify customers and dealer; and
  - (iii) A view of the progressive meter jackpot amount. If several tables are linked to the same progressive jackpot meter, only one meter need be recorded.
- (2) [Reserved]

**(n) Gaming machines.**

- (1) Except as otherwise provided in paragraphs (n)(2) and (n)(3) of this section, gaming machines offering a payout of more than \$250,000 shall be recorded by a dedicated camera(s) to provide coverage of:
- (i) All customers and employees at the gaming machine; and
  - (ii) The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine.
- (2) *In-house progressive machine.* In-house progressive gaming machines offering a base payout amount (jackpot reset amount) of more than \$100,000 shall be recorded by a dedicated camera(s) to provide coverage of:

- (i) All customers and employees at the gaming machine; and
  - (ii) The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine.
  - (iii) The gaming operation must provide the Surveillance Department and Revenue Audit Department with a list of all re-seed or base amounts for each In-House Progressive Gaming Machine. This list must be updated by the operation anytime new progressive gaming machines are installed.
- (3) *Wide-area progressive machine.* Wide-area progressive gaming machines offering a base payout amount of \$1 million or more and monitored by an independent vendor utilizing an on-line progressive computer system shall be recorded by a dedicated camera(s) to provide coverage of:
- (i) All customers and employees at the gaming machine; and
  - (ii) The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine.
  - (iii) The gaming operation must provide the Surveillance Department and Revenue Audit Department with a list of all re-seed or base amounts for each Wide-Area Progressive Gaming Machine. This list must be updated by the operation anytime new progressive gaming machines are installed.
- (4) Notwithstanding paragraph (n)(1) of this section, if the gaming machine is a multi-game machine, the Tribal gaming regulatory authority, or the gaming operation subject to the approval of the Tribal gaming regulatory authority, may develop and implement alternative procedures to verify payouts.
- (5) All Surveillance Associates must have knowledge of MICS 542.23 (n)(1-3). In addition, Surveillance Associates must be able to identify gaming machines that require the above-mentioned coverage pertinent to their site.
- (o) Currency and coin.** The surveillance system shall record a general overview of all areas where currency or coin may be stored or counted.
- (1) The surveillance system must record audio of the Soft Count Room and all Cage Booths.
  - (2) Gaming operations that utilize the adjacent money cart storage room for the removal of money from the bill canisters must have surveillance and audio coverage the same as the Soft Count Room. Alternatively, a Security Officer can be utilized if area lacks audio coverage.
- (p) Video recording and/or digital record retention.**
- (1) All video recordings and/or digital records of coverage provided by the dedicated cameras or motion-activated dedicated cameras required by the standards in this section shall be retained for a minimum of seven (7) days.
    - (i) Any system capable of retaining digital recordings greater than the seven (7) day minimum requirement must do so to the fullest extent of the recording system.
  - (2) Recordings involving suspected or confirmed gaming crimes, unlawful activity, or detentions by security personnel, must be retained for a minimum of thirty (30) days.
    - (i) All records/recordings must be kept confidential and maintained as follows:
      - (A) Photo(s) and/or video related to a Suspicious Activity Report (SAR) must be maintained for a minimum of five (5) years (once the Surveillance Department Manager has been notified by the designated BSA/AML Compliance Associate(s) [via email] of suspicious activity).
      - (B) All other administrative/criminal investigations-minimum of one (1) year.
    - (ii) The Surveillance Department must provide audio and video coverage of the designated holding room (if applicable) when they are notified by Security regarding the detainment, interview or interrogation of any Guest suspected of illegal or unlawful activities.
  - (3) Duly authenticated copies of video recordings and/or digital records shall be provided to the Commission upon request.
  - (4) For reviewing surveillance material, at the site, authorized associates must utilize the review room. If a review room is unavailable, all monitors must be turned off so that only the review screen is visible. The associates listed below are authorized to review recorded surveillance materials:

- (i) Associates and management staff of: Choctaw Surveillance Department, Choctaw **Lighthorse** Police Department, CNGC, State Compliance Agency (SCA), Choctaw Nation Risk Management Departments, NIGC, when in the course of their official duties.
  - (ii) On-duty casino management and Security Officers may review recorded surveillance material upon receiving approval from Surveillance Management. Approval must only be granted for the immediate resolution of incidents that require aid in the identification of the recorded event, such as clarifying specific associate/Guest actions or for the "live monitoring/review" of associates to ensure procedural compliance.
  - (iii) The review of surveillance recordings by a person(s) and/or agencies outside the above-identified departments requires prior notification and approval of the Senior Director of Gaming Commission or their designee.
- (5) The release of surveillance recordings to person(s) and/or agencies outside the above-identified departments requires a written authorization issued by the Senior Director of Gaming Commission or their designee. All subpoenas issued by a court of competent jurisdiction must be forwarded to the Senior Director of Gaming Commission. No surveillance materials must be released until written authorization is received from the Senior Director of Gaming Commission or their designee.
- (i) The Surveillance Director and the **Senior Regional** Surveillance Manager have been authorized by the Senior Director of Gaming Commission as a designee for release of surveillance recordings.
- (6) Any suspicious activity observed by Surveillance Associates must be adequately documented, maintained, and submitted to the designated BSA/AML Compliance Associate(s).
- (q) Video library log.** A video library log, or comparable alternative procedure approved by the Tribal gaming regulatory authority, shall be maintained to demonstrate compliance with the storage, identification, and retention standards required in this section.
- (r) Malfunction and repair log.**
- (1) Surveillance personnel shall maintain a log or alternative procedure approved by the Tribal gaming regulatory authority that documents each malfunction and repair of the surveillance system as defined in this section.
    - (i) All logs must be provided to the CNGC upon request.
  - (2) The log shall state the time, date, and nature of each malfunction, the efforts expended to repair the malfunction, and the date of each effort, the reasons for any delays in repairing the malfunction, the date the malfunction is repaired, and where applicable, any alternative security measures that were taken.
- (s) Surveillance log.**
- (1) Surveillance Associates must maintain a log of all surveillance activities.
  - (2) Such log must be maintained by Surveillance Associates and must be stored securely within the Surveillance Department.
  - (3) At a minimum, the following information must be recorded in a Surveillance log:
    - (i) Date;
    - (ii) Time commenced and terminated;
    - (iii) Activity observed or performed; and
    - (iv) The **first and last** name or gaming license number of each person who initiates, performs or supervises the surveillance.
  - (4) Surveillance Associates must also record a summary of the results of the surveillance of any suspicious activity. This summary must be maintained and provided (via email) to the designated BSA/AML Compliance Associate(s).
    - (i) All logs must be provided to the CNGC upon request.
- (t) Notification of variance.**
- (1) Surveillance administration must establish and implement procedures, as approved by the CNGC, for reviewing and reporting any unresolved variances of [REDACTED] or more and submit their review report to the CNGC at [cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com).
  - (2) Additional requirements regarding notification of variance standards are located in the "General TICS" section of this document.

**(u) Standards for drop.**

- (1) Surveillance must review and approve/deny any submitted adjustments to the drop route.
  - (i) The decision to approve/deny must be communicated (via email) to the requesting department.
- (2) Surveillance must ensure an accurate drop route and count schedule (including breaks) is received, to allow for adequate monitoring of the drop and count process.

**(v) Rewards Club Cards.** A Surveillance system capable of recording a general overview of all areas where Choctaw Rewards Club Cards are issued is required.

*[MICS Revision 542 October 2008]*

## **§ 542.33 Surveillance Tier B**

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**§ 542.33 What are the minimum internal control standards for surveillance for Tier B gaming operations?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) The surveillance system shall be maintained and operated from a staffed surveillance room and shall provide surveillance over gaming areas.
- (1) If monitored at another facility via fiber optic capabilities, a Surveillance Associate must provide continuous observation of Tier B activities.
- (2) The system equipment, whether analog or digital devices, must be housed within a secured room or cabinet accessible only to authorized Surveillance Department Associates and/or other authorized associates as approved by the CNGC and/or the Surveillance Director. Any secured cabinet must be placed in a manner which prohibits the cabinet from being moved. This prevents the equipment from being unplugged from its power source and rendering the equipment inoperable.
- (3) Housing for the surveillance system equipment must have adequate ventilation to prevent overheating.
- (b) The entrance to the surveillance room shall be located so that it is not readily accessible by either gaming operation employees who work primarily on the casino floor, or the general public.
- (c) Access to the surveillance room shall be limited to surveillance personnel, designated employees, and other persons authorized in accordance with the surveillance department policy. Such policy shall be approved by the Tribal gaming regulatory authority. The surveillance department shall maintain a sign-in log of other authorized persons entering the surveillance room.
- (1) Access to the Surveillance Room must be restricted to the following:
- (i) Surveillance Associates;
- (ii) Choctaw Nation Surveillance Technology Department;
- (iii) CNGC;
- (iv) Choctaw Nation Lighthorse Police Director and Executive Director;
- (v) State Compliance Agency; and
- (vi) National Indian Gaming Commission.
- (vii) All other individuals must be approved and documented by the Surveillance Director, the Senior Regional Surveillance Manager, or CNGC.
- (2) A Surveillance Entry Log must be maintained in the Surveillance Room or secured equipment cabinet.
- (i) All persons entering the Surveillance Room must be documented (via electronic access or the Surveillance Entry Log).
- (A) Surveillance Operators working an assigned shift are excluded from completing the manual Surveillance Entry Log.
- (ii) At a minimum the following information must be recorded if a Surveillance Entry Log is used to document the entry:
- (A) Date;
- (B) First and last name;
- (C) Company name/department;
- (D) Reason for entry;
- (E) Time in; and
- (F) Time out.
- (iii) All logs must be provided to the CNGC upon request.
- (d) Surveillance room equipment shall have total override capability over all other satellite surveillance equipment located outside the surveillance room.



- (e) The surveillance system shall include date and time generators that possess the capability to display the date and time of recorded events on video and/or digital recordings. The displayed date and time shall not significantly obstruct the recorded view.
- (f) The surveillance department shall strive to ensure staff is trained in the use of the equipment, knowledge of the games, and house rules.
  - (1) At a minimum, all Surveillance Associates are required to receive annual training for areas of observation pertinent to their facility. In addition, Surveillance Associates will be trained promptly regarding new system equipment, new types of gaming and all approved policies and procedures for departments where surveillance is provided. Training records must be maintained by the Surveillance Department identifying the following:
    - (i) First and last name of the individual associate(s) receiving training;
    - (ii) Dates of training;
    - (iii) Description and type of training; and
    - (iv) First and last name of the training official.
  - (2) While Surveillance Associates are participating in shadow training in various casino departments, the approved escort is not required to remain with the Surveillance Associate after the initial escort to the location.
  - (3) A current copy of the House Rules and approved policies and procedures for departments where surveillance is provided must be readily accessible to all Surveillance Associates.
  - (4) The Surveillance Department must maintain current promotional information provided by departments hosting the promotion(s).
    - (i) Surveillance Associates must request additional information necessary to adequately understand and monitor the event.
- (g) Each camera required by the standards in this section shall be installed in a manner that will prevent it from being readily obstructed, tampered with, or disabled by customers or employees.
- (h) Each camera required by the standards in this section shall possess the capability of having its picture displayed on a monitor and recorded. The surveillance system shall include sufficient numbers of monitors and recorders to simultaneously display and record multiple gaming and count room activities, and record the views of all dedicated cameras and motion activated dedicated cameras.
- (i) Reasonable effort shall be made to repair each malfunction of surveillance system equipment required by the standards in this section within seventy-two (72) hours after the malfunction is discovered. The Tribal gaming regulatory authority shall be notified of any camera(s) that has malfunctioned for more than twenty-four (24) hours.
  - (1) In the event of a dedicated camera malfunction, the gaming operation and/or surveillance department shall immediately provide alternative camera coverage or other security measures, such as additional supervisory or security personnel, to protect the subject activity.
    - (i) Surveillance may request Security to observe activities in restricted areas, as necessary, due to inadequate camera coverage.
    - (ii) If Security is unavailable, a Surveillance Associate or Department Manager may be posted to directly observe the activity.
  - (2) [Reserved]
  - (3) On a daily basis, a Surveillance Associate must ensure MICS/TICS required cameras are operating and recording properly (including accuracy of time and date stamp) by viewing live footage of each applicable camera. Written documentation must be recorded on the Video Library Log.
  - (4) Repairs (camera resets, server resets, etc.) performed by a Surveillance Associate must be documented. Additional repairs require a work order request be submitted to the Choctaw Nation Surveillance Technology Department to allow scheduling for further technical assistance.
- (j) **Bingo.**
  - (1) The surveillance system shall possess the capability to monitor the bingo ball drawing device or random number generator, which shall be recorded during the course of the draw by a dedicated camera with sufficient clarity to identify the balls drawn or numbers selected.

- (2) The surveillance system shall monitor and record the game board and the activities of the employees responsible for drawing, calling, and entering the balls drawn or numbers selected.

(3) The surveillance system must provide synchronized audio and video recording of the Bingo caller stand sufficient to allow the Surveillance Operator to view the number on the drawn Bingo ball, hear the number as it is being called and see the rack position where the called Bingo ball is placed.

- (k) **Card games.** The surveillance system shall monitor and record general activities in each card room with sufficient clarity to identify the employees performing the different functions.

**(l) Progressive card games.**

- (1) Progressive card games with a progressive jackpot of \$25,000 or more shall be monitored and recorded by dedicated cameras that provide coverage of:

- (i) The table surface, sufficient that the card values and card suits can be clearly identified;
- (ii) An overall view of the entire table with sufficient clarity to identify customers and dealer; and
- (iii) A view of the posted jackpot amount.

- (2) [Reserved]

**(m) Keno.**

- (1) The surveillance system shall possess the capability to monitor the keno ball-drawing device or random number generator, which shall be recorded during the course of the draw by a dedicated camera with sufficient clarity to identify the balls drawn or numbers selected.
- (2) The surveillance system shall monitor and record general activities in each keno game area with sufficient clarity to identify the employees performing the different functions.

**(n) Pari-mutuel.**

- (1) The surveillance system shall monitor and record general activities in the pari-mutuel area, to include the ticket writer and cashier areas, with sufficient clarity to identify the employees performing the different functions.

**(o) Table games.**

- (1) *Operations with four (4) or more table games.* Except as otherwise provided in paragraphs (o)(3), (o)(4), and (o)(5) of this section, the surveillance system of gaming operations operating four (4) or more table games shall provide at a minimum one (1) pan-tilt-zoom camera per two (2) tables and surveillance must be capable of taping:
  - (i) With sufficient clarity to identify customers and dealers; and
  - (ii) With sufficient coverage and clarity to simultaneously view the table bank and determine the configuration of wagers, card values, and game outcome.
  - (iii) One (1) dedicated camera per table and one (1) pan-tilt-zoom camera per four (4) tables may be an acceptable alternative procedure to satisfy the requirements of this paragraph.
- (2) *Operations with three (3) or fewer table games.* The surveillance system of gaming operations operating three (3) or fewer table games shall:
  - (i) Comply with the requirements of paragraph (o)(1) of this section; or
  - (ii) Have one (1) overhead camera at each table.
- (3) *Craps.* All crap tables shall have two (2) dedicated cross view cameras covering both end of the table.
  - (i) Surveillance must ensure the numbers placed on the tables can be clearly identified from the Surveillance Room.
  - (ii) Surveillance must be able to identify customers and dealers.
- (4) *Roulette.* All roulette areas shall have one (1) overhead dedicated covering the roulette wheel and shall also have one (1) dedicated camera covering the play of the table.

(i) Surveillance must ensure the numbers placed on the tables can be clearly identified from the Surveillance Room.

(ii) Surveillance must be able to identify customers and dealers.

(5) *Big wheel.* All big wheel games shall have one (1) dedicated camera viewing the wheel.

**(p) Progressive table games.**

(1) Progressive table games with a progressive jackpot of \$25,000 or more shall be monitored and recorded by dedicated cameras that provide coverage of:

(i) The table surface, sufficient that the card values and card suits can be clearly identified;

(ii) An overall view of the entire table with sufficient clarity to identify customers and dealer; and

(iii) A view of the progressive meter jackpot amount. If several tables are linked to the same progressive jackpot meter, only one meter need be recorded.

(2) [Reserved]

**(q) Gaming machines.**

(1) Except as otherwise provided in paragraphs (q)(2) and (q)(3) of this section, gaming machines offering a payout of more than \$250,000 shall be monitored and recorded by a dedicated camera(s) to provide coverage of:

(i) All customers and employees at the gaming machine; and

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

(2) *In-house progressive machine.* In-house progressive gaming machines offering a base payout amount (jackpot reset amount) of more than \$100,000 shall be monitored and recorded by a dedicated camera(s) to provide coverage of:

(i) All customers and employees at the gaming machine; and

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

(iii) The gaming operation must provide the Surveillance Department and Revenue Audit Department with a list of all re-seed or base amounts for each In-House Progressive Gaming Machine. This list must be updated by the operation anytime new progressive gaming machines are installed.

(3) *Wide-area progressive machine.* Wide-area progressive gaming machines offering a base payout amount of \$1 million or more and monitored by an independent vendor utilizing an on-line progressive computer system shall be recorded by a dedicated camera(s) to provide coverage of:

(i) All customers and employees at the gaming machine; and

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

(iii) The gaming operation must provide the Surveillance Department and Revenue Audit Department with a list of all re-seed or base amounts for each Wide-Area Progressive Gaming Machine. This list must be updated by the operation anytime new progressive gaming machines are installed.

(4) Notwithstanding paragraph (q)(1) of this section, if the gaming machine is a multi-game machine, the Tribal gaming regulatory authority, or the gaming operation subject to the approval of the Tribal gaming regulatory authority, may develop and implement alternative procedures to verify payouts.

(5) All Surveillance Associates must have knowledge of MICS 542.33 (q)(1-3). In addition, Surveillance Associates must be able to identify gaming machines that require the above-mentioned coverage pertinent to their site.

**(r) Cage and vault.**

(1) The surveillance system shall monitor and record a general overview of activities occurring in each cage and vault area with sufficient clarity to identify employees within the cage and customers and employees at the counter areas.

(i) A dedicated camera must be positioned over the designated draw slip area to clearly identify all amounts indicated on draw slips of one thousand dollars (\$1,000) or more.

(A) Surveillance may request additional time to allow for adequate review of the draw slip.

- (2) Each cashier station shall be equipped with one (1) dedicated overhead camera covering the transaction area.
- (3) The surveillance system shall provide an overview of cash transactions. This overview should include the customer, the employee, and the surrounding area.

**(s) Fills and credits.**

- (1) The cage or vault area in which fills and credits are transacted shall be monitored and recorded by a dedicated camera or motion activated dedicated camera that provides coverage with sufficient clarity to identify the chip values and the amounts on the fill and credit slips.
- (2) Controls provided by a computerized fill and credit system may be deemed an adequate alternative to viewing the fill and credit slips.

**(t) Currency and coin.**

- (1) The surveillance system shall monitor and record with sufficient clarity all areas where currency or coin may be stored or counted.

(i) The surveillance system must record audio of the Soft Count Room.

(ii) Gaming operations that utilize the adjacent Money Cart Storage Room for the removal of money from the bill canisters must have surveillance and audio coverage the same as the Soft Count Room. Alternatively, a Security Officer can be utilized if area lacks audio coverage.

- (2) The surveillance system shall provide for:

- (i) Coverage of scales shall be sufficiently clear to view any attempted manipulation of the recorded data.
- (ii) Monitoring and recording of the table game drop box storage rack or area by either a dedicated camera or a motion-detector activated camera.
- (iii) Monitoring and recording of all areas where coin may be stored or counted, including the hard count room, all doors to the hard count room, all scales and wrapping machines, and all areas where uncounted coin may be stored during the drop and count process.
- (iv) Monitoring and recording of soft count room, including all doors to the room, all table game drop boxes, safes, and counting surfaces, and all count team personnel. The counting surface area must be continuously monitored and recorded by a dedicated camera during the soft count.
- (v) Monitoring and recording of all areas where currency is sorted, stacked, counted, verified, or stored during the soft count process.

**(u) Change booths.** The surveillance system shall monitor and record a general overview of the activities occurring in each gaming machine change booth.

(1) The surveillance system must record audio of all Cage Booths.

**(v) Video recording and/or digital record retention.**

- (1) All video recordings and/or digital records of coverage provided by the dedicated cameras or motion-activated dedicated cameras required by the standards in this section shall be retained for a minimum of seven (7) days.

(i) Any system capable of retaining digital recordings greater than the seven (7) day minimum requirement must do so to the fullest extent of the recording system.

- (2) Recordings involving suspected or confirmed gaming crimes, unlawful activity, or detentions by security personnel, must be retained for a minimum of thirty (30) days.

(i) All records/recordings must be kept confidential and maintained as follows:

(A) Photo(s) and/or video related to a Suspicious Activity Report (SAR) must be maintained for a minimum of five (5) years (once the Surveillance Department Manager has been notified by the designated BSA/AML Compliance Associate(s) [via email] of suspicious activity).

(B) All other administrative/criminal investigations-minimum of one (1) year.

(ii) The Surveillance Department must provide audio and video coverage of the designated holding room (if applicable) when they are notified by Security regarding the detainment, interview or interrogation of any Guest suspected of illegal or unlawful activities.

(3) Duly authenticated copies of video recordings and/or digital records shall be provided to the Commission upon request.

(4) For reviewing surveillance material, at the site, authorized associates must utilize the Review Room. If a Review Room is unavailable, all monitors must be turned off so that only the review screen is visible. The associates listed below are authorized to review recorded surveillance materials:

(i) Associates and management staff of: Choctaw Surveillance Department, Choctaw Lighthorse Police Department, CNGC, State Compliance Agency (SCA), Choctaw Nation Risk Management Departments, NIGC, when in the course of their official duties.

(ii) On-duty casino management and Security Officers may review recorded surveillance material upon receiving approval from Surveillance Management. Approval must only be granted for the immediate resolution of incidents that require them to aid in the identification of the recorded event, such as clarifying specific associate/Guest actions or for the "live monitoring/review" of associates to ensure procedural compliance.

(iii) The review of surveillance recordings by a person(s) and/or agencies outside the above-identified departments requires prior notification and approval of the Senior Director of Gaming Commission or their designee.

(5) The release of surveillance recordings to person(s) and/or agencies outside the above-identified departments requires a written authorization issued by the Senior Director of Gaming Commission or their designee. All subpoenas issued by a court of competent jurisdiction must be forwarded to the Senior Director of Gaming Commission. No surveillance materials must be released until written authorization is received from the Senior Director of Gaming Commission or their designee.

(i) The Surveillance Director and the Senior Regional Surveillance Manager have been authorized by the Senior Director of Gaming Commission as a designee for release of surveillance recordings.

(6) Any suspicious activity observed by Surveillance Associates must be adequately documented, maintained and submitted to the designated BSA/AML Compliance Associate(s).

**(w) Video library log.** A video library log, or comparable alternative procedure approved by the Tribal gaming regulatory authority, shall be maintained to demonstrate compliance with the storage, identification, and retention standards required in this section.

**(x) Malfunction and repair log.**

(1) Surveillance personnel shall maintain a log or alternative procedure approved by the Tribal gaming regulatory authority that documents each malfunction and repair of the surveillance system as defined in this section.

(i) All logs must be provided to the CNGC upon request.

(2) The log shall state the time, date, and nature of each malfunction, the efforts expended to repair the malfunction, and the date of each effort, the reasons for any delays in repairing the malfunction, the date the malfunction is repaired, and where applicable, any alternative security measures that were taken.

**(y) Surveillance log.**

(1) Surveillance personnel shall maintain a log of all surveillance activities.

(2) Such log shall be maintained by surveillance room personnel and shall be stored securely within the surveillance department.

(3) At a minimum, the following information shall be recorded in a surveillance log:

(i) Date;

(ii) Time commenced and terminated;

(iii) Activity observed or performed; and

(iv) The name or license credential number of each person who initiates, performs, or supervises the surveillance.

(4) Surveillance personnel shall also record a summary of the results of the surveillance of any suspicious activity. This summary may be maintained in a separate log.

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- (i) This summary must be maintained and provided (via email) to the designated BSA/AML Compliance Associate(s).
- (ii) All logs must be provided to the CNGC upon request.

**(z) Notification of variance.**

- (1) Surveillance administration must establish and implement procedures, as approved by the CNGC, for reviewing and reporting any unresolved variances of [REDACTED] or more and submit their review report to the CNGC at [cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com).
- (2) Additional requirements regarding notification of variance standards are located in the "General TICS" section of this document.

**(aa) Standards for drop.**

- (1) For Tier B and C facilities, Surveillance must continuously monitor the drop process and provide adequate camera coverage of unverified funds within the facility.
- (2) Surveillance must review and approve/deny any submitted adjustments to the drop route.
  - (i) The decision to approve/deny must be communicated (via email) to the requesting department.
- (3) Surveillance must ensure an accurate drop route and count schedule (including breaks) is received, to allow for adequate monitoring of the drop and count process.

**(bb) Rewards Club Cards.** A Surveillance system capable of recording a general overview of all areas where Choctaw Rewards Club Cards are issued is required.

*[MICS Revision 542 October 2008]*

## **§ 542.43 Surveillance Tier C**

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**§ 542.43 What are the minimum internal control standards for surveillance for Tier C gaming operations?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) The surveillance system shall be maintained and operated from a staffed surveillance room and shall provide surveillance over gaming areas.
- (1) If a Tier C facility monitors a Tier B facility via fiber optic capabilities, a Surveillance Associate must provide continuous observation of Tier B activities.
- (2) The system equipment, whether analog or digital devices, must be housed within a secured room or cabinet accessible only to authorized Surveillance Department Associates and/or other authorized associates as approved by the CNGC and/or the Surveillance Director. Any secured cabinet must be placed in a manner which prohibits the cabinet from being moved. This prevents the equipment from being unplugged from its power source and rendering the equipment inoperable.
- (3) Housing for the surveillance system equipment must have adequate ventilation to prevent overheating.
- (b) The entrance system to the surveillance room shall be located so that it is not readily accessible by either gaming operation employees who work primarily on the casino floor, or the general public.
- (c) Access to the surveillance room shall be limited to surveillance personnel, designated employees, and other persons authorized in accordance with the surveillance department policy. Such policy shall be approved by the Tribal gaming regulatory authority. The surveillance department shall maintain a sign-in log of other authorized persons entering the surveillance room.
- (1) Access to the Surveillance Room must be restricted to the following:
- (i) Surveillance Associates;
- (ii) Choctaw Nation Surveillance Technology Department;
- (iii) CNGC;
- (iv) Choctaw Nation Lighthorse Police Director and Executive Director;
- (v) State Compliance Agency;
- (vi) National Indian Gaming Commission; and
- (vii) All other individuals must be approved and documented by the Surveillance Director, Senior Regional Surveillance Manager, or CNGC.
- (2) A Surveillance Entry Log must be maintained in the Surveillance Room or secured equipment cabinet.
- (i) All persons entering the Surveillance Room must be documented (via electronic access or the Surveillance Entry Log).
- (A) Surveillance Operators working an assigned shift are excluded from completing the manual Surveillance Entry Log.
- (ii) At a minimum the following information must be recorded if a Surveillance Entry Log is used to document the entry:
- (A) Date;
- (B) First and last name;
- (C) Company name/department;
- (D) Reason for entry;
- (E) Time in;
- (F) Time out; and
- (iii) All logs must be provided to the CNGC upon request.
- (d) Surveillance room equipment shall have total override capability over all other satellite surveillance equipment located outside the surveillance room.



- (e) In the event of power loss to the surveillance system, an auxiliary or back up power source shall be available and capable of providing immediate restoration of power to all elements of the surveillance system that enable surveillance personnel to observe the table games remaining open for play and all areas covered by dedicated cameras. Auxiliary or backup power sources such as a UPS System, backup generator, or an alternate utility supplier, satisfy this requirement.
- (f) The surveillance system shall include date and time generators that possess the capability to display the date and time of recorded events on video and/or digital recordings. The displayed date and time shall not significantly obstruct the recorded view.
- (g) The surveillance department shall strive to ensure staff is trained in the use of the equipment, knowledge of the games, and house rules.
  - (1) At a minimum, all Surveillance Associates are required to receive annual training for areas of observation pertinent to their facility. In addition, Surveillance Associates will be trained promptly regarding new system equipment, new types of gaming and all approved policies and procedures for departments where surveillance is provided. Training records must be maintained by the Surveillance Department identifying the following:
    - (i) First and last name of individual associate(s) receiving training;
    - (ii) Dates of training;
    - (iii) Description and type of training; and
    - (iv) First and last name of the training official.
  - (2) While Surveillance Associates are participating in shadow training in various casino departments, the approved escort is not required to remain with the Surveillance Associate after the initial escort to the location.
  - (3) A current copy of the House Rules and approved policies and procedures for departments where surveillance is provided must be readily accessible to all Surveillance Associates.
  - (4) The Surveillance Department must maintain current promotional information provided by departments hosting the promotion(s).
    - (i) Surveillance Associates must request additional information necessary to adequately understand and monitor the event.
- (h) Each camera required by the standards in this section shall be installed in a manner that will prevent it from being readily obstructed, tampered with, or disabled by customers or employees.
- (i) Each camera required by the standards in this section shall possess the capability of having its picture displayed on a monitor and recorded. The surveillance system shall include sufficient numbers of monitors and recorders to simultaneously display and record multiple gaming and count room activities, and record the views of all dedicated cameras and motion activated dedicated cameras.
- (j) Reasonable effort shall be made to repair each malfunction of surveillance system equipment required by the standards in this section within seventy-two (72) hours after the malfunction is discovered. The Tribal gaming regulatory authority shall be notified of any camera(s) that has malfunctioned for more than twenty-four (24) hours.
  - (1) In the event of a dedicated camera malfunction, the gaming operation and/or the surveillance department shall immediately provide alternative camera coverage or other security measures, such as additional supervisory or security personnel, to protect the subject activity.
    - (i) Surveillance may request Security to observe activities in restricted areas, as necessary, due to inadequate camera coverage.
    - (ii) If Security is unavailable, a Surveillance Associate or Department Manager may be posted to directly observe the activity.
  - (2) [Reserved]
  - (3) On a daily basis, a Surveillance Associate must ensure MICS/TICS required cameras are operating and recording properly (including accuracy of time and date stamp) by viewing live footage of each applicable camera. Written documentation must be recorded on the Video Library Log.
  - (4) Repairs (camera resets, server resets, etc.) performed by a Surveillance Associate must be documented. Additional repairs require a work order request be submitted to the Choctaw Nation Surveillance Technology Department to allow scheduling for further technical assistance.
- (k) Bingo.

- (1) The surveillance system shall possess the capability to monitor the bingo ball drawing device or random number generator, which shall be recorded during the course of the draw by a dedicated camera with sufficient clarity to identify the balls drawn or numbers selected.
- (2) The surveillance system shall monitor and record the game board and the activities of the employees responsible for drawing, calling, and entering the balls drawn or numbers selected.
- (3) The surveillance system must provide synchronized audio and video recording of the Bingo caller stand to allow the Surveillance Operator to view the number on the drawn Bingo ball, hear the number as it is being called and see the rack position where the called Bingo ball is placed.

**(l) Card games.** The surveillance system shall monitor and record general activities in each card room with sufficient clarity to identify the employees performing the different functions.

**(m) Progressive card games.**

- (1) Progressive card games with a progressive jackpot of \$25,000 or more shall be monitored and recorded by dedicated cameras that provide coverage of:
  - (i) The table surface, sufficient that the card values and card suits can be clearly identified;
  - (ii) An overall view of the entire table with sufficient clarity to identify customers and dealer; and
  - (iii) A view of the posted jackpot amount.
- (2) [Reserved]

**(n) Keno.**

- (1) The surveillance system shall possess the capability to monitor the keno ball-drawing device or random number generator, which shall be recorded during the course of the draw by a dedicated camera with sufficient clarity to identify the balls drawn or numbers selected.
- (2) The surveillance system shall monitor and record general activities in each keno game area with sufficient clarity to identify the employees performing the different functions.

**(o) Pari-mutuel.** The surveillance system shall monitor and record general activities in the pari-mutuel area, to include the ticket writer and cashier areas, with sufficient clarity to identify the employees performing the different functions.

**(p) Table games.**

- (1) *Operations with four (4) or more table games.* Except as otherwise provided in paragraphs (p)(3), (p)(4), and (p)(5) of this section, the surveillance system of gaming operations operating four (4) or more table games shall provide at a minimum one (1) pan-tilt-zoom camera per two (2) tables and surveillance must be capable of taping:
  - (i) With sufficient clarity to identify customers and dealers; and
  - (ii) With sufficient coverage and clarity to simultaneously view the table bank and determine the configuration of wagers, card values, and game outcome.
  - (iii) One (1) dedicated camera per table and one (1) pan-tilt-zoom camera per four (4) tables may be an acceptable alternative procedure to satisfy the requirements of this paragraph.
  - (iv) Surveillance must ensure the numbers placed on the tables can be clearly identified from the Surveillance Room.
- (2) *Operations with three (3) or fewer table games.* The surveillance system of gaming operations operating three (3) or fewer table games shall:
  - (i) Comply with the requirements of paragraph (p)(1) of this section; or
  - (ii) Have one (1) overhead camera at each table.
  - (iii) Surveillance must ensure the numbers placed on the tables can be clearly identified from the Surveillance Room.
- (3) *Craps.* All craps tables shall have two (2) dedicated cross view cameras covering both ends of the table.
  - (i) Surveillance must ensure the numbers placed on the tables can be clearly identified from the Surveillance Room.

(ii) Surveillance must be able to identify customers and dealers.

- (4) *Roulette*. All roulette areas shall have one (1) overhead dedicated camera covering the roulette wheel and shall also have one (1) dedicated camera covering the play of the table.

(i) Surveillance must ensure the numbers placed on the tables can be clearly identified from the Surveillance Room.

(ii) Surveillance must be able to identify customers and dealers.

- (5) *Big wheel*. All big wheel games shall have one (1) dedicated camera viewing the wheel.

**(q) Progressive table games.**

- (1) Progressive table games with a progressive jackpot of \$25,000 or more shall be monitored and recorded by dedicated cameras that provide coverage of:

(i) The table surface, sufficient that the card values and card suits can be clearly identified;

(ii) An overall view of the entire table with sufficient clarity to identify customers and dealer; and

(iii) A view of the progressive meter jackpot amount. If several tables are linked to the same progressive jackpot meter, only one meter need be recorded.

- (2) [Reserved]

**(r) Gaming machines.**

- (1) Except as otherwise provided in paragraphs (r)(2) and (r)(3) of this section, gaming machines offering a payout of more than \$250,000 shall be monitored and recorded by a dedicated camera(s) to provide coverage of:

(i) All customers and employees at the gaming machine; and

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

- (2) *In-house progressive machine*. In-house progressive gaming machines offering a base payout amount (jackpot reset amount) of more than \$100,000 shall be monitored and recorded by a dedicated camera(s) to provide coverage of:

(i) All customers and employees at the gaming machine; and

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

(iii) The gaming operation must provide the Surveillance Department and Revenue Audit Department with a list of all re-seed or base amounts for each In-House Progressive Gaming Machine. This list must be updated by the operation anytime new progressive gaming machines are installed.

- (3) *Wide-area progressive machine*. Wide-area progressive gaming machines offering a base payout amount of \$1 million or more and monitored by an independent vendor utilizing an on-line progressive computer system shall be recorded by a dedicated camera(s) to provide coverage of:

(i) All customers and employees at the gaming machine; and

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

(iii) The gaming operation must provide the Surveillance Department and Revenue Audit Department with a list of all re-seed or base amounts for each Wide-Area Progressive Gaming Machine. This list must be updated by the operation anytime new progressive gaming machines are installed.

- (4) Notwithstanding paragraph (r)(1) of this section, if the gaming machine is a multi-game machine, the Tribal gaming regulatory authority, or the gaming operation subject to the approval of the Tribal gaming regulatory authority, may develop and implement alternative procedures to verify payouts.

- (5) All Surveillance Associates must have knowledge of MICS 542.43 (r)(1-3). In addition, Surveillance Associates must be able to identify gaming machines that require the above-mentioned coverage pertinent to their site.

- (6) Any submitted adjustments to the drop route must be reviewed and approved/denied by Surveillance.

(i) The decision to approve/deny must be communicated (via email) to the requesting department.

**§ 542.43 Surveillance Tier C**

**(s) Cage and vault.**

- (1) The surveillance system shall monitor and record a general overview of activities occurring in each cage and vault area with sufficient clarity to identify employees within the cage and customers and employees at the counter areas.
  - (i) A dedicated camera must be positioned over the designated draw slip area to clearly identify all amounts indicated on draw slips of one thousand dollars (\$1,000) or more.
    - (A) Surveillance may request additional time to allow for adequate review of the draw slip.
- (2) Each cashier station shall be equipped with one (1) dedicated overhead camera covering the transaction area.
- (3) The surveillance system shall provide an overview of cash transactions. This overview should include the customer, the employee, and the surrounding area.

**(t) Fills and credits.**

- (1) The cage or vault area in which fills and credits are transacted shall be monitored and recorded by a dedicated camera or motion activated dedicated camera that provides coverage with sufficient clarity to identify the chip values and the amounts on the fill credit slips.
  - (i) The identified and marked area utilized for the draw slips in (s)(1)(i) must be utilized in the same manner for fill and credit slips.
- (2) Controls provided by a computerized fill and credit system may be deemed an adequate alternative viewing the fill and credit slips.
  - (i) The computerized system is a permissible alternative **only** if Surveillance has access to view each request for verification purposes.

**(u) Currency and coin.**

- (1) The surveillance system shall monitor and record with sufficient clarity all areas where currency or coin may be stored or counted.
  - (i) Gaming operations that utilize the adjacent money cart storage room for the removal of money from the bill canisters must have surveillance and audio coverage the same as the Soft Count Room alternatively; a Security Officer can be utilized if area lacks audio coverage.
- (2) Audio capability of the soft count room shall also be maintained.
- (3) The surveillance system shall provide for:
  - (i) Coverage of scales shall be sufficiently clear to view any attempted manipulation of the recorded data.
  - (ii) Monitoring and recording of the table game drop box storage rack or area by either a dedicated camera or a motion-detector activated camera.
  - (iii) Monitoring and recording of all areas where coin may be stored or counted, including the hard count room, all doors to the hard count room, all scales and wrapping machines, and all areas where uncounted coin may be stored during the drop and count process.
  - (iv) Monitoring and recording of soft count room, including all doors to the room, all table game drop boxes, safes, and counting surfaces, and all count team personnel. The counting surface area must be continuously monitored and recorded by a dedicated camera during the soft count.
  - (v) Monitoring and recording of all areas where currency is sorted, stacked, counted, verified, or stored during the soft count process.

**(v) Change booths.** The surveillance system shall monitor and record a general overview of the activities occurring in each gaming machine change booth.

- (1) The surveillance system must record audio of all Cage Booths.

**(w) Video recording and/or digital record retention.**

- (1) All video recordings and/or digital records of coverage provided by the dedicated cameras or motion-activated dedicated cameras required by the standards in this section shall be retained for a minimum of seven (7) days.
  - (i) Any system capable of retaining digital recordings greater than the seven (7) day minimum requirement must do so to the fullest extent of the recording system.
- (2) Recordings involving suspected or confirmed gaming crimes, unlawful activity, or detentions by security personnel, must be retained for a minimum of thirty (30) days.
  - (i) All records/recordings must be kept confidential and maintained as follows:
    - (A) Photo(s) and/or video related to a Suspicious Activity Report (SAR) must be maintained for a minimum of five (5) years (once the Surveillance Department Manager has been notified by the designated BSA/AML Compliance Associate(s) [via email] of suspicious activity).
    - (B) All other administrative/criminal investigations-minimum of one (1) year.
  - (ii) The Surveillance Department must provide audio and video coverage of the designated holding room (if applicable) when they are notified by Security regarding the detainment, interview or interrogation of any Guest suspected of illegal or unlawful activities.
- (3) Duly authenticated copies of video recordings and/or digital records shall be provided to the Commission upon request.
- (4) For reviewing surveillance material at the site, authorized associates must utilize the review room. If a review room is unavailable, all monitors must be turned off so that only the review screen is visible. The associates listed below are authorized to review recorded surveillance materials:
  - (i) Associates and management staff of: Choctaw Surveillance Department, Choctaw Lighthorse Police Department, CNGC, State Compliance Agency (SCA), Choctaw Nation Risk Management Departments, NIGC, when in the course of their official duties.
  - (ii) On-duty casino management and Security Officers may review recorded surveillance material upon receiving approval from Surveillance Management. Approval must only be granted for the immediate resolution of incidents that required them to aid in the identification of the recorded event, such as clarifying specific associate/Guest actions or for the "live monitoring/review" of associates to ensure procedural compliance.
  - (iii) The review of surveillance recordings by a person(s) and/or agencies outside the above-identified departments requires prior notification and approval of the Senior Director of Gaming Commission or their designee.
- (5) The release of surveillance recordings to person(s) and/or agencies outside the above-identified departments requires a written authorization issued by the Senior Director of Gaming Commission or their designee. All subpoenas issued by a court of competent jurisdiction must be forwarded to the Senior Director of Gaming Commission. No surveillance materials must be released until written authorization is received from the Senior Director of Gaming Commission or their designee.
  - (i) The Surveillance Director and the Senior Regional Surveillance Manager have been authorized by the Senior Director of Gaming Commission as a designee for release of surveillance recordings.
- (6) Any suspicious activity observed by Surveillance Associates must be adequately documented, maintained and submitted to the designated BSA/AML Compliance Associate(s).

**(x) Video library log.** A video library log, or comparable alternative procedure approved by the Tribal gaming regulatory authority, shall be maintained to demonstrate compliance with the storage, identification, and retention standards required in this section.

**(y) Malfunction and repair log.**

- (1) Surveillance personnel shall maintain a log or alternative procedure approved by the Tribal gaming regulatory authority that documents each malfunction and repair of the surveillance system as defined in this section.
  - (i) All logs must be provided to the CNGC upon request.
- (2) The log shall state the time, date, and nature of each malfunction, the efforts expended to repair the malfunction, and the date of each effort, the reasons for any delays in repairing the malfunction, the date the malfunction is repaired, and where applicable, any alternative security measures that were taken.

**(z) Surveillance log.**

- (1) Surveillance personnel shall maintain a log of all surveillance activities.

- (2) Such log shall be maintained by surveillance room personnel and shall be stored securely within the surveillance department.
- (3) At a minimum, the following information shall be recorded in a surveillance log:
  - (i) Date;
  - (ii) Time commenced and terminated;
  - (iii) Activity observed or performed; and
  - (iv) The name or license credential number of each person who initiates, performs, or supervises the surveillance.
- (4) Surveillance personnel shall also record a summary of the results of the surveillance of any suspicious activity. This summary may be maintained in a separate log.
  - (i) This summary must be maintained and provided (via email) to the designated BSA/AML Compliance Associate(s).
  - (ii) All logs must be provided to the CNGC upon request.

**(aa) Notification of variance.**

- (1) Surveillance administration must establish and implement procedures, as approved by the CNGC, for reviewing and reporting any unresolved variances of [REDACTED] or more and submit their review report to the CNGC at [cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com).
- (2) Additional requirements regarding notification of variance standards are located in the "General TICS" section of this document.

**(bb) Standards for drop.**

- (1) For Tier B and C facilities, Surveillance must continuously monitor the drop process and provide adequate camera coverage of unverified funds within the facility.
- (2) Surveillance must review and approve/deny any submitted adjustments to the drop route.
  - (i) The decision to approve/deny must be communicated (via email) to the requesting department.
- (3) Surveillance must ensure an accurate drop route and count schedule (including breaks) is received, to allow for adequate monitoring of the drop and count process.

**(cc) Rewards Club Cards.** A Surveillance system capable of recording a general overview of all areas where Choctaw Rewards Club Cards are issued is required.

*[MICS Revision 542 October 2008]*

**§ 543.21 Surveillance**

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## § 543.21 What are the minimum internal control standards for surveillance?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

**NOTE: Gaming regulations specified in Surveillance 542.23, 542.33, 542.43 (depending on gaming operation Tier level) must be adhered to in conjunction with the following standards.**

### **(a) Supervision.**

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

### **(b) Surveillance equipment and control room(s).** Controls must be established and procedures implemented that include the following:

- (1) For Tier A, the surveillance system must be maintained and operated from a secured location, such as a locked cabinet. For Tiers B and C, the surveillance system must be maintained and operated from a staffed surveillance operation room(s).
- (2) The surveillance operation room(s) must be secured to prevent unauthorized entry.
- (3) Access to the surveillance operation room(s) must be limited to surveillance agents and other authorized persons.
- (4) Surveillance operation room(s) access logs must be maintained.
- (5) Surveillance operation room equipment must have total override capability over all other satellite surveillance equipment.
- (6) Power loss to the surveillance system:
  - (i) For Tier A, in the event of power loss to the surveillance system, alternative security procedures, such as additional supervisory or security agents, must be implemented immediately.
  - (ii) For Tier B and C, in the event of power loss to the surveillance system, an auxiliary or backup power source must be available and capable of providing immediate restoration of power to the surveillance system to ensure that surveillance agents can observe all areas covered by dedicated cameras.
- (7) The surveillance system must record an accurate date and time stamp on recorded events. The displayed date and time must not significantly obstruct the recorded view.
- (8) All surveillance agents must be trained in the use of the equipment, games, and house rules.
- (9) Each camera required by the standards in this section must be installed in a manner that will prevent it from being readily obstructed, tampered with, or disabled.
- (10) The surveillance system must:
  - (i) Have the capability to display all camera views on a monitor;
  - (ii) Include sufficient numbers of recording devices to record the views of all cameras required by this section;
  - (iii) Record all camera views; and
  - (iv) For Tier B and C only, include sufficient numbers of monitors to simultaneously display gaming and count room activities.
- (11) A periodic inspection of the surveillance systems must be conducted. When a malfunction of the surveillance system is discovered, the malfunction and necessary repairs must be documented and repairs initiated within seventy-two (72) hours.
  - (i) If a dedicated camera malfunctions, alternative security procedures, such as additional supervisory or security agents, must be implemented immediately.
  - (ii) The TGRA must be notified of any surveillance system and/or camera(s) that have malfunctioned for more than twenty-four (24) hours and the alternative security measures being implemented.

### **(c) Additional surveillance requirements.** With regard to the following functions, controls must also include:

- (1) Surveillance of the progressive prize meters for Class II gaming systems at the following thresholds:



- (i) Wide area progressives with a reset amount of \$1 million; and

(A) Choctaw Casinos must ensure all wide area progressives of one million dollars (\$1,000,000) or more are adequately covered as stated in 542.23, 542.33 and 542.43.

- (ii) In-house progressives with a reset amount of \$250,000.

(A) Choctaw Casinos must ensure all in-house progressives of more than one hundred thousand dollars (\$100,000) are adequately covered as stated in 542.23, 542.33 and 542.43.

(2) Manual bingo:

- (i) For manual draws, the surveillance system must monitor the bingo ball drawing device or mechanical random number generator, which must be recorded during the course of the draw by a dedicated camera to identify the numbers or other designations drawn; and
- (ii) The surveillance system must monitor and record the activities of the bingo game, including drawing, and entering the balls, numbers or other designations drawn.

(3) Card games:

- (i) Except for card game tournaments, a dedicated camera(s) with sufficient clarity must be used to provide:
  - (A) An overview of the activities on each card table surface, including card faces and cash and/or cash equivalents;
  - (B) An overview of card game activities, including patrons and dealers; and
  - (C) An unobstructed view of all posted progressive pool amounts.
- (ii) For card game tournaments, a dedicated camera(s) must be used to provide an overview of tournament activities, and any area where cash or cash equivalents are exchanged.

(4) Cage and vault:

- (i) The surveillance system must monitor and record a general overview of activities occurring in each cage and vault area with sufficient clarity to identify individuals within the cage and patrons and staff members at the counter areas and to confirm the amount of each cash transaction;
- (ii) Each cashier station must be equipped with one (1) dedicated overhead camera covering the transaction area; and
- (iii) The cage or vault area in which exchange and transfer transactions occur must be monitored and recorded by a dedicated camera or motion activated dedicated camera that provides coverage with sufficient clarity to identify the chip values and the amounts on the exchange and transfer documentation. Controls provided by a computerized exchange and transfer system constitute an adequate alternative to viewing the amounts on the exchange and transfer documentation.

(5) Count rooms:

- (i) The surveillance system must monitor and record with sufficient clarity a general overview of all areas where cash or cash equivalents may be stored or counted; and
- (ii) The surveillance system must provide coverage of count equipment with sufficient clarity to view any attempted manipulation of the recorded data.

- (6) Kiosks. The surveillance system must monitor and record a general overview of activities occurring at each kiosk with sufficient clarity to identify the activity and the individuals performing it, including maintenance, drops or fills, and redemption of wagering vouchers or credits.

**(d) Reporting requirements.** TGRA-approved procedures must be implemented for reporting suspected crimes and suspicious activity.

**(e) Recording retention.** Controls must be established and procedures implemented that include the following:

- (1) All recordings required by this section must be retained for a minimum of seven days; and
- (2) Suspected crimes, suspicious activity, or detentions by security agents discovered within the initial retention period must be copied and retained for a time period, not less than one year.

## **§ 543.21 Surveillance**

**(f) Logs.** Logs must be maintained and demonstrate the following:

- (1) Compliance with the storage, identification, and retention standards required in this section;
- (2) Each malfunction and repair of the surveillance system as defined in this section; and
- (3) Activities performed by surveillance agents as required by the controls in this section.

**(g) System of internal controls.**

- (1) The Surveillance Department is responsible for establishing and implementing the departmental system of internal controls, as approved by the CNGC.
- (2) Any Surveillance related audits will be performed by the CNGC Audit Department.
  - (i) Surveillance audit reports will be submitted to Surveillance management.

## § 542.12 Table Games

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## § 542.12 What are the minimum internal control standards for table games?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) **Computer applications.** For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Tribal gaming regulatory authority, will be acceptable.

(1) Additional requirements regarding computer application standards are located in the “General TICS” section of this document.

- (b) **Standards for drop and count.** The procedures for the collection of the table game drop and the count thereof shall comply with § 542.21, § 542.31, or § 542.41 (as applicable).

- (c) **Fill and credit standards.**

- (1) Fill slips and credit slips shall be in at least triplicate form, and in a continuous, pre-numbered series. Such slips shall be concurrently numbered in a form utilizing the alphabet and only in one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year.
- (2) Un-issued and issued fill/credit slips shall be safeguarded and adequate procedures shall be employed in their distribution, use, and control. Personnel from the cashier or pit departments shall have no access to the secured (control) copies of the fill/credit slips.
- (3) When a fill/credit slip is voided, the cashier shall clearly mark “void” across the face of the original and first copy, the cashier and one other person independent of the transactions shall sign both the original and first copy, and shall submit them to the accounting department for retention and accountability.
- (4) Fill transactions shall be authorized by pit supervisory personnel before the issuance of fill slips and transfer of chips, tokens, or cash equivalents. The fill request shall be communicated to the cage where the fill slip is prepared.
- (5) At least three parts of each fill slip shall be utilized as follows:
  - (i) One part shall be transported to the pit with the fill and, after the appropriate signatures are obtained, deposited in the table game drop box;
  - (ii) One part shall be retained in the cage for reconciliation of the cashier bank; and
  - (iii) For computer systems, one part shall be retained in a secure manner to insure that only authorized persons may gain access to it. For manual systems, one part shall be retained in a secure manner in a continuous unbroken form.
- (6) For Tier C gaming operations, the part of the fill slip that is placed in the table game drop box shall be of a different color for fills than for credits, unless the type of transaction is clearly distinguishable in another manner (the checking of a box on the form shall not be a clearly distinguishable indicator).
- (7) The table number, shift, and amount of fill by denomination and in total shall be noted on all copies of the fill slip. The correct date and time shall be indicated on at least two copies.
- (8) All fills shall be carried from the cashier's cage by a person who is independent of the cage or pit.
- (9) The fill slip shall be signed by at least the following persons (as an indication that each has counted the amount of the fill and the amount agrees with the fill slip):
  - (i) Cashier who prepared the fill slip and issued the chips, token, or cash equivalent;
  - (ii) Runner who carried the chips, tokens, or cash equivalents from the cage to the pit;
  - (iii) Dealer or boxperson who received the chips, tokens, or cash equivalents at the gaming table; and
  - (iv) Pit supervisory personnel who supervised the fill transaction.
- (10) Fills shall be broken down and verified by the dealer or boxperson in public view before the dealer or boxperson places the fill in the table tray.
- (11) A copy of the fill slip shall then be deposited into the drop box on the table by the dealer, where it shall appear in the soft count room with the cash receipts for the shift.

- (12) Table credit transactions shall be authorized by a pit supervisor before the issuance of credit slips and transfer of chips, tokens, or other cash equivalent. The credit request shall be communicated to the cage where the credit slip is prepared.
- (13) At least three parts of each credit slip shall be utilized as follows:
- (i) Two parts of the credit slip shall be transported by the runner to the pit. After signatures of the runner, dealer, and pit supervisor are obtained, one copy shall be deposited in the table game drop box and the original shall accompany transport of the chips, tokens, markers, or cash equivalents from the pit to the cage for verification and signature of the cashier.
  - (ii) For computer systems, one part shall be retained in a secure manner to insure that only authorized persons may gain access to it. For manual systems, one part shall be retained in a secure manner in a continuous unbroken form.
- (14) The table number, shift, and the amount of denomination and in total shall be noted on all copies of the credit slip. The correct date and time shall be indicated on at least two copies.
- (15) Chips, tokens, and/or cash equivalents shall be removed from the table tray by the dealer or boxperson and shall be broken down and verified by the dealer or boxperson in public view prior to placing them in racks for transfer to the cage.
- (16) All chips, tokens, and cash equivalents removed from the tables and markers removed from the pit shall be carried to the cashier's cage by a person independent of the cage or pit.
- (17) The credit slip shall be signed by at least the following persons (as an indication that each has counted or, in the case of markers, reviewed the items transferred):
- (i) Cashier who received the items transferred from the pit and prepared the credit slip;
  - (ii) Runner who carried the items transferred from the pit to the cage;
  - (iii) Dealer who had custody of the items prior to transfer to the cage; and
  - (iv) Pit supervisory personnel who supervised the credit transaction.
- (18) The credit slip shall be inserted in the drop box by the dealer.
- (19) Chips, tokens, or other cash equivalents shall be deposited on or removed from gaming tables only when accompanied by the fill/credit or marker transfer forms.
- (20) Cross fills (the transfer of chips between tables) and even cash exchanges are prohibited in the pit.
- (21) Manual fill and credit slips must be maintained on site and utilized when the computerized system is unavailable.
- (22) In the event that a fill or credit slip is dropped with inaccurate information or in the wrong box, an Error Notification Slip must be completed.

**(d) Table inventory forms.**

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

**(e) Table games computer generated documentation standards.**

- (1) The computer system shall be capable of generating adequate documentation of all information recorded on the source documents and transaction detail (e.g., fill/credit slips, markers, etc.).
- (2) This documentation shall be restricted to authorized personnel.
- (3) The documentation shall include, at a minimum:
  - (i) System exception information (e.g., appropriate system parameter information, corrections, voids, etc.); and
  - (ii) Personnel access listing, which includes, at a minimum:
    - (A) Employee name or employee identification number (if applicable); and
    - (B) Listing of functions employees can perform or equivalent means of identifying the same.

**(f) Standards for playing cards and dice.**

- (1) Playing cards and dice shall be maintained in a secure location to prevent unauthorized access and to reduce the possibility of tampering.
  - (i) The location must include appropriate surveillance coverage.
- (2) Used cards and dice shall be maintained in a secure location until marked, scored, or destroyed, in a manner as approved by the Tribal gaming regulatory authority, to prevent unauthorized access and reduce the possibility of tampering.
- (3) The Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with a reasonable time period, which shall not exceed seven (7) days, within which to mark, cancel, or destroy cards and dice from play.
  - (i) This standard shall not apply where playing cards or dice are retained for an investigation.
    - (A) Cards, dice or roulette balls that are a part of an investigation must be maintained until released for destruction by the investigating authority.
  - (ii) [Reserved]
  - (iii) Each Choctaw Casino must use a destruction method that has been approved by the CNGC prior to implementation. A department independent of Card/Table Games must be utilized to destroy cards, dice, and roulette balls.
    - (A) The independent department responsible for cards, dice and roulette ball destruction must be Security or other designated departments, as approved by the CNGC.
  - (iv) Individual cards that have been replaced and are ready for destruction must be defaced in an approved manner and secured until destruction takes place.
  - (v) Full decks of cards, dice, and roulette balls ready for destruction must be placed inside a seal it once bag with the date, time, first and last name/gaming license number of person placing into seal it once bag, supervisor first and last name/gaming license number that verified the proper quantity has been sealed and table number where the cards were last used. Once cards, dice, and roulette balls are placed into seal it once bags, they should not be removed from such bags until destruction takes place.
- (4) A card control log shall be maintained that documents when cards and dice are received on site, distributed to and returned from tables and removed from play by the gaming operation.
  - (i) An accurate inventory of all playing cards, dice, and roulette balls must be documented on the appropriate control log.
  - (ii) If defective cards, dice, or roulette balls are received from the manufacturer, the items must be returned to the manufacturer or destroyed in a timely manner (not to exceed seven [7] days) and documented on the appropriate control log.
  - (iii) A separate control log must be maintained for inventory of replacement deck cards, dice, and/or roulette balls.
- (5) Access to the Table Games Storage Rooms must be restricted to the following:
  - (i) Table Games management (Poker management if storage room is shared);
  - (ii) Security;

(iii) CNGC; and

(iv) Other designated departments, as approved by the CNGC.

- (g) Plastic cards.** Notwithstanding paragraph (f) of this section, if a gaming operation uses plastic cards (not plastic-coated cards), the cards may be used for up to three (3) months if the plastic cards are routinely inspected, and washed or cleaned in a manner and time frame approved by the Tribal gaming regulatory authority.

(1) Plastic cards must be inspected on at least a monthly basis to ensure the cards are suitable for play.

- (h) Standards for supervision.** Pit supervisory personnel (with authority equal to or greater than those being supervised) shall provide supervision of all table games.

**(i) Analysis of table game performance standards.**

- (1) Records shall be maintained by day and shift indicating any single-deck blackjack games that were dealt for an entire shift.
- (2) Records reflecting hold percentage by table and type of game shall be maintained by shift, by day, cumulative month-to-date, and cumulative year-to-date.
- (3) This information shall be presented to and reviewed by management independent of the pit department on at least a monthly basis.

(i) The Table Games Manager must review, investigate and document variances identified on the statistical reports on a monthly basis. The reports and supporting documentation, including an explanation for any variances, must then be submitted (via email) to Revenue Audit for review and retention. The reports reviewed should be readily accessible and provided upon request.

- (4) The management in paragraph (i)(3) of this section shall investigate any unusual fluctuations in hold percentage with pit supervisory personnel.
- (5) The results of such investigations shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

(6) Prior to implementation, any changes regarding the payout odds on any table game requires approval by the CNGC.

(i) Prior to implementation, any approved changes regarding the payout odds must be communicated to Surveillance.

**(j) Accounting/auditing standards.**

- (1) The accounting and auditing procedures shall be performed by personnel who are independent of the transactions being audited/accounted for.
- (2) If a table game has the capability to determine drop (e.g., bill-in/coin-drop meters, bill acceptor, computerized record, etc.) the dollar amount of the drop shall be reconciled to the actual drop by shift.
- (3) Accounting/auditing employees shall review exception reports for all computerized table games systems at least monthly for propriety of transactions and unusual occurrences.

(i) Unresolved variances regarding any Table Games fluctuations must be immediately communicated to the Surveillance Department and CNGC at [cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com).

- (4) All noted improper transactions or unusual occurrences shall be investigated with the results documented.

(i) Unresolved variances regarding any Table Games fluctuations must be immediately communicated to the Surveillance Department and CNGC at [cngcaudit@choctawnation.com](mailto:cngcaudit@choctawnation.com).

- (5) Evidence of table games auditing procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

- (6) A daily recap shall be prepared for the day and month-to-date, which shall include the following information:

- (i) Drop;
- (ii) Win; and
- (iii) Gross revenue.

**(k) Marker credit play.**

- (1) If a gaming operation allows marker credit play (exclusive of rim credit and call bets), the following standards shall apply:
  - (i) A marker system shall allow for credit to be both issued and repaid in the pit.
  - (ii) Prior to the issuance of gaming credit to a player, the employee extending the credit shall contact the cashier or other independent source to determine if the player's credit limit has been properly established and there is sufficient remaining credit available for the advance.
  - (iii) Proper authorization of credit extension in excess of the previously established limit shall be documented.
  - (iv) The amount of credit extended shall be communicated to the cage or another independent source and the amount documented within a reasonable time subsequent to each issuance.
  - (v) The marker form shall be prepared in at least triplicate form (triplicate form being defined as three parts performing the functions delineated in the standard in paragraph (k)(1)(vi) of this section), with a preprinted or concurrently printed marker number, and utilized in numerical sequence. (This requirement shall not preclude the distribution of batches of markers to various pits.)
  - (vi) At least three parts of each separately numbered marker form shall be utilized as follows:
    - (A) Original shall be maintained in the pit until settled or transferred to the cage;
    - (B) Payment slip shall be maintained in the pit until the marker is settled or transferred to the cage. If paid in the pit, the slip shall be inserted in the table game drop box. If not paid in the pit, the slip shall be transferred to the cage with the original;
    - (C) Issue slip shall be inserted into the appropriate table game drop box when credit is extended or when the player has signed the original.
  - (vii) When marker documentation (e.g., issue slip and payment slip) is inserted in the drop box, such action shall be performed by the dealer or boxperson at the table.
  - (viii) A record shall be maintained that details the following (e.g., master credit record retained at the pit podium):
    - (A) The signature or initials of the person(s) approving the extension of credit (unless such information is contained elsewhere for each issuance);
    - (B) The legible name of the person receiving credit;
    - (C) The date and shift of granting the credit;
    - (D) The table on which the credit was extended;
    - (E) The amount of credit issued;
    - (F) The marker number;
    - (G) The amount of credit remaining after each issuance or the total credit available for all issuances;
    - (H) The amount of payment received and nature of settlement (e.g., credit slip number, cash, chips, etc.); and
    - (I) The signature or initials of the person receiving payment/settlement.
  - (ix) The forms required in paragraphs (k)(1)(v), and (viii) of this section shall be safeguarded, and adequate procedures shall be employed to control the distribution, use, and access to these forms.
  - (x) All credit extensions shall be initially evidenced by lammer buttons, which shall be displayed on the table in public view and placed there by supervisory personnel.
  - (xi) Marker preparation shall be initiated and other records updated within approximately one hand of play following the initial issuance of credit to the player.
  - (xii) Lammer buttons shall be removed only by the dealer or boxperson employed at the table upon completion of a marker transaction.



(xiii) The original marker shall contain at least the following information:

- (A) Marker number;
- (B) Player's name and signature;
- (C) Date; and
- (D) Amount of credit issued.

(xiv) The issue slip or stub shall include the same marker number as the original, the table number, date and time of issuance, and amount of credit issued. The issue slip or stub shall also include the signature of the person extending the credit, and the signature or initials of the dealer or boxperson at the applicable table, unless this information is included on another document verifying the issued marker.

(xv) The payment slip shall include the same marker number as the original. When the marker is paid in full in the pit, it shall also include the table number where paid, date and time of payment, nature of settlement (cash, chips, etc.), and amount of payment. The payment slip shall also include the signature of pit supervisory personnel acknowledging payment, and the signature or initials of the dealer or boxperson receiving payment, unless this information is included on another document verifying the payment of the marker.

(xvi) When partial payments are made in the pit, a new marker shall be completed reflecting the remaining balance and the marker number of the marker originally issued.

(xvii) When partial payments are made in the pit, the payment slip of the marker that was originally issued shall be properly cross-referenced to the new marker number, completed with all information required by paragraph (k)(1)(xv) of this section, and inserted into the drop box.

(xviii) The cashier's cage or another independent source shall be notified when payments (full or partial) are made in the pit so that cage records can be updated for such transactions. Notification shall be made no later than when the customer's play is completed or at shift end, whichever is earlier.

(xix) All portions of markers, both issued and unissued, shall be safeguarded and procedures shall be employed to control the distribution, use and access to the forms.

(xx) When markers are transferred to the cage, marker transfer forms or marker credit slips (or similar documentation) shall be utilized and such documents shall include, at a minimum, the date, time, shift, marker number(s), table number(s), amount of each marker, the total amount transferred, signature of pit supervisory personnel releasing instruments from the pit, and the signature of cashier verifying receipt of instruments at the cage.

(xxi) All markers shall be transferred to the cage within twenty-four (24) hours of issuance.

(xxii) Markers shall be transported to the cashier's cage by a person who is independent of the marker issuance and payment functions (pit clerks may perform this function).

(2) [Reserved]

**(I) Name credit instruments accepted in the pit.**

(1) For the purposes of this paragraph, name credit instruments means personal checks, payroll checks, counter checks, hold checks, traveler's checks, or other similar instruments that are accepted in the pit as a form of credit issuance to a player with an approved credit limit.

(2) The following standards shall apply if name credit instruments are accepted in the pit:

- (i) A name credit system shall allow for the issuance of credit without using markers;
- (ii) Prior to accepting a name credit instrument, the employee extending the credit shall contact the cashier or another independent source to determine if the player's credit limit has been properly established and the remaining credit available is sufficient for the advance;
- (iii) All name credit instruments shall be transferred to the cashier's cage (utilizing a two-part order for credit) immediately following the acceptance of the instrument and issuance of chips (if name credit instruments are transported accompanied by a credit slip, an order for credit is not required);

- (iv) The order for credit (if applicable) and the credit slip shall include the customer's name, amount of the credit instrument, the date, time, shift, table number, signature of pit supervisory personnel releasing instrument from pit, and the signature of the cashier verifying receipt of instrument at the cage;
- (v) The procedures for transacting table credits at standards in paragraphs (c)(12) through (19) of this section shall be strictly adhered to; and
- (vi) The acceptance of payments in the pit for name credit instruments shall be prohibited.

**(m) Call bets.**

- (1) The following standards shall apply if call bets are accepted in the pit:
  - (i) A call bet shall be evidenced by the placement of a lammer button, chips, or other identifiable designation in an amount equal to that of the wager in a specific location on the table;
  - (ii) The placement of the lammer button, chips, or other identifiable designation shall be performed by supervisory/boxperson personnel. The placement may be performed by a dealer only if the supervisor physically observes and gives specific authorization;
  - (iii) The call bet shall be settled at the end of each hand of play by the preparation of a marker, repayment of the credit extended, or the payoff of the winning wager. Call bets extending beyond one hand of play shall be prohibited; and
  - (iv) The removal of the lammer button, chips, or other identifiable designation shall be performed by the dealer/boxperson upon completion of the call bet transaction.
- (2) [Reserved]

**(n) Rim credit.**

- (1) The following standards shall apply if rim credit is extended in the pit:
  - (i) Rim credit shall be evidenced by the issuance of chips to be placed in a neutral zone on the table and then extended to the customer for the customer to wager, or to the dealer to wager for the customer, and by the placement of a lammer button or other identifiable designation in an amount equal to that of the chips extended; and
  - (ii) Rim credit shall be recorded on player cards, or similarly used documents, which shall be:
    - (A) Pre-numbered or concurrently numbered and accounted for by a department independent of the pit;
    - (B) For all extensions and subsequent repayments, evidenced by the initials or signatures of a supervisor and the dealer attesting to the validity of each credit extension and repayment;
    - (C) An indication of the settlement method (e.g., serial number of marker issued, chips, cash);
    - (D) Settled no later than when the customer leaves the table at which the card is prepared;
    - (E) Transferred to the accounting department on a daily basis; and
    - (F) Reconciled with other forms utilized to control the issuance of pit credit (e.g., master credit records, table cards).
- (2) [Reserved]

**(o) Foreign currency.**

- (1) The following standard shall apply if foreign currency is accepted in the pit:
  - (i) Foreign currency transactions shall be authorized by a pit supervisor/ boxperson who completes a foreign currency exchange form before the exchange for chips or tokens;
  - (ii) Foreign currency exchange forms include the country of origin, total face value, amount of chips/token extended (*i.e.*, conversion amount), signature of supervisor/boxperson, and the dealer completing the transaction;
  - (iii) Foreign currency exchange forms and the foreign currency shall be inserted in the drop box by the dealer; and
  - (iv) Alternate procedures specific to the use of foreign valued gaming chips shall be developed by the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority.

(2) [Reserved]

**(p) Chips and tokens standards.**

- (1) All chips/cheques/tokens (including those intended for promotions) must be stored in adequately secured areas with proper surveillance coverage.
    - (i) Any non-cash value chips approved for training purposes only are excluded from this requirement.
  - (2) Security or other designated departments as approved by the CNGC, must be the “runner” for chips/cheques and/or tokens to or from the pit area. The chips/cheques and/or tokens being transported, must be in a “birdcage” (or other approved container) and accompanied by the proper transfer forms.
  - (3) On an individual shift basis, all chips must be inventoried and accounted for on the daily balance sheet or chip reconciliation.
  - (4) The gaming operation must establish and implement procedures for handling chips that are damaged or no longer used for play (including non-Choctaw and promotional chips). The procedures must include, at a minimum, a secure method of storage until the approved destruction of said chips.
  - (5) Prior notification must be given to the CNGC for any chips that are to be ordered, transferred/exchanged or destroyed.
    - (i) Ordering of chips requires approval from Executive-Level Casino Management. The amount and estimated date of arrival must be submitted (via email) to Corporate Accounting, Compliance Department and CNGC. A minimum of three (3) associates, at least one (1) of whom is independent of the Table Games Department must be involved in documenting the receipt and verification of the order.
      - (A) Prior to ordering any new denominations, colors and/or styles of chips, a written endorsement from Surveillance must be acquired prior to purchasing any new chips.
        - 1) The gaming operation must establish and implement procedures, as approved by the CNGC, for submitting new denominations, colors and/or styles of chips for approval.
    - (ii) Transfers/exchanges of chips between Choctaw facilities require prior notification from the Compliance Department to the CNGC (via email). The transferring and receiving departments must have supporting documentation to validate the exchange. A copy of the supporting documentation must be obtained by the Compliance Department and submitted to the CNGC, Gaming Finance and Corporate Accounting.
    - (iii) A notice of intent to destroy chips must be submitted to the CNGC (via email) by the Compliance Department for approval prior to any destruction activity. Destruction must not take place with fewer than three (3) associates involved (at least one [1] of whom must be a Compliance Department Associate) and documentation of the destruction must be provided to the CNGC and Corporate Accounting.
- (q) Chip payout standard.** At all Cage Booth locations, chip transactions in the amount of [REDACTED] or more must be verified by at least two (2) cash handling positions (one [1] of whom must be a supervisor). Both verifications must be performed prior to completing the transaction.

**(r) Table games tournament standards.**

- (1) Surveillance and the CNGC must be notified at least ten (10) business days prior to any Table Games tournament. Notification must include:
  - (i) Time and date of event;
  - (ii) Rules and regulations of the tournament;
  - (iii) Payout details; and
  - (iv) Entry requirements.
- (2) Tournaments held in areas without adequate surveillance coverage, must have alternative measures of protection approved by the CNGC prior to the event being scheduled.

**(s) Promotions.**

- (1) Additional requirements regarding promotional payouts or awards standards are located in the “General TICS” section of this document.

- (t) **Table identification.** All tables must be clearly numbered (using a non-reflective material) so that each table can be clearly identified by Surveillance.
- (u) **Chip verification.** When counting/verifying the rack or paying out at the table, chips must be broken down and verified using a method approved (via email) by the Surveillance Department Manager and the CNGC.
- (v) **Specifications for cards.**
- (1) Cards that are intended for use in gaming operations require written approval from Surveillance and the CNGC prior to initial ordering. In order to be considered for approval, gaming management must supply the following:
    - (i) Name of card distributor;
    - (ii) A sample of the desired cards (graphic design will suffice) must be submitted, and must include the following:
      - (A) The front and back design;
      - (B) The casino brand in a "two logo" format on the back of each card;
      - (C) Each card deck must contain a batch number (exhibited on the Ace of Spades) for proper tracking;
      - (D) Intended color;
      - (E) Pip, number, card size; and
      - (F) This standard includes tournament cards.
  - (2) Each Choctaw Casino must use a destruction method that has been approved by the CNGC prior to implementation. A department independent of Card/Table Games must be utilized to destroy cards.
    - (A) The independent department responsible for card destruction must be Security or other designated departments, as approved by the CNGC.
  - (i) Surveillance must be notified prior to the destruction of cards. Destruction must be performed under surveillance coverage or involve at least two (2) designated associates.
  - (3) Individual cards that have been replaced and are ready for destruction must be defaced in an approved manner and secured until destruction takes place.
  - (4) Full decks of cards ready for destruction must be placed inside a seal it once bag with the date, time, first and last name/gaming license number of person placing into seal it once bag, supervisor first and last name/gaming license number that verified the proper quantity has been sealed and table number where the cards were last used. Once cards are placed into seal it once bags, they should not be removed from such bags until destruction takes place.
- (w) **Specifications for dice.**
- (1) Dice intended for use in gaming operations require written approval from Surveillance and the CNGC prior to initial ordering. In order to be considered for approval, gaming management must supply the following:
    - (i) Name and address of dice distributor:
      - (A) Distributor must be licensed and bonded prior to ordering.
    - (ii) A sample of the proposed dice (graphic design will suffice) must be submitted, and must include the following:
      - (A) Specific measurements, including but not limited to:
        - 1) Weight; and
        - 2) Size of the dice.
      - (B) The casino brand on the dice;
      - (C) Dice must contain a serial number;
      - (D) Description of the materials used to make the dice (e.g., cellulose nitrate or cellulose acetate); and

1) Dice must be transparent.

(E) Arrangement of pips on the dice.

(2) The gaming operation must establish and implement policies, as approved by the CNGC, to address the receipt of dice once received from the supplier, that includes but is not limited to:

(i) Inspection by a minimum of two (2) associates (one [1] of whom must be Security or Casino Compliance) to ensure the seals on each box are intact, unbroken, and free from tampering.

(ii) Proper procedures for handling dice that have been deemed inadequate for use.

(3) While dice are on the table, they must never be left unattended by Table Games Associates.

(4) The gaming operation must establish and implement policies, as approved by the CNGC, to address the replacement of dice on tables, which must not exceed a twenty-four (24) hour period.

(5) Individual dice that have been replaced and are ready for destruction must be defaced in an approved manner or secured until destruction takes place.

(6) Dice ready for destruction must be placed inside a seal it once bag with the date, time, first and last name/gaming license number of person placing into seal it once bag, supervisor first and last name/gaming license number that verified the proper quantity has been sealed and table number where the dice were last used. Once dice are placed into seal it once bags, they should not be removed from such bags until destruction takes place.

(i) Destruction of dice must be performed within seventy-two (72) hours of removal from table.

(ii) Dice that are a part of an investigation are excluded from the above-mentioned requirement.

(A) Upon the conclusion of an investigation, the dice must be destroyed within twenty-four (24) hours of being released.

(7) Each Choctaw Casino must use a destruction method that has been approved by the CNGC prior to implementation. A department independent of Card/Table Games must be utilized to destroy dice.

(i) The independent department responsible for dice destruction must be Security or other designated departments, as approved by the CNGC.

(ii) Surveillance must be notified prior to the destruction of dice. Destruction must be performed under surveillance coverage or involve at least two (2) designated associates.

**(x) Specifications for roulette balls and wheel.**

(1) Roulette balls, roulette wheels, and roulette tables intended for use in gaming operations require written approval from Surveillance and the CNGC prior to initial ordering. In order to be considered for approval, gaming management must supply the following:

(i) Name and address of distributor(s):

(A) Distributor(s) must be licensed and bonded prior to ordering.

(ii) A sample of the proposed roulette balls and wheels (graphic design will suffice) must be submitted, and must include the following:

(A) Specific characteristics regarding the roulette balls, include but are not limited to:

1) Weight;

2) Size of the ball; and

3) Description of the materials used to make the roulette balls (e.g., Teflon or Ivorine).

(B) Specific characteristics regarding the roulette wheel, include but are not limited to:

1) Type of wheel variation; and

2) Size of wheel.

- (2) The gaming operation must establish and implement policies, as approved by the CNGC, to address the receipt of roulette balls once received from the supplier, that includes but is not limited to:
  - (i) Inspection by a minimum of two (2) associates (one [1] of whom must be Security or Casino Compliance) to test for magnetic properties or other defects.
  - (ii) Proper procedures for handling roulette balls that have been deemed inadequate for use.
- (3) While roulette balls and cheques/chips are on the table layout, they must never be left unattended by Table Games Associates.
- (4) The gaming operation must establish and implement policies, as approved by the CNGC, to address the replacement of roulette balls on tables.
- (5) Roulette balls that have been removed from play and are ready for destruction must be defaced in an approved manner or secured until destruction takes place.
- (6) Roulette balls ready for destruction must be placed inside a seal it once bag with the date, time, first and last name/gaming license number of person placing into seal it once bag, supervisor first and last name/gaming license number that verified the proper quantity has been sealed and table number where the roulette balls were last used. Once roulette balls are placed into seal it once bags, they should not be removed from such bags until destruction takes place.
  - (i) Destruction of roulette balls must be performed within seventy-two (72) hours of removal from table.
  - (ii) Roulette balls that are a part of an investigation are excluded from the above-mentioned requirement.
    - (A) Upon the conclusion of an investigation, the roulette balls must be destroyed within twenty-four (24) hours of being released.
- (7) Each Choctaw Casino must use a destruction method that has been approved by the CNGC prior to implementation. A department independent of Card/Table Games must be utilized to destroy roulette balls.
  - (i) The independent department responsible for roulette ball destruction must be Casino Security or other designated departments, as approved by the CNGC.
  - (ii) Surveillance must be notified prior to the destruction of roulette balls. Destruction must be performed under surveillance coverage or involve at least two (2) designated associates.

**(y) Other table games department general standards.**

- (1) Current Choctaw Casino rules for each Table Game offered at the facility must be readily accessible to Guests.
- (2) Table Games Management must obtain written authorization from the CNGC prior to implementing any new Table Game(s).
- (3) No changes to game rules or payout odds may be made without prior written approval from the CNGC.
- (4) Table Games felts intended for use in gaming operations require written approval from Surveillance and the CNGC prior to initial ordering.

[MICS Revision 542 October 2008]

# BSA/AML (Title 31) TICS

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## **What are the Tribal Internal Control Standards for BSA/AML (Title 31) at Choctaw Casinos?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

The following TICS were written to ensure compliance with Title 31 (31 Code of Federal Regulations [CFR] Chapter X) of the Bank Secrecy Act (BSA) governed by the Financial Crimes Enforcement Network (FinCEN), U.S. Department of Treasury.

**(a) Computer applications.** For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Tribal gaming regulatory authority, will be acceptable.

(1) Additional requirements regarding computer application standards are located in the “General TICS” section of this document.

### **(b) Overview.**

(1) The gaming operation must establish and implement a process, that includes but is not limited to, the coordination of BSA/AML Title 31 compliance throughout all Choctaw Casinos, distribution of BSA/AML reporting requirement materials, the development of BSA/AML associate training programs and the development of BSA/AML informational materials for casino Guests.

(i) The Compliance Department must ensure that an independent test of the BSA/AML/OFAC Compliance Program is completed annually.

(2) The gaming operation must also designate an associate or associate(s) who are responsible for the presentation of changes of the BSA/AML Policies and Procedures to the CNGC and serve as the primary contacts for the Department of the Treasury and the Internal Revenue Service (IRS).

### **(c) BSA/AML Compliance Program Associate responsibilities.**

(1) The gaming operation must establish and implement procedures, as approved by CNGC, to adequately review the following for accuracy:

(i) Multiple Transaction Log(s) (MTL's);

(ii) Master Multiple Transaction Log(s) (MMTL's) (when applicable);

(iii) Monetary Instrument Log(s) (MIL's);

(iv) Guest identification and information (to include the W-9 Form);

(v) Cash promotion forms (when applicable to Title 31 reporting); and

(vi) Any other reportable transactions.

(2) Ensuring the following are filed accurately:

(i) Currency Transaction Report(s) (CTRs); and

(ii) Suspicious Activity Report(s) (SARs).

(3) Record retention.

(4) Each casino must have a designated associate and an alternate responsible for BSA/AML/OFAC program compliance.

(5) All designated associates and alternates must have an individual username and password to access all programs associated with FinCEN/BSA.

(i) All computer application passwords must remain confidential to the individual user and not be shared.

(ii) Any associate working on a computer/application must do so using their individually assigned credentials.

### **(d) Training.**

(1) A designated BSA/AML Associate(s) must be responsible for providing training and materials to all associates at the sites they are appointed.



- (2) All designated associates must receive yearly training on BSA/AML/OFAC policies and procedures. This training may be provided on computers or in a classroom setting and adjusted to accommodate differing departmental duties. Additional follow up training will be provided to associates upon request.
- (3) The training records must be kept current and provided to the CNGC or other authorized associates upon request. Documentation of all training must be recorded for each associate and maintained by the designated BSA/AML Associate(s) for a minimum of one (1) year on site (if electronic record is not available) and then sent to archiving or maintained electronically. The designated associate(s) must maintain sufficient documentation that contains the following information for all associates that have completed BSA/AML/OFAC training: associate's first and last name, department and date the training was completed. This documentation must be provided to the CNGC or other authorized associates upon request.

**(e) Currency Transaction Report (CTR).**

- (1) The casino must file a report of each transaction in currency, involving either cash in or cash out, of more than [REDACTED] (excluding gaming machine jackpots) accumulated by a Guest during a designated gaming day.
- (2) A CTR report must be filed by the casino within fifteen (15) days following the day on which the reportable transaction occurred.

**(f) Monetary Instrument Log (MIL).** All MIL activity must be reviewed for accuracy by the Vault for each gaming day. The MIL must be used to track any check (i.e., jackpot check, Comcheck/Quick Cash, personal check, money order, cashier's check, travelers check or Western Union) transaction of [REDACTED] or more. The designated associate must maintain an MIL for each gaming day.

**(g) Multiple Transaction Log (MTL).**

- (1) Cash/chip handling departments must log any cash in or cash out transactions by a Guest whether they are single or known aggregated amounts (excluding gaming machine jackpots) of [REDACTED] or more during a designated gaming day.
  - (i) The gaming operation must establish and implement a "cash for cash" transaction standard, as required by Chapter X and as approved by the CNGC.
- (2) Once a Guest reaches more than [REDACTED] in accumulated transactions, the associate must obtain a valid copy of the Guest's government issued photo ID and Social Security Card unless the information is already on file.
  - (i) If the only form of ID available is a Military ID (which cannot be copied, only visually verified) designated management must approve the transaction by signing the MTL or providing an electronic equivalent.
  - (ii) If the Guest cannot provide a Social Security Card, the Guest is required to complete a W-9 in its entirety. It is the responsibility of the associate receiving the form to ensure it is completed properly and to verify the SSN indicated on the W-9 prior to completing the transaction.
  - (iii) The gaming operation must establish and implement a process for verifying the identity of non-resident aliens.
- (3) If a Guest is unable or refuses to provide required identification or complete a W-9, the associate must halt the transaction, notify management and process the transaction by following the applicable gaming operation procedure(s).
  - (i) If a Guest returns within [REDACTED] days to claim the funds and provides the required information, the associate must process the transaction by following the applicable gaming operation procedure(s).

**(h) Communication of Multiple Transaction Log.**

- (1) The Master Multiple Transaction Log (MMTL), or an electronic equivalent, is the method that has been approved by the CNGC for communicating the Multiple Transaction Log (MTL).
- (2) Once a Guest reaches the [REDACTED] reporting threshold, the Guest's transaction(s) must be added to the MMTL. When a Guest is entered as "unknown", the associate must include a description. Any known information (such as the Guest's first and last name) should be included. The MMTL must be promptly communicated to the following locations:
  - (i) Cage Booth(s);
  - (ii) Poker Booth(s);
  - (iii) Table Games Pit Podium(s);
  - (iv) Bingo Booth(s);

(v) OTB Booth(s); and

(vi) Any other payout location(s).

**(i) Suspicious Activity Report (SAR).**

(1) Any suspicious activity must be reported to the designated BSA/AML Compliance Associate(s).

(i) Documentation including all supporting statements must be submitted to the designated BSA/AML Compliance Associate(s) or alternate within seventy-two (72) hours of detection.

(A) Extension requests may be submitted, within the initial seventy-two (72) hours, to the Compliance Department for approval.

(B) Surveillance investigative reports are not considered supporting statements. The Surveillance report must be submitted within seven (7) business days of notification unless an extension request is submitted to the Compliance Department within the initial seven (7) business days for approval.

(2) The designated BSA/AML Compliance Associate(s) must complete and file the SAR with FinCEN within thirty (30) days from the date of detection (filing may be extended up to sixty [60] days for unknown subjects).

(i) The BSA/AML Compliance Associate(s) must conduct an appropriate review on all submitted suspicious activity and determine if the incident is suspicious within the meaning of the SAR regulation.

(3) Completed SARs must be made available to the CNGC Audit Department utilizing a method approved by the CNGC.

(4) The gaming operation must establish and implement procedures, as approved by CNGC, to adequately review and process SARs involving Choctaw Casino employee(s) and/or manager(s).

(5) The designated BSA/AML Compliance Associate(s) is responsible for maintaining all supporting documentation and/or reports (excluding surveillance photos and/or video) for five (5) years.

**(j) Retention of reports.**

(1) All records, documents or similar materials must be retained for a period of five (5) years and made available upon request to the CNGC.

(i) Documents must be made available to other departments and/or persons as approved by the designated BSA/AML Compliance Officer or the Choctaw Nation General Council.

**(k) Accountability.** Accountability for the BSA/AML/OFAC program implementation must ultimately be the burden of all associates. Failure to correct deficiencies identified during an audit may result in disciplinary action up to and including termination of employment.

**(l) Penalties for non-compliance.** All associates must be notified of the potential civil and/or criminal fines and penalties for willfully violating Title 31 (31 CFR Chapter X, FinCEN).

**(m) Official names.**

(1) Designated associates must use the following official names when completing any forms or documents to FinCEN/BSA. Failure to use the official names may result in disciplinary action up to and including termination.

(i) Casino's Legal Name associated with the EIN# - Choctaw Nation of Oklahoma.

(ii) Casino's Trade Names (If the whole name does not fit in the space provided, TP may be put in the place of Travel Plaza.):

(A) Choctaw Casino- Antlers Travel Plaza;

(B) Choctaw Casino- Atoka Travel Plaza;

(C) Choctaw Casino- Broken Bow;

(D) Choctaw Casino- Broken Bow Travel Plaza;

(E) Choctaw Casino & Resort- Durant;

(F) Choctaw Casino- Durant Travel Plaza I (East);

- (G) Choctaw Casino- Durant Travel Plaza II (West);
- (H) Choctaw Casino- Grant;
- (I) Choctaw Casino- Grant Travel Plaza;
- (J) Choctaw Casino- Heavener Travel Plaza;
- (K) Choctaw Casino- Hugo Travel Plaza;
- (L) Choctaw Casino- Idabel;
- (M) Choctaw Casino- Idabel Travel Plaza;
- (N) Choctaw Casino- McAlester;
- (O) Choctaw Casino Too- McAlester Travel Plaza;
- (P) Choctaw Casino- Pocola;
- (Q) Choctaw Casino- Pocola Travel Plaza;
- (R) Choctaw Casino- Poteau Travel Plaza;
- (S) Choctaw Casino- Stigler;
- (T) Choctaw Casino- Stringtown;
- (U) Choctaw Casino- Stringtown Travel Plaza;
- (V) Choctaw Casino- Wilburton Travel Plaza; and
- (W) New locations will be assigned a trade name as appropriate.

# Vendors/Visitors TICS

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## What are the Tribal Internal Control Standards for vendors/visitors at Choctaw Casinos?

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

- (a) Vendor license application.** To obtain a vendor license, the business must complete a vendor application and consent to a background check.
- (1) Person(s) required to fill out a vendor license application are principals of the business, such as, officers, directors, management, owners, partners, non-institutional stockholders, on-site supervisors or management associates under an agreement with the Tribe, associates of the company conducting business on gaming property and any technician(s) that will be accessing gaming systems remotely.
- (b) Vendor license fee.** The Tribe may charge a license fee, to be set by the CNGC, to cover expenses for investigating and licensing vendors.
- (c) Vendor requirements.**
- (1) Vendors that operate in the gaming operation and meet the criteria below must be licensed by the CNGC:
- (2) Gaming Vendor – Any vendor that provides Class II or Class III electronic gaming machines or devices to a Choctaw Casino.
- (3) Gaming Related Vendor – Any vendor that provides [REDACTED] or more annually, of products, services or support to any function of the casino floor, restricted areas or back of house areas. These vendors include, but are not limited to:
- (i) Casino consultants;
  - (ii) Vendors that provide Vault/Soft Count equipment;
  - (iii) Vendors that supply surveillance equipment;
  - (iv) Suppliers of Bingo paper, Pull-tabs, cards, chips, dice, table felts, card shufflers;
  - (v) Signage companies;
  - (vi) Check cashing vendor;
  - (vii) Gaming system/software providers;
  - (viii) Database management companies; and
  - (ix) Any other vendor that leases retail space within the casino and has on-site associates.
- (A) Company officials will be issued a vendor license.
- (B) On-site vendor associates may be issued a vendor permit.
- (d) Vendor exemptions.**
- (1) The CNGC concurs with the National Indian Gaming Association's interpretation of recommended general exemptions from vendor licensing. The following entities are generally exempt from licensing requirements:
- (i) Professional legal and accounting services;
  - (ii) Financial institutions;
  - (iii) Insurance companies;
  - (iv) Law enforcement agencies;
  - (v) Utility providers;
  - (vi) Entertainers and their travel crew;
  - (vii) Media advertisement agencies unless receiving Guest information;

- (viii) Telecommunications providers;
- (ix) Financing by state or federally chartered institutions;
- (x) Tribal government and tribal leadership;
- (xi) Auto dealerships – selected;
- (xii) Motorcycle dealerships – selected;
- (xiii) Federal and state government agencies;
- (xiv) Nonprofit organizations;
- (xv) Courier and shipping services;
- (xvi) Travel agencies, training, seminars;
- (xvii) Medical corporations, partnerships or sole proprietorships;
- (xviii) Public or private institution of education;
- (xix) Food and beverage providers;
- (xx) Gaming laboratories approved by the Oklahoma Horseracing Commission and/or State Compliance Agency; and
- (xxi) Any other vendor that the CNGC has deemed exempt.

(2) This exemption does not exclude individuals from complying with vendor permit requirements outlined in section (f) below.

**(e) Vendor licenses (Pink/Horizontal).**

- (1) Approval - the CNGC will conduct an investigation on the business and its associates that do business with our gaming operation(s). The business may be issued a vendor gaming license only after the approval of the Senior Director of the Gaming Commission.
- (2) Denial - the business and/or individual may file an appeal to the Senior Director of the Gaming Commission. If the vendor or vendor associate is found unsuitable for licensing, the gaming license may be revoked.
- (3) All vendor gaming licenses must be reviewed at least every two (2) years for continuing compliance. If the vendor or vendor associate is found unsuitable for renewal, the gaming license may be revoked.
- (4) A licensed vendor associate must immediately report any/all criminal charges to the CNGC.
- (5) Vendor gaming licenses must be worn at all times while on casino property.
  - (i) In the event that a vendor forgets or misplaces their vendor's license, a temporary work license must be obtained; however, a temporary license may not be issued for more than four (4) consecutive days.
- (6) Placement of the vendor gaming license must be visible with the front of the card facing out. Additions such as stickers, name tags, or photos are prohibited from being added to the gaming license.
  - (i) When entering and exiting the facility, all vendor associates are required to scan their vendor gaming license or check in with Security.
  - (ii) If a computerized system is utilized it must collect, at a minimum, the same information as required on the paper log outlined below.
  - (iii) If a computerized system is not in use at the facility that tracks vendor/visitor visits, the Vendor/Visitor/Temporary Log must be utilized and include the following legible information:
    - (A) Date;
    - (B) Company name or site name;
    - (C) Company or site representative name (first and last);
    - (D) Vendor license number or temporary license number;

(E) Reason for visit;

(F) Time in;

(G) Time out; and

(H) Security Officer signature and gaming license number (an associate can log in/out vendors/visitors at Travel Plazas).

(7) Vendor associates are not allowed access to secure/restricted areas without a proper (authorized) escort unless previously approved by CNGC.

(8) At no time must Security escort any unauthorized person(s) to areas involving telecommunications, information technology or data without prior approval from IT Management.

(9) When a vendor associate resigns or is terminated, the vendor gaming license should be returned to the CNGC. If the license is unavailable to be returned, the vendor must notify the CNGC immediately.

**(f) Vendor permit (Dark Blue/Horizontal).**

(1) Vendor permit refers to any vendor associate/representative working for a vendor that may not meet the vendor license requirements. Vendor companies who conduct business in secure areas in the casino more than [REDACTED] times in any given month or those deemed necessary (at the discretion of the CNGC Licensing Department) will be required to complete a Vendor License/Permit Application Form [REDACTED].

(i) Vendors that fall under this category include but are not limited to the following:

(A) Food and beverage vendors; and

(B) Company promotion representatives.

(2) Vendor permit must be worn at all times while on casino property.

(i) In the event that a vendor forgets or misplaces their vendor's permit, a temporary work license must be obtained; however, a temporary work license may not be issued for more than four (4) consecutive days.

(3) Placement of the vendor permit must be visible with the front of the card facing out. Additions such as stickers, name tags, or photos are prohibited from being added to the gaming license.

(4) When entering and exiting the facility, all vendor associates are required to scan their vendor gaming license or check in with Security.

**(g) Information Technology Server Room Entry Log.**

(1) Each person (including escort) is responsible for ensuring the Server Room Log is completed in its entirety with all required information.

(i) At a minimum, the following information must be recorded on the Server Room Entry Log:

(A) Date;

(B) First and last name and gaming license or temporary work license number of all persons entering;

(C) Company name/department;

(D) Reason for entry;

(E) Time in; and

(F) Time out.

(ii) All logs must be provided to the CNGC upon request.

**(h) Gaming machine vendor(s) professionalism.**

(1) Gaming machine vendor associates must maintain a professional business image by wearing proper attire or uniform.

(2) Choctaw Casinos adhere to a drug-free and alcohol-free workplace and require the same from the vendors.

- (3) Firearms are not permitted on the casino premises by any vendor.
- (4) The CNGC has the right to revoke or deny a vendor gaming license at any time, with due cause.
- (5) Game play by gaming machine vendors is prohibited on devices owned/operated by their company or at their assigned work locations.
  - (i) Any instances requesting an exception to the above-mentioned standard, must be approved by the CNGC in writing.
- (6) At no time will a vendor associate be permitted to play a gaming machine or table game while wearing apparel displaying their company logo or brand.
- (7) Vendor associates are not permitted to play Wide Area Progressive machines or be a member of Choctaw Casinos Rewards Club.
- (8) Vendors are prohibited from all promotions at any casino, owned or operated by the Choctaw Nation of Oklahoma.

**(i) Gaming machine requirements.**

- (1) Gaming device vendors must have paid all licensing fees, as established by the CNGC, prior to machine delivery.
  - (i) All vendor associates must be licensed by the CNGC prior to accessing gaming machines for services or maintenance.
- (2) Gaming machine software must be in compliance and must meet all regulations of the Compact entered between the Choctaw Nation of Oklahoma and the State of Oklahoma.
- (3) Each gaming device and related software manufacturer must provide a certified opinion by an Independent Testing Laboratory (ITL).
- (4) All information pertaining to the gaming machine must be provided to the Choctaw gaming operation and the CNGC prior to "live" play.

**(j) Choctaw Nation Gaming Commission requirement for shipping gaming machine software.**

- (1) Notification of shipment/delivery must be received within [REDACTED] full business days prior to the requested date of shipment.
- (2) Shipping and receiving.
  - (i) A communication procedure must be established between the supplier, the gaming operation, and the TGRA to properly control the shipping and receiving of all software and hardware components. Such procedures must include:
    - (A) Notification of pending shipments must be provided to the TGRA by the gaming operation;
    - (B) Certification in accordance with 25 CFR Part 547;
    - (C) Notification from the supplier to the TGRA, or the gaming operation as approved by the TGRA, of the shipping date and expected date of delivery. The shipping notification must include:
      - 1) Name and address of the supplier;
      - 2) Description of shipment;
      - 3) For player interfaces: a serial number;
      - 4) For software: software version and description of software;
      - 5) Method of shipment; and
      - 6) Expected date of delivery.
  - (ii) Procedures must be implemented for the exchange of gaming system components for maintenance and replacement.
  - (iii) Gaming system components must be shipped in a secure manner to deter unauthorized access.
  - (iv) The TGRA, or its designee, must receive all gaming system components and game play software packages, and verify the contents against the shipping notification.

**(k) Software testing.**



- (1) The Technical Compliance Department of the CNGC will test all applicable gaming software prior to machine installation in any Choctaw Casino.
- (2) All media/software must be shipped separately from the gaming machine to the CNGC, unless written pre-approval is given from the CNGC.
- (3) Testing will ensure game software matches that certified by the Independent Testing Lab (ITL).
- (4) Software that is revoked or has a non-mandatory upgrade status must not be shipped to the CNGC.
- (5) The Technical Compliance Department of the CNGC will ensure the integrity of the software before the games are turned on for "live" play.
- (6) Software updates, pay table changes, server updates or any other changes must have prior approval from the CNGC.

**(l) Gaming machine hardware requirements.**

- (1) Every gaming machine in Choctaw Casinos must have a functional Uninterrupted Power Supply (UPS) backup to alleviate downtime from power outages.
- (2) All gaming servers must be housed in a Server Room or a secure locked cabinet.
  - (i) Access into the game Server Room or secure locked cabinet must be restricted as outlined in Information Technology TICS (a)(1). Each person (including escort) is required to complete and sign the log located inside the Server Room or secure cabinet.
- (3) Any excess hardware that is contained inside the gaming machine must be kept in a manner to avoid clutter.
- (4) Vendor storage rooms must be secure at all times. These rooms contain various gaming machine inventory; therefore, access must be limited to vendor associates, authorized gaming associates and CNGC Associates.
- (5) Random Access Memory (RAM) clears must not be performed without completing the proper paperwork and receiving prior approval from the CNGC, casino management, Slot Services or a Floor Supervisor.
- (6) Software updates, pay table changes, server updates or any other changes must have prior approval from the CNGC.
- (7) Only CNGC Associates are permitted to place and attach a Gaming Commission Seal over the Logic compartment, EPROM or other equivalent game software media.
- (8) Tampering with the Gaming Commission Seal without CNGC approval or knowledge is prohibited.
- (9) Failure to comply with the regulations enforced by the CNGC may result in disciplinary action that could include a Notice of Violation (NOV) being issued and/or gaming license suspension.
- (10) Vendors must always have a Security Officer present to access a machine bill acceptor canister, unless the machine is new to the facility and has not previously operated in Choctaw Casinos.

**(m) Remote access.**

- (1) Gaming system remote access is prohibited, unless the Casino Information Technology Department has approved the access and the individual utilizing remote access has a valid gaming license issued by the CNGC.

**(n) Wide-area jackpot procedures.** Vendors are required to provide the Choctaw Casinos and the CNGC with rules and procedures to be followed for verifying the legitimacy of the jackpot and to ensure that it is a valid payout.

**(o) Termination of vendor associates.** The CNGC must be notified immediately of any terminated vendor associate. The vendor company must also provide an active list of the associates for each casino, as requested by casino management or CNGC.

**(p) Documents and Corrections.**

- (1) All documents, forms and logs must be completed accurately and entirely.
- (2) Corrections to originally-recorded information must be made by drawing a single line through the error, writing the correct information above the error and then obtaining legible initials and gaming license number(s) of the associate(s) making the change.

**(q) Final decision.** If at any time the interpretation of a Tribal Internal Control Standard is in question, the decision rendered by the CNGC is final.

# Non-Gaming Departments

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In addition, all associates are required to adhere to the control standards found in:

[General TICS for All Departments](#)

## **What are the Tribal Internal Control Standards for non-gaming departments at Choctaw Casinos?**

Previously published Tribal Internal Control Standards (TICS) are highlighted in gray scale and underlined.

Newly published or revised TICS are highlighted in yellow scale and underlined.

### **(a) Concert venues.**

- (1) The gaming operation must establish and implement concert venue control standards, as approved by the CNGC.
  - (i) The department standards must address requirements including, but not limited to, the following:
    - (A) Proper redemption of complimentary items or services (as outlined in 542.17);
    - (B) Choctaw Rewards Club Card procedures;
    - (C) Food and beverage procedures;
    - (D) Procedures for issuance, redemption and validation of event tickets;
    - (E) Cash handling procedures; and
      - 1) Cash drawers and daily deposits must be secured in a manner to prevent tampering and unauthorized access.
    - (F) Appropriate segregation of functions, duties, and responsibilities in accordance with sound business practices.

### **(b) Gift shop.**

- (1) The gaming operation must establish and implement gift shop control standards, as approved by the CNGC.
  - (i) The department standards must address requirements including, but not limited to, the following:
    - (A) Proper redemption of complimentary items or services (as outlined in 542.17);
    - (B) Choctaw Rewards Club Card procedures;
    - (C) An inventory system must be established and implemented to ensure accuracy of all items (including purchasing, receiving, damages, expired, etc.);
    - (D) Cash handling procedures; and
      - 1) Cash drawers and daily deposits must be secured in a manner to prevent tampering and unauthorized access.
    - (E) Appropriate segregation of functions, duties, and responsibilities in accordance with sound business practices.
- (2) The surveillance system must record the cash handling and inventory storage areas and be capable of identifying associates performing job functions inside these areas.
- (3) Additional requirements are located in the "General TICS" section of this document.

### **(c) Hotel.**

- (1) The gaming operation must establish and implement Hotel control standards, as approved by the CNGC.
  - (i) The department standards must address requirements including, but not limited to, the following:
    - (A) Proper redemption of complimentary items or services (as outlined in 542.17);
    - (B) Choctaw Rewards Club Card procedures;
    - (C) Cash handling procedures; and
      - 1) Cash drawers and daily deposits must be secured in a manner to prevent tampering and unauthorized access.
    - (D) Appropriate segregation of functions, duties, and responsibilities in accordance with sound business practices.
- (2) Cash handling and luggage storage areas are considered restricted areas and fall under the Restricted Area Entry Control Standards located in the "General TICS" section of this document.

(3) The surveillance system must record the cash handling and luggage storage areas and be capable of identifying associates performing job functions inside these areas.

(4) Additional requirements are located in the "General TICS" section of this document.

**(d) Lost and Found.**

(1) The gaming operation must establish and implement written procedures, as approved by the CNGC, that addresses lost/found items (excluding Choctaw Rewards Club Cards and found chip/currency/ticket[s]) found by or turned in to Choctaw Casino Associates.

(2) Requirements regarding found chip/currency/ticket(s) and Choctaw Rewards Club Card standards as well as further requirements for Lost and Found items are located in the "General TICS" section of this document.

**(e) Pool.**

(1) The gaming operation must establish and implement pool control standards, as approved by the CNGC.

(i) The department standards must address requirements including, but not limited to, the following:

(A) Proper redemption of complimentary items or services (as outlined in 542.17):

(B) Choctaw Rewards Club Card procedures:

(C) Food and beverage procedures:

(D) Cash handling procedures; and

1) Cash drawers and daily deposits must be secured in a manner to prevent tampering and unauthorized access.

(E) Appropriate segregation of functions, duties, and responsibilities in accordance with sound business practices.

(2) The surveillance system must record cash handling areas and be capable of identifying associates performing job functions inside these areas.

**(f) RV Park.**

(1) The gaming operation must establish and implement RV Park control standards, as approved by the CNGC.

(i) The department standards must address requirements including, but not limited to, the following:

(A) Proper redemption of complimentary items or services (as outlined in 542.17):

(B) Choctaw Rewards Club Card procedures:

(C) Cash handling procedures; and

1) Cash drawers and daily deposits must be secured in a manner to prevent tampering and unauthorized access.

(D) Appropriate segregation of functions, duties, and responsibilities in accordance with sound business practices.

**(g) Spa.**

(1) The gaming operation must establish and implement Spa control standards, as approved by the CNGC.

(i) The department standards must address requirements including, but not limited to, the following:

(A) Proper redemption of complimentary items or services (as outlined in 542.17):

(B) Choctaw Rewards Club Card procedures:

(C) Cash handling procedures; and

1) Cash drawers and daily deposits must be secured in a manner to prevent tampering and unauthorized access.

(D) Appropriate segregation of functions, duties, and responsibilities in accordance with sound business practices.

- (2) The surveillance system must record cash handling areas and be capable of identifying associates performing job functions inside these areas.

**(h) Valet.**

- (1) The gaming operation must establish and implement Valet control standards, as approved by the CNGC.
- (i) The department standards must address requirements including, but not limited to, the following:
- (A) Valid driver's license (Valet Drivers);
  - (B) Acceptable driving record (Valet Drivers);
  - (C) Background investigation;
  - (D) Notification of driver's license status change (Valet Drivers);
  - (E) Cash handling procedures; and
    - 1) Cash drawers and daily deposits must be secured in a manner to prevent tampering and unauthorized access.
  - (F) Appropriate segregation of functions, duties, and responsibilities in accordance with sound business practices.
- (2) Cash handling and valet key storage areas are considered restricted areas and fall under the Restricted Area Entry Control Standards located in the "General TICS" section of this document.
- (3) The surveillance system must record the cash handling and key storage areas, the general activities in the Valet Department and be capable of identifying associates performing valet functions.

**(i) Vending.**

- (1) The gaming operation must establish and implement Vending control standards, as approved by the CNGC.
- (i) The department standards must address requirements including, but not limited to, the following:
- (A) Security must be present for the "drop" of all vending machines;
  - (B) An inventory system must be established and implemented to ensure accuracy of all items (including purchasing, receiving, damages, expired, etc.);
  - (C) Stocking vending machines;
  - (D) Cash handling procedures; and
    - 1) Daily deposits must be secured in a manner to prevent tampering and unauthorized access.
  - (E) Appropriate segregation of functions, duties, and responsibilities in accordance with sound business practices.
- (2) If the Vending responsibilities are contracted to a third party, the above-mentioned regulations will not apply.

**(j) Other non-gaming departments/amenities.**

- (1) The gaming operation must establish and implement control standards for any non-gaming department (such as The District) not addressed herein, as approved by the CNGC.
- (i) The department standards must address requirements including, but not limited to, the following:
- (A) Proper redemption of complimentary items or services (as outlined in 542.17);
  - (B) Choctaw Rewards Club Card procedures;
  - (C) Food and beverage procedures, if applicable;
  - (D) Cash handling procedures; and
    - 1) Cash drawers and daily deposits must be secured in a manner to prevent tampering and unauthorized access.
  - (E) Appropriate segregation of functions, duties, and responsibilities in accordance with sound business practices.

- (2) The surveillance system must record cash handling areas and be capable of identifying associates performing job functions in these areas.

# **CLASS II MINIMUM INTERNAL CONTROL STANDARDS PART 543 AND TECHNICAL STANDARDS**

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## MINIMUM TECHNICAL STANDARDS FOR CLASS II GAMING SYSTEMS AND EQUIPMENT

### 25 CFR Part 547

- 547.1 What is the purpose of this part?
- 547.2 What are the definitions for this part?
- 547.3 Who is responsible for implementing these standards?
- 547.4 What are the rules of general application for this part?
- 547.5 How does a tribal government, TGRA, or tribal gaming operation comply with this part?
- 547.6 What are the minimum technical standards for enrolling and enabling Class II gaming system components?
- 547.7 What are the minimum technical hardware standards applicable to Class II gaming systems?
- 547.8 What are the minimum technical software standards applicable to Class II gaming systems?
- 547.9 What are the minimum technical standards for Class II gaming system accounting functions?
- 547.10 What are the minimum standards for Class II gaming system critical events?
- 547.11 What are the minimum technical standards for money and credit handling?
- 547.12 What are the minimum technical standards for downloading on a Class II gaming system?
- 547.13 What are the minimum technical standards for program storage media?
- 547.14 What are the minimum technical standards for electronic random number generation?
- 547.15 What are the minimum technical standards for electronic data communications between system components?
- 547.16 What are the minimum standards for game artwork, glass, and rules?
- 547.17 How does a TGRA apply to implement an alternate minimum standard to those required by this part?

#### § 547.1 What is the purpose of this part?

The Indian Gaming Regulatory Act, 25 U.S.C. 2703(7)(A)(i), permits the use of electronic, computer, or other technologic aids in connection with the play of Class II games. This part establishes the minimum technical standards governing the use of such aids.

#### § 547.2 What are the definitions for this part?

For the purposes of this part, the following definitions apply:

**Account access component:** A component within a Class II gaming system that reads or recognizes account access media and gives a patron the ability to interact with an account.

**Account access medium:** A magnetic stripe card or any other medium inserted into, or otherwise made to interact with, an account access component in order to give a patron the ability to interact with an account.

**Advertised top prize:** The highest single prize available based on information contained in the prize schedule and help screens.

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

**Audit mode:** The mode in which it is possible to view Class II gaming system accounting functions and statistics and perform non-player-related functions.

**Cancel credit:** An action initiated by the Class II gaming system by which some or all of a player's credits are removed by an attendant and paid to the player.

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

**Cashless transaction:** A movement of funds electronically from one component to another.

**CD-ROM:** Compact Disc—Read Only Memory.

**Chair:** The Chair of the National Indian Gaming Commission.



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

**Class II gaming system:** All components, whether or not technologic aids in electronic, computer, mechanical, or other technologic form, such as a Class II Mobile Gaming System, that function together to aid the play of one or more Class II games, including accounting functions mandated by these regulations.

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

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

**Critical memory:** Memory locations storing data essential to the functionality of the Class II gaming system.

**DLL:** A Dynamic-Link Library file.

**Download package:** Approved data sent to a component of a Class II gaming system for such purposes as changing the component software.

**DVD:** Digital Video Disk or Digital Versatile Disk.

**Electromagnetic interference:** The disruption of operation of an electronic device when it is in the vicinity of an electromagnetic field in the radio frequency spectrum that is caused by another electronic device.

**Electrostatic discharge:** A single event, rapid transfer of electrostatic charge between two objects, usually resulting when two objects at different potentials come into direct contact with each other.

**Enroll:** The process by which a Class II gaming system identifies and establishes communications with an additional system component to allow for live gaming activity to take place on that component.

**EPROM:** Erasable Programmable Read Only Memory—a non-volatile storage chip or device that may be filled with data and information, that, once written, is not modifiable, and that is retained even if there is no power applied to the system.

**Fault:** An event that, when detected by a Class II gaming system, causes a discontinuance of game play or other component functions.

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

**Financial instrument acceptor:** Any component that accepts financial instruments, such as a bill validator. Financial instrument dispenser. Any component that dispenses financial instruments, such as a ticket printer. Financial instrument storage component. Any component that stores financial instruments, such as a drop box.

**Financial instrument dispenser:** Any component that dispenses financial instruments, such as a ticket printer.

**Financial instrument storage component:** Any component that stores financial instruments, such as a drop box.

**Flash memory:** Non-volatile memory that retains its data when the power is turned off and that can be electronically erased and reprogrammed without being removed from the circuit board.

**Game software:** The operational program or programs that govern the play, display of results, and/or awarding of prizes or credits for Class II games.

**Gaming equipment:** All electronic, electro-mechanical, mechanical, or other physical components utilized in the play of Class II games.

**Hardware:** Gaming equipment.

**Interruption:** Any form of mis-operation, component failure, or interference to the Class II gaming equipment.

**Modification:** A revision to any hardware or software used in a Class II gaming system.

**Non-cashable credit:** Credits given by an operator to a patron; placed on a Class II gaming system through a coupon, cashless transaction or other approved means; and capable of activating play but not being converted to cash.

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

**Patron deposit account:** An account maintained on behalf of a patron, for the purpose of depositing and withdrawing cashable funds for the primary purpose of interacting with a gaming activity.

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

**Prize schedule:** The set of prizes available to players for achieving pre-designated patterns in a Class II game.

**Program storage media:** An electronic data storage component, such as a CD-ROM, EPROM, hard disk, or flash memory on which software is stored and from which software is read.

**Progressive prize:** A prize that increases by a selectable or predefined amount based on play of a Class II game.

**Random number generator (RNG):** A software module, hardware component or combination of these designed to produce outputs that are effectively random.

**Reflexive software:** Any software that has the ability to manipulate and/or replace a randomly generated outcome for the purpose of changing the results of a Class II game.

**Removable/rewritable storage media:** Program or data storage components that can be removed from gaming equipment and be written to, or rewritten by, the gaming equipment or by other equipment designed for that purpose.

**Server:** A computer that controls one or more applications or environments within a Class II gaming system.

**Test/diagnostics mode:** A mode on a component that allows various tests to be performed on the Class II gaming system hardware and software.

**Testing laboratory:** An organization recognized by a TGRA pursuant to § 547.5(f).

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

**Unenroll:** The process by which a Class II gaming system disconnects an enrolled system component, disallowing any live gaming activity to take place on that component.

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

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

### **§ 547.3 Who is responsible for implementing these standards?**

- (a) **Minimum standards.** These are minimum standards and a TGRA may establish and implement additional technical standards that do not conflict with the standards set out in this part.

- (b) No limitation of technology.** This part should not be interpreted to limit the use of technology or to preclude the use of technology not specifically referenced.
- (c) Only applicable standards apply.** Gaming equipment and software must meet all applicable requirements of this part. For example, if a Class II gaming system lacks the ability to print or accept vouchers, then any standards that govern vouchers do not apply. These standards do not apply to associated equipment such as voucher and kiosk systems.
- (d) State jurisdiction.** Nothing in this part should be construed to grant to a state jurisdiction over Class II gaming or to extend a state's jurisdiction over Class III gaming.

#### **§ 547.4 What are the rules of general application for this part?**

- (a) Fairness.** No Class II gaming system may cheat or mislead users. All prizes advertised must be available to win during the game. A test laboratory must calculate and/or verify the mathematical expectations of game play, where applicable, in accordance with the manufacturer stated submission. The results must be included in the test laboratory's report to the TGRA. At the request of the TGRA, the manufacturer must also submit the mathematical expectations of the game play to the TGRA.
- (b) Approved gaming equipment and software only.** All gaming equipment, except for any Class II Mobile Gaming Device, and software used with Class II gaming systems must be identical in all respects to a prototype reviewed and tested by a testing laboratory and approved for use by the TGRA pursuant to § 547.5(a) through (c). Any Class II Mobile Gaming Device used with a Class II Mobile Gaming System must comply with the applicable requirements for such device set by the Federal Communications Commission. The operation shall ensure that any Class II Mobile Gaming occurs only on a Class II Mobile Gaming Device utilizing game software that has been reviewed and approved for use by the TGRA.
- (c) Proper functioning.** All gaming equipment and software used with Class II gaming systems must perform according to the manufacturer's design and operating specifications.

#### **§ 547.5 How does a tribal government, TGRA, or tribal gaming operation comply with this part?**

##### **(a) Gaming systems manufactured before November 10, 2008:**

- (1) Any Class II gaming system manufactured before November 10, 2008, that is not compliant with paragraph (b) of this section may be made available for use at any tribal gaming operation if
  - (i) The Class II gaming system software that affects the play of the Class II game, together with the signature verification required by § 547.8(f) was submitted to a testing laboratory within 120 days after November 10, 2008, or October 22, 2012;
  - (ii) The testing laboratory tested the submission to the standards established by § 547.8(b), § 547.8(f), § 547.14;
  - (iii) The testing laboratory provided the TGRA with a formal written report setting forth and certifying to the findings and conclusions of the test;
  - (iv) The TGRA made a finding, in the form of a certificate provided to the supplier or manufacturer of the Class II gaming system, that the Class II gaming system is compliant with § 547.8(b), § 547.8(f), § 547.14;
  - (v) The Class II gaming system is only used as approved by the TGRA and the TGRA transmitted its notice of that approval, identifying the Class II gaming system and its components, to the Commission;
  - (vi) Remote communications with the Class II gaming system are only allowed if authorized by the TGRA; and
  - (vii) Player interfaces of the Class II gaming system exhibit information consistent with §547.7(d) and any other information required by the TGRA.
- (2) For so long as a Class II gaming system is made available for use at any tribal gaming operation pursuant to this paragraph (a) the TGRA shall:

- (i) Retain copies of the testing laboratory's report, the TGRA's compliance certificate, and the TGRA's approval of the use of the Class II gaming system;
  - (ii) Maintain records identifying the Class II gaming system and its current components; and
  - (iii) Annually review the testing laboratory reports associated with the Class II gaming system and its current components to determine whether the Class II gaming system may be approved pursuant to paragraph (b)(1)(v) of this section. The TGRA shall make a finding identifying the Class II gaming systems reviewed, the Class II gaming systems subsequently approved pursuant to paragraph (b)(1)(v), and, for Class II gaming systems that cannot be approved pursuant to paragraph (b)(1)(v), the components of the Class II gaming system preventing such approval.
- (3) If the TGRA Class II gaming system is subsequently approved by the TGRA pursuant to paragraph (b)(1)(v) as compliant with paragraph (b) of this section, this paragraph (a) no longer applies.

**(b) Gaming system submission, testing, and approval—generally.**

- (1) Except as provided in paragraph (a) of this section, a TGRA may not permit the use of any Class II gaming system in a tribal gaming operation unless:
- (i) The Class II gaming system has been submitted to a testing laboratory;
  - (ii) The testing laboratory tests the submission to the standards established by:
    - (A) This part;
    - (B) Any applicable provisions of part 543 of this chapter that are testable by the testing laboratory; and
    - (C) The TGRA;
  - (iii) The testing laboratory provides a formal written report to the party making the submission, setting forth and certifying its findings and conclusions, and noting compliance with any standard established by the TGRA pursuant to paragraph (b)(1)(ii)(C) of this section;
  - (iv) The testing laboratory's written report confirms that the operation of a player interface prototype, other than a Class II Mobile Gaming Device, has been certified that it will not be compromised or affected by electrostatic discharge, liquid spills, electromagnetic interference, or any other tests required by the TGRA. Any Class II Mobile Gaming Device must comply with the applicable requirements for such device set by the Federal Communications Commission;
  - (v) Following receipt of the testing laboratory's report, the TGRA makes a finding that the Class II gaming system conforms to the standards established by:
    - (A) This part;
    - (B) Any applicable provisions of part 543 of this chapter that are testable by the testing laboratory; and
    - (C) The TGRA;
- (2) For so long as a Class II gaming system is made available for use at any tribal gaming operation pursuant to this paragraph (b) the TGRA shall:
- (i) Retain a copy of the testing laboratory's report; and
  - (ii) Maintain records identifying the Class II gaming system and its current components.

**(c) Class II gaming system component repair, replacement, or modification.**

- (1) As permitted by the TGRA, individual hardware or software components of a Class II gaming system may be repaired or replaced to ensure proper functioning, security, or integrity of the Class II gaming system.
- (2) A TGRA may not permit the modification of any Class II gaming system in a tribal gaming operation unless:
  - (i) The Class II gaming system modification has been submitted to a testing laboratory;
  - (ii) The testing laboratory tests the submission to the standards established by:
    - (A) This part;
    - (B) Any applicable provisions of part 543 of this chapter that are testable by the testing laboratory; and
    - (C) The TGRA;
  - (iii) The testing laboratory provides a formal written report to the party making the submission, setting forth and certifying its findings and conclusions, and noting compliance with any standard established by the TGRA pursuant to paragraph (c)(2)(ii)(C) of this section;
  - (iv) Following receipt of the testing laboratory's report, the TGRA makes a finding that the:
    - (A) The modification will maintain or advance the Class II gaming system's compliance with this part and any applicable provisions of part 543 of this chapter; and
    - (B) The modification will not detract from, compromise or prejudice the proper functioning, security, or integrity of the Class II gaming system;
- (3) If a TGRA authorizes a component modification under this paragraph, it must maintain a record of the modification and a copy of the testing laboratory report so long as the Class II gaming system that is the subject of the modification remains available to the public for play.

**(d) Emergency hardware and software modifications.**

- (1) A TGRA, in its discretion, may permit the modification of previously approved components to be made available for play without prior laboratory testing or review if the modified hardware or software is:
  - (i) Necessary to correct a problem affecting the fairness, security, or integrity of a game or accounting system or any cashless system, or voucher system; or
  - (ii) Unrelated to game play, an accounting system, a cashless system, or a voucher system.
- (2) If a TGRA authorizes modified components to be made available for play or use without prior testing laboratory review, the TGRA must thereafter require the hardware or software manufacturer to:
  - (i) Immediately advise other users of the same hardware or software of the importance and availability of the update;
  - (ii) Immediately submit the new or modified hardware or software to a testing laboratory for testing and verification of compliance with this part and any applicable provisions of part 543 of this chapter that are testable by the testing laboratory; and
  - (iii) Immediately provide the TGRA with a software signature verification tool meeting the requirements of § 547.8(f) for any new or modified software component.
- (3) If a TGRA authorizes a component modification under this paragraph, it must maintain a record of the modification and a copy of the testing laboratory report so long as the Class II gaming system that is the subject of the modification remains available to the public for play.

**(e) Compliance by charitable gaming operations.** This part does not apply to charitable gaming operations, provided that:

- (1) The tribal government determines that the organization sponsoring the gaming operation is a charitable organization;
- (2) All proceeds of the charitable gaming operation are for the benefit of the charitable organization;
- (3) The TGRA permits the charitable organization to be exempt from this part;
- (4) The charitable gaming operation is operated wholly by the charitable organization's employees or volunteers; and
- (5) The annual gross gaming revenue of the charitable gaming operation does not exceed \$1,000,000.

**(f) Testing laboratories.**

- (1) A testing laboratory may provide the examination, testing, evaluating and reporting functions required by this section provided that:
  - (i) It demonstrates its integrity, independence and financial stability to the TGRA.
  - (ii) It demonstrates its technical skill and capability to the TGRA.
  - (iii) If the testing laboratory is owned or operated by, or affiliated with, a tribe, it must be independent from the manufacturer and gaming operator for whom it is providing the testing, evaluating, and reporting functions required by this section.
  - (iv) The TGRA:
    - (A) Makes a suitability determination of the testing laboratory based upon standards no less stringent than those set out in § 533.6(b)(1)(ii) through (v) of this chapter and based upon no less information than that required by § 537.1 of this chapter, or
    - (B) Accepts, in its discretion, a determination of suitability for the testing laboratory made by any other gaming regulatory authority in the United States.
  - (v) After reviewing the suitability determination and the information provided by the testing laboratory, the TGRA determines that the testing laboratory is qualified to test and evaluate Class II gaming systems.
- (2) The TGRA must:
  - (i) Maintain a record of all determinations made pursuant to paragraphs (f)(1)(iii) and (f)(1)(iv) of this section for a minimum of three years.
  - (ii) Place the testing laboratory under a continuing obligation to notify it of any adverse regulatory action in any jurisdiction where the testing laboratory conducts business.
  - (iii) Require the testing laboratory to provide notice of any material changes to the information provided to the TGRA.

**(g) Records.** Records required to be maintained under this section must be made available to the Commission upon request. The Commission may use the information derived therefrom for any lawful purpose including, without limitation, to monitor the use of Class II gaming systems, to assess the effectiveness of the standards required by this part, and to inform future amendments to this part. The Commission will only make available for public review records or portions of records subject to release under the Freedom of Information Act, 5 U.S.C. 552; the Privacy Act of 1974, 5 U.S.C. 552a; or the Indian Gaming Regulatory Act, 25 U.S.C. 2716(a).

#### **§ 547.6 What are the minimum technical standards for enrolling and enabling Class II gaming system components?**

**(a) General requirements.** Class II gaming systems must provide a method to:

- (1) Enroll and unenroll Class II gaming system components;

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- (2) Enable and disable specific Class II gaming system components.

**(b) Specific requirements.** Class II gaming systems must:

- (1) Ensure that only enrolled and enabled Class II gaming system components participate in gaming; and
- (2) Ensure that the default condition for components must be unenrolled and disabled.

**§ 547.7 What are the minimum technical hardware standards applicable to Class II gaming systems?**

**(a) Printed circuit boards.**

- (1) Printed circuit boards that have the potential to affect the outcome or integrity of the game, and are specially manufactured or proprietary and not off-the-shelf, must display a unique identifier such as a part number and/or revision number, which must be updated to reflect new revisions or modifications of the board.
- (2) Switches or jumpers on all circuit boards that have the potential to affect the outcome or integrity of any game, progressive award, financial instrument, cashless transaction, voucher transaction, or accounting records must be capable of being sealed.

**(b) Electrostatic discharge.** Class II gaming system components accessible to the public must be constructed so that they exhibit immunity to human body electrostatic discharges on areas exposed to contact. Static discharges of  $\pm 15$  kV for air discharges and  $\pm 7.5$  kV for contact discharges must not cause damage or inhibit operation or integrity of the Class II gaming system.

**(c) Physical enclosures.** Physical enclosures must be of a robust construction designed to resist determined illegal entry. All protuberances and attachments such as buttons, identification plates, and labels must be sufficiently robust to avoid unauthorized removal.

**(d) Player interface.**

- (1) Any player interface, except for a Class II Mobile Gaming Device, must exhibit a serial number and date of manufacture;
- (2) At the time of Class II Mobile Gaming software installation and registration, a Class II Mobile Gaming Account shall be issued a unique identification number that shall be recorded by the operation. The Class II Mobile Gaming Device identification number shall not be transferable to a different Class II Mobile Gaming Device;
- (3) Any player interface must include a method to:
  - (i) Display information to a player; and
  - (ii) Allow the player to interact with the Class II gaming system.
- (4) Any player interface is restricted to one active log in per session.

**(e) Account access components.** A Class II gaming system component that reads account access media must be located within a secure and locked area, cabinet, or housing that is of a robust construction designed to resist determined illegal entry and to protect internal components. In addition, the account access component:

- (1) Must be constructed so that physical tampering leaves evidence of such tampering; and
- (2) Must provide a method to enable the Class II gaming system to interpret and act upon valid or invalid input or error condition.

**(f) Financial instrument storage components.** Any financial instrument storage components managed by Class II gaming system software must be located within a secure and locked area, cabinet, or housing that is of a robust construction designed to resist determined illegal entry and to protect internal components.

**(g) Financial instrument acceptors.**

- (1) Any Class II gaming system components that handle financial instruments and that are not operated under the direct control of an agent must:
  - (i) Be located within a secure and locked area, cabinet, or housing that is of a robust construction designed to resist determined illegal entry and to protect internal components;
  - (ii) Be able to detect the entry of valid or invalid financial instruments and to provide a method to enable the Class II gaming system to interpret and act upon valid or invalid input or error condition; and
  - (iii) Be constructed to permit communication with the Class II gaming system of the accounting information required by § 547.9(a) and by applicable provisions of any Commission and TGRA regulations governing minimum internal control standards.
- (2) Prior to completion of a valid financial instrument transaction by the Class II gaming system, no monetary amount related to that instrument may be available for play. For example, credits may not be available for play until a financial instrument inserted into an acceptor is secured in the storage component.
- (3) The monetary amount related to all valid financial instrument transactions by the Class II gaming system must be recorded as required by § 547.9(a) and the applicable provisions of any Commission and TGRA regulations governing minimum internal control standards.

**(h) Financial instrument dispensers.**

- (1) Any Class II gaming system components that dispense financial instruments and that are not operated under the direct control of a tribal gaming operation agent must:
  - (i) Be located within a secure, locked and tamper-evident area or in a locked cabinet or housing that is of a robust construction designed to resist determined illegal entry and to protect internal components;
  - (ii) Provide a method to enable the Class II gaming system to interpret and act upon valid or invalid input or error condition; and
  - (iii) Be constructed to permit communication with the Class II gaming system of the accounting information required by § 547.9(a) and by applicable provisions of any Commission and TGRA regulations governing minimum internal control standards.
- (2) The monetary amount related to all valid financial instrument transactions by the Class II gaming system must be recorded as required by § 547.9(a), the applicable provisions of part 543 of this chapter, and any TGRA regulations governing minimum internal control standards.

- (i) Game Outcome Determination Components.** Any Class II gaming system logic components that affect the game outcome and that are not operated under the direct control of a tribal gaming operation agent must be located within a secure, locked and tamper-evident area or in a locked cabinet or housing that is of a robust construction designed to resist determined illegal entry and to protect internal components. DIP switches or jumpers that can affect the integrity of the Class II gaming system must be capable of being sealed by the TGRA.
- (j) Door access detection.** All components of the Class II gaming system that are locked in order to meet the requirements of this part must include a sensor or other methods to monitor an open door. A door open sensor, and its components or cables, must be secure against attempts to disable them or interfere with their normal mode of operation.
- (k) Separation of functions/no limitations on technology.** Nothing herein prohibits the account access component, financial instrument storage component, financial instrument acceptor, and financial instrument dispenser from being included within the same component or being separated into individual components.

**§ 547.8 What are the minimum technical software standards applicable to Class II gaming systems?**

- (a) Player interface displays.**



- (1) If not otherwise provided to the player, the player interface must display the following:
  - (i) The purchase or wager amount;
  - (ii) Game results; and
  - (iii) Any player credit balance.
- (2) Between plays of any game and until the start of the next play, or until the player selects a new game option such as purchase or wager amount or card selection, whichever is earlier, if not otherwise provided to the player, the player interface must display:
  - (i) The total purchase or wager amount and all prizes and total credits won for the last game played;
  - (ii) The final results for the last game played; and
  - (iii) Any default purchase or wager amount for the next play.

**(b) Game initiation and play.**

- (1) Each game played on the Class II gaming system must follow and not deviate from a constant set of rules for each game provided to players pursuant to § 547.16. There must be no undisclosed changes of rules.
- (2) The Class II gaming system may not alter or allow to be altered the card permutations used for play of a Class II game unless specifically chosen by the player prior to commitment to participate in the game. No duplicate cards may be sold for any common draw.
- (3) No game play may commence, and no financial instrument or credit may be accepted on the affected player interface, in the presence of any fault condition that affects the outcome of the game, or while in test, audit, or lock-up mode.
- (4) Each player must initiate his or her participation in the play of a game.

**(c) Audit mode.**

- (1) If an audit mode is provided, the Class II gaming system must, for those components actively involved in the audit:
  - (i) Provide all accounting functions required by § 547.9, by applicable provisions of any Commission regulations governing minimum internal control standards, and by any internal controls adopted by the tribe or TGRA;
  - (ii) Display player interface identification; and
  - (iii) Display software version or game identification.
- (2) Audit mode must be accessible by a secure method such as an agent PIN, key, or other auditable access control.
- (3) Accounting function data must be accessible by an agent at any time, except during a payout, during a handpay, or during play.
- (4) The Class II gaming system must disable financial instrument acceptance on the affected player interface while in audit mode, except during financial instrument acceptance testing.

**(d) Last game recall.** The last game recall function must:

- (1) Be retrievable at all times, other than when the recall component is involved in the play of a game, upon the operation of an external key-switch, entry of an audit card, or a similar method;

- (2) Display the results of recalled games as originally displayed or in text representation so as to enable the TGRA or operator to clearly identify the sequences and results that occurred;
- (3) Allow the Class II gaming system component providing game recall, upon return to normal game play mode, to restore any affected display to the positions, forms and values displayed before access to the game recall information; and
- (4) Provide the following information for the current and previous four games played and must display:
  - (i) Play start time, end time, and date;
  - (ii) The total number of credits at the start of play;
  - (iii) The purchase or wager amount;
  - (iv) The total number of credits at the end of play;
  - (v) The total number of credits won as a result of the game recalled, and the value in dollars and cents for progressive prizes, if different;
  - (vi) For bingo games and games similar to bingo, also display:
    - (A) The card(s) used by the player;
    - (B) The identifier of the bingo game played;
    - (C) The numbers or other designations drawn, in the order that they were drawn;
    - (D) The numbers or other designations and prize patterns covered on each card;
    - (E) All prizes won by the player, including winning patterns, if any; and
    - (F) The unique identifier of the card on which prizes were won.
  - (vii) For pull-tab games only, also display:
    - (A) The result(s) of each pull-tab, displayed in the same pattern as on the tangible pull-tab;
    - (B) All prizes won by the player;
    - (C) The unique identifier of each Pull-tab; and
    - (D) Any other information necessary to fully reconstruct the current and four previous plays.

**(e) Voucher and credit transfer recall.** Notwithstanding the requirements of any other section in this part, a Class II gaming system must have the capacity to:

- (1) Display the information specified in § 547.11(b)(5)(ii) through (vi) for the last five vouchers or coupons printed and the last five vouchers or coupons accepted; and
- (2) Display a complete transaction history for the last five cashless transactions made and the last five cashless transactions accepted.

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

**(g) Test, diagnostic, and demonstration modes.** If test, diagnostic, and/or demonstration modes are provided, the Class II gaming system must, for those components actively involved in the test, diagnostic, or demonstration mode:

- (1) Clearly indicate when that component is in the test, diagnostic, or demonstration mode;
- (2) Not alter financial data on that component other than temporary data;
- (3) Only be available after entering a specific mode;
- (4) Disable credit acceptance and payment unless credit acceptance or payment is being tested; and
- (5) Terminate all mode-specific functions upon exiting a mode.

**(h) Multigame.** If multiple games are offered for player selection at the player interface, the player interface must:

- (1) Provide a display of available games;
- (2) Provide the means of selecting among them;
- (3) Display the full amount of the player's credit balance;
- (4) Identify the game selected or being played; and
- (5) Not force the play of a game after its selection.

**(i) Program interruption and resumption.** The Class II gaming system software must be designed so that upon resumption following any interruption, the system:

- (1) Is able to return to a known state;
- (2) Must check for any fault condition;
- (3) Must verify the integrity of data stored in critical memory;
- (4) Must return the purchase or wager amount to the player in accordance with the rules of the game; and
- (5) Must detect any change or corruption in the Class II gaming system software.

**(j) Class II gaming system components acting as progressive controllers.** This paragraph applies to progressive controllers and components acting as progressive controllers in Class II gaming systems.

- (1) Modification of progressive parameters must be conducted in a secure manner approved by the TGRA. Such parameters may include:
  - (i) Increment value;
  - (ii) Secondary pool increment(s);
  - (iii) Reset amount(s);
  - (iv) Maximum value(s); and
  - (v) Identity of participating player interfaces.
- (2) The Class II gaming system component or other progressive controller must provide a means of creating a progressive balancing report for each progressive link it controls. At a minimum, that report must provide balancing of the changes of the progressive amount, including progressive prizes won, for all participating player interfaces versus current progressive

amount(s), plus progressive prizes. In addition, the report must account for, and not be made inaccurate by, unusual events such as:

- (i) Class II gaming system critical memory clears;
- (ii) Modification, alteration, or deletion of progressive prizes;
- (iii) Offline equipment; or
- (iv) Multiple site progressive prizes.

**(k) Critical memory.**

- (1) Critical memory may be located anywhere within the Class II gaming system. Critical memory is any memory that maintains any of the following data:
  - (i) Accounting data;
  - (ii) Current credits;
  - (iii) Configuration data;
  - (iv) Last game play recall information required by paragraph (d) of this section;
  - (v) Game play recall information for the current game play, if incomplete;
  - (vi) Software state (the last normal state software was in before interruption);
  - (vii) RNG seed(s), if necessary for maintaining integrity;
  - (viii) Encryption keys, if necessary for maintaining integrity;
  - (ix) Progressive prize parameters and current values;
  - (x) The five most recent financial instruments accepted by type, excluding coins and tokens;
  - (xi) The five most recent financial instruments dispensed by type, excluding coins and tokens; and
  - (xii) The five most recent cashless transactions paid and the five most recent cashless transactions accepted.
- (2) Critical memory must be maintained using a methodology that enables errors to be identified and acted upon. All accounting and recall functions must be verified as necessary to ensure their ongoing integrity.
- (3) The validity of affected data stored in critical memory must be checked after each of the following events:
  - (i) Every restart;
  - (ii) Each attendant paid win;
  - (iii) Each attendant paid progressive win;
  - (iv) Each sensed door closure; and
  - (v) Every reconfiguration, download, or change of prize schedule or denomination requiring operator intervention or action.

- (l) Secured access.** Class II gaming systems that use a logon or other means of secured access must include a user account lockout after a predetermined number of consecutive failed attempts to access the Class II gaming system.

#### **§ 547.9 What are the minimum technical standards for Class II gaming system accounting functions?**

- (a) Required accounting data.** The following minimum accounting data, however named, must be maintained by the Class II gaming system:
- (1) Amount In: The total value of all financial instruments and cashless transactions accepted by the Class II gaming system. Each type of financial instrument accepted by the Class II gaming system must be tracked independently per financial instrument acceptor, and as required by applicable requirements of TGRA regulations that meet or exceed the minimum internal control standards at 25 CFR part 543.
  - (2) Amount Out: The total value of all financial instruments and cashless transactions paid by the Class II gaming system, plus the total value of attendant pay. Each type of financial instrument paid by the Class II Gaming System must be tracked independently per financial instrument dispenser, and as required by applicable requirements of TGRA regulations that meet or exceed the minimum internal control standards at 25 CFR part 543.
- (b) Accounting data storage.** If the Class II gaming system electronically maintains accounting data:
- (1) Accounting data must be stored with at least eight decimal digits.
  - (2) Credit balances must have sufficient digits to accommodate the design of the game.
  - (3) Accounting data displayed to the player may be incremented or decremented using visual effects, but the internal storage of this data must be immediately updated in full.
  - (4) Accounting data must be updated upon the occurrence of the relevant accounting event.
  - (5) Modifications to accounting data must be recorded, including the identity of the person(s) making the modifications, and be reportable by the Class II gaming system.
- (c) Rollover.** Accounting data that rolls over to zero must not corrupt data.
- (d) Credit balance display and function.**
- (1) Any credit balance maintained at the player interface must be prominently displayed at all times except:
    - (i) In audit, configuration, recall and test modes; or
    - (ii) Temporarily, during entertaining displays of game results.
  - (2) Progressive prizes may be added to the player's credit balance provided that:
    - (i) The player credit balance is maintained in dollars and cents;
    - (ii) The progressive accounting data is incremented in number of credits; or
    - (iii) The prize in dollars and cents is converted to player credits or transferred to the player's credit balance in a manner that does not mislead the player or cause accounting imbalances.
  - (3) If the player credit balance displays in credits, but the actual balance includes fractional credits, the Class II gaming system must display the fractional credit when the player credit balance drops below one credit.

#### **§ 547.10 What are the minimum standards for Class II gaming system critical events?**

**(a) Fault events.**

- (1) The following are fault events that must be capable of being recorded by the Class II gaming system:

Event	Definition and action to be taken
(i) Component fault	Reported when a fault on a component is detected. When possible, this event message should indicate what the nature of the fault is.
(ii) Financial storage component full	Reported when a financial instrument acceptor or dispenser includes storage, and it becomes full. This event message must indicate what financial storage component is full.
(iii) Financial output component empty	Reported when a financial instrument dispenser is empty. The event message must indicate which financial output component is affected, and whether it is empty.
(iv) Financial component fault	Reported when an occurrence on a financial component results in a known fault state.
(v) Critical memory error	Some critical memory error has occurred. When a non-correctable critical memory error has occurred, the data on the Class II gaming system component can no longer be considered reliable. Accordingly, any game play on the affected component must cease immediately, and an appropriate message must be displayed, if possible.
(vi) Progressive communication fault	If applicable; when communications with a progressive controller component is in a known fault state.
(vii) Program storage medium fault	The software has failed its own internal security check or the medium itself has some fault. Any game play on the affected component must cease immediately, and an appropriate message must be displayed, if possible.

(2) The occurrence of any event identified in paragraph (a)(1) of this section must be recorded.

(3) Upon clearing any event identified in paragraph (a)(1) of this section, the Class II gaming system must:

- (i) Record that the fault condition has been cleared;
- (ii) Ensure the integrity of all related accounting data; and
- (iii) In the case of a malfunction, return a player's purchase or wager according to the rules of the game.

**(b) Door open/close events.**

(1) In addition to the requirements of paragraph (a)(1) of this section, the Class II gaming system must perform the following for any component affected by any sensed door open event:

- (i) Indicate that the state of a sensed door changes from closed to open or opened to closed;
- (ii) Disable all financial instrument acceptance, unless a test mode is entered;
- (iii) Disable game play on the affected player interface;
- (iv) Disable player inputs on the affected player interface, unless test mode is entered; and
- (v) Disable all financial instrument disbursement, unless a test mode is entered.

(2) The Class II gaming system may return the component to a ready to play state when all sensed doors are closed.

**(c) Non-fault events.** The following non-fault events are to be acted upon as described below, if applicable:

Event	Definition
(1) Player interface off during play	Indicates power has been lost during game play. This condition must be reported by the affected component(s).

(2) Player interface power on	Indicates the player interface has been turned on. This condition must be reported by the affected component(s).
(3) Financial instrument storage component container/stacker removed	Indicates that a financial instrument storage container has been removed. The event message must indicate which storage container was removed.

### **§ 547.11 What are the minimum technical standards for money and credit handling?**

#### **(a) Credit acceptance, generally.**

- (1) Upon any credit acceptance, the Class II gaming system must register the correct number of credits on the player's credit balance.
- (2) The Class II gaming system must reject financial instruments deemed invalid.

#### **(b) Credit redemption, generally.**

- (1) For cashable credits on a player interface, players must be allowed to cash out and/or redeem those credits at the player interface except when that player interface is:
  - (i) Involved in the play of a game;
  - (ii) In audit mode, recall mode or any test mode;
  - (iii) Detecting any sensed door open condition;
  - (iv) Updating the player credit balance or total win accounting data; or
  - (v) Displaying a fault condition that would prevent cash-out or credit redemption. In this case a fault indication must be displayed.
- (2) For cashable credits not on a player interface, the player must be allowed to cash out and/or redeem those credits at any time.
- (3) A Class II gaming system must not automatically pay an award subject to mandatory tax reporting or withholding.
- (4) Credit redemption by voucher or coupon must conform to the following:
  - (i) A Class II gaming system may redeem credits by issuing a voucher or coupon when it communicates with a voucher system that validates the voucher or coupon.
  - (ii) A Class II gaming system that redeems credits by issuing vouchers and coupons must either:
    - (A) Maintain an electronic record of all information required by paragraphs (b)(5)(ii) through (vi) of this section; or
    - (B) Generate two identical copies of each voucher or coupon issued, one to be provided to the player and the other to be retained within the electronic player interface for audit purposes.
- (5) Valid vouchers and coupons from a voucher system must contain the following:
  - (i) Tribal gaming operation name and location;
  - (ii) The identification number of the Class II gaming system component or the player interface number, as applicable;
  - (iii) Date and time of issuance;

- (iv) Alpha and numeric dollar amount;
  - (v) A sequence number;
  - (vi) A validation number that:
    - (A) Is produced by a means specifically designed to prevent repetition of validation numbers; and
    - (B) Has some form of checkcode or other form of information redundancy to prevent prediction of subsequent validation numbers without knowledge of the checkcode algorithm and parameters;
  - (vii) For machine-readable vouchers and coupons, a bar code or other form of machine readable representation of the validation number, which must have enough redundancy and error checking to ensure that 99.9% of all misreads are flagged as errors;
  - (viii) Transaction type or other method of differentiating voucher and coupon types; and
  - (ix) Expiration period or date.
- (6) Transfers from an account may not exceed the balance of that account.
  - (7) For Class II gaming systems not using dollars and cents accounting and not having odd cents accounting, the Class II gaming system must reject any transfers from voucher systems or cashless systems that are not even multiples of the Class II gaming system denomination.
  - (8) Voucher systems must include the ability to report redemptions per redemption location or user.

**§ 547.12 What are the minimum technical standards for downloading on a Class II gaming system?**

**(a) Downloads.**

- (1) Downloads are an acceptable means of transporting approved content, including, but not limited to software, files, data, and prize schedules.
- (2) Downloads must use secure methodologies that will deliver the download data without alteration or modification, in accordance with § 547.15(a).
- (3) Downloads conducted during operational periods must be performed in a manner that will not affect game play.
- (4) Downloads must not affect the integrity of accounting data.
- (5) The Class II gaming system must be capable of providing:
  - (i) The time and date of the initiation of the download;
  - (ii) The time and date of the completion of the download;
  - (iii) The Class II gaming system components to which software was downloaded;
  - (iv) The version(s) of download package and any software downloaded. Logging of the unique software signature will satisfy this requirement;
  - (v) The outcome of any software verification following the download (success or failure); and
  - (vi) The name and identification number, or other unique identifier, of any individual(s) conducting or scheduling a download.



- (b) **Verifying downloads.** Downloaded software on a Class II gaming system must be capable of being verified by the Class II gaming system using a software signature verification method that meets the requirements of § 547.8(f).

**§ 547.13 What are the minimum technical standards for program storage media?**

- (a) **Removable program storage media.** All removable program storage media must maintain an internal checksum or signature of its contents. Verification of this checksum or signature is to be performed after every restart. If the verification fails, the affected Class II gaming system component(s) must lock up and enter a fault state.

(b) **Nonrewritable program storage media.**

- (1) All EPROMs and Programmable Logic Devices that have erasure windows must be fitted with covers over their erasure windows.
- (2) All unused areas of EPROMs must be written with the inverse of the erased state (zero bits (00 hex) for most EPROMs), random data, or repeats of the program data.
- (3) Flash memory storage components intended to have the same logical function as ROM, must be write-protected or otherwise protected from unauthorized modification.
- (4) The write cycle must be closed or finished for all CD-ROMs such that it is not possible to write any further data to the CD.
- (5) Write protected hard disks are permitted if the hardware means of enabling the write protect is easily viewable and can be sealed in place. Write protected hard disks are permitted using software write protection verifiable by a testing laboratory.

(c) **Writable and rewritable program storage media.**

- (1) Writable and rewritable program storage, such as hard disk drives, Flash memory, writable CD-ROMs, and writable DVDs, may be used provided that the software stored thereon may be verified using the mechanism provided pursuant to § 547.8(f).
- (2) Program storage must be structured so there is a verifiable separation of fixed data (such as program, fixed parameters, DLLs) and variable data.

- (d) **Identification of program storage media.** All program storage media that is not rewritable in circuit, (EPROM, CD-ROM) must be uniquely identified, displaying:

- (1) Manufacturer;
- (2) Program identifier;
- (3) Program version number(s); and
- (4) Location information, if critical (socket position 3 on the printed circuit board).

**§ 547.14 What are the minimum technical standards for electronic random number generation?**

- (a) **Properties.** All RNGs must produce output having the following properties:

- (1) Statistical randomness;
- (2) Unpredictability; and
- (3) Non-repeatability.

(b) **Statistical randomness.**

- (1) Numbers or other designations produced by an RNG must be statistically random individually and in the permutations and combinations used in the application under the rules of the game. For example, if a bingo game with 75 objects with numbers or other designations has a progressive winning pattern of the five numbers or other designations on the bottom of the card, and the winning of this prize is defined to be the five numbers or other designations that are matched in the first five objects drawn, the likelihood of each of the 75C5 combinations are to be verified to be statistically equal.
- (2) Numbers or other designations produced by an RNG must pass the statistical tests for randomness to a 99% confidence level, which may include:
  - (i) Chi-square test;
  - (ii) Runs test (patterns of occurrences must not be recurrent); and
  - (iii) Serial correlation test potency and degree of serial correlation (outcomes must be independent from the previous game).
  - (iv) Equi-distribution (frequency) test;
  - (v) Gap test;
  - (vi) Poker test;
  - (vii) Coupon collector's test;
  - (viii) Permutation test;
  - (ix) Spectral test; or
  - (x) Test on subsequences.

**(c) Unpredictability.**

- (1) It must not be feasible to predict future outputs of an RNG, even if the algorithm and the past sequence of outputs are known.
- (2) Unpredictability must be ensured by reseeding or by continuously cycling the RNG, and by providing a sufficient number of RNG states for the applications supported.
- (3) Re-seeding may be used where the re-seeding input is at least as statistically random as, and independent of, the output of the RNG being re-seeded.

**(d) Non-repeatability.** The RNG may not be initialized to reproduce the same output stream that it has produced before, nor may any two instances of an RNG produce the same stream as each other. This property must be ensured by initial seeding that comes from:

- (1) A source of “true” randomness, such as a hardware random noise generator; or
- (2) A combination of timestamps, parameters unique to a Class II gaming system, previous RNG outputs, or other, similar method.

**(e) General requirements.**

- (1) Software that calls an RNG to derive game outcome events must immediately use the output returned in accordance with the game rules.
- (2) The use of multiple RNGs is permitted as long as they operate in accordance with this section.
- (3) RNG outputs must not be arbitrarily discarded or selected.

- (4) Where a sequence of outputs is required, the whole of the sequence in the order generated must be used in accordance with the game rules.
- (5) The Class II gaming system must neither adjust the RNG process or game outcomes based on the history of prizes obtained in previous games nor use any reflexive software or secondary decision that affects the results shown to the player or game outcome.

**(f) Scaling algorithms and scaled numbers.** An RNG that provides output scaled to given ranges must:

- (1) Be independent and uniform over the range;
- (2) Provide numbers scaled to the ranges required by game rules, and notwithstanding the requirements of paragraph (e)(3) of this section, may discard numbers that do not map uniformly onto the required range but must use the first number in sequence that does map correctly to the range;
- (3) Be capable of producing every possible outcome of a game according to its rules; and
- (4) Use an unbiased algorithm. A scaling algorithm is considered to be unbiased if the measured bias is no greater than 1 in 50 million.

**§ 547.15 What are the minimum technical standards for electronic data communications between system components?**

**(a) Sensitive data.** Communication of sensitive data must be secure from eavesdropping, access, tampering, intrusion or alteration unauthorized by the TGRA. Sensitive data includes, but is not limited to:

- (1) RNG seeds and outcomes;
- (2) Encryption keys, where the implementation chosen requires transmission of keys;
- (3) PINs;
- (4) Passwords;
- (5) Financial instrument transactions;
- (6) Transfers of funds;
- (7) Player tracking information;
- (8) Download Packages; and
- (9) Any information that affects game outcome.

**(b) Wireless communications.**

- (1) Wireless access points must not be accessible to the general public.
- (2) Open or unsecured wireless communications are prohibited.
- (3) Wireless communications must be secured using a methodology that makes eavesdropping, access, tampering, intrusion or alteration impractical. By way of illustration, such methodologies include encryption, frequency hopping, and code division multiplex access (as in cell phone technology).

**(c)** Methodologies must be used that will ensure the reliable transfer of data and provide a reasonable ability to detect and act upon any corruption of the data.

**(d)** Class II gaming systems must record detectable, unauthorized access or intrusion attempts.

- (e) Remote communications may only be allowed if authorized by the TGRA. Class II gaming systems must have the ability to enable or disable remote access, and the default state must be set to disabled.
- (f) Failure of data communications must not affect the integrity of critical memory.
- (g) The Class II gaming system must log the establishment, loss, and re-establishment of data communications between sensitive Class II gaming system components.

#### **§ 547.16 What are the minimum standards for game artwork, glass, and rules?**

- (a) **Rules, instructions, and prize schedules, generally.** The following must at all times be displayed or made readily available to the player upon request:
  - (1) Game name, rules, and options such as the purchase or wager amount stated clearly and unambiguously;
  - (2) Denomination;
  - (3) Instructions for play on, and use of, the player interface, including the functions of all buttons; and
  - (4) A prize schedule or other explanation, sufficient to allow a player to determine the correctness of all prizes awarded, including:
    - (i) The range and values obtainable for any variable prize;
    - (ii) Whether the value of a prize depends on the purchase or wager amount; and
    - (iii) The means of division of any pari-mutuel prizes; but
    - (iv) For Class II Gaming Systems, the prize schedule or other explanation need not state that subsets of winning patterns are not awarded as additional prizes (for example, five in a row does not also pay three in a row or four in a row), unless there are exceptions, which must be clearly stated.
- (b) **Disclaimers.**
  - (1) Except for Class II Mobile Gaming Devices, the Player Interface must continually display:
    - (i) "Malfunctions void all prizes and plays" or equivalent; and
    - (ii) "Actual Prizes Determined by Bingo (or applicable Class II game) Play. Other Displays for Entertainment Only" or equivalent.
  - (2) For Class II Mobile Gaming Devices, the information in subsection (b)(1)(i)-(ii), must be displayed prior to initiating a session.
- (c) **Odds notification.**
  - (1) If the odds of winning any advertised top prize exceeds 100 million to one, the Player Interface (excluding any Class II Mobile Gaming Device) must display: "Odds of winning the advertised top prize exceeds 100 million to one" or equivalent.
  - (2) For Class II Mobile Gaming Devices, the information required by subsection (c)(1) must be displayed to the player prior to the start of game play.

#### **§ 547.17 How does a TGRA apply to implement an alternate minimum standard to those required by this part?**

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

operation may implement an alternate standard upon TGRA approval subject to the Chair's decision pursuant to paragraph (b) of this section.

- (2) For each enumerated standard for which the TGRA approves an alternate standard, it must submit to the Chair within 30 days a detailed report, which must include the following:
  - (i) An explanation of how the alternate standard achieves a level of security and integrity sufficient to accomplish the purpose of the standard it is to replace; and
  - (ii) The alternate standard as approved and the record on which the approval is based.
- (3) In the event that the TGRA or the tribe's government chooses to submit an alternate standard request directly to the Chair for joint government to government review, the TGRA or tribal government may do so without the approval requirement set forth in paragraph (a)(1) of this section.

**(b) Chair review.**

- (1) The Chair may approve or object to an alternate standard approved by a TGRA.
- (2) If the Chair approves the alternate standard, the Tribe may continue to use it as authorized by the TGRA.
- (3) If the Chair objects to the alternate standard, the operation may no longer use the alternate standard and must follow the relevant technical standard set forth in this part.
- (4) Any objection by the Chair must be in written form with an explanation why the alternate standard as approved by the TGRA does not provide a level of security or integrity sufficient to accomplish the purpose of the standard it is to replace.
- (5) If the Chair fails to approve or object in writing within 60 days after the date of receipt of a complete submission, the alternate standard is considered approved by the Chair. The Chair may, upon notification to the TGRA, extend this deadline an additional 60 days.

**(c) Appeal of Chair decision.** A TGRA may appeal the Chair's decision pursuant to 25 CFR chapter III, subchapter H.