POKAGON BAND GAMING COMMISSION REGULATIONS

Table of Contents

CHAPTER I. GENERAL PROVISIONS 1
Section 1.01 Legal Authority. 1
Section 1.02 Short Title. 1
Section 1.03 Definitions. 1
Section 1.04 General Purposes. 16
Section 1.05 Scope and Applicability. 16
Section 1.06 Rules of Interpretation. 17
Section 1.07 Words and Terms. 18
Section 1.08 Areas Not Covered by the Regulations. 18
Section 1.09 Access to Records. 18
Section 1.10 Communications; Notices. 18
Section 1.11 Restrictions for Gaming Enterprises. 18
Section 1.12 Enforcement Provisions. 19
CHAPTER II. SUPPLIER LICENSING 20
Section 2.01 Restrictions on Doing Business. 20
Section 2.02 Determining the Need for a Gaming Supplier License 20
Section 2.03 Granting a Gaming Supplier or Non-Gaming Supplier License. 21
Section 2.04 Initial License Application. 21
Section 2.05 Duration of License. 22
Section 2.06 License Renewal Application. 22
Section 2.07 License Fees and Investigative Costs. 22
Section 2.08 Disqualification Criteria 22
Section 2.09 Supplier License Qualification Requirements. 23
Section 2.10 Individual Person License Qualification Requirements. 24
Section 2.11 Investigations; Supplementary Information; Approval of Change. 24
Section 2.12 Revocation, Suspension, or Non-Renewal of License. 25
Section 2.13 Temporary License. 25
Section 2.14 Reciprocity. 26
Section 2.15 Non-Gaming Suppliers. 26
Section 2.16 Records. 28
Section 2.17 Obligation to Pay the Fees; No Refund of Fees Paid 28

Section 2.18 Master Vendors List. 28
Section 2.19 Carrying of Gaming Licenses and Credentials for Suppliers. 29
CHAPTER III. EMPLOYEE LICENSING 30
Section 3.01 Employee License Requirements. 30
Section 3.02 Application for a Gaming Employee License. 30
Section 3.03 Background Investigation. 32
Section 3.04 Persons Who Must Obtain an Employee License. 34
Section 3.05 Scope and Applicability of the Licensing of Natural Persons. 36
Section 3.06 Requirements for Granting an Employee License. 37
Section 3.07 Provisional Employee License. 38
Section 3.08 Initial Employee License Application Processing. 38
Section 3.09 Standards for Issuance of a Gaming Employee License. 39
Section 3.10 Eligibility Determination. 40
Section 3.11 Approval of a Level 1 or Level 2 Gaming Employee License. 41
Section 3.12 Denial of a Gaming Employee License. 42
Section 3.13 Form of License. 42
Section 3.14 Employee License Duration. 42
Section 3.15 Suspension or Revocation of a License. 42
Section 3.16 Show Cause Hearing for Primary Management Official. 45
Section 3.17 Date to Submit Employee License Renewal Application. 45
Section 3.18 Employee License Renewal Application. 45
Section 3.19 Employee License Renewal Application Processing. 46
Section 3.20 Documentation, Disclosure and Cooperation Requirements. 46
Section 3.21 Identification of the Applicant. 46
Section 3.22 Prohibition of Employment with Expired License. 47
Section 3.23 Obligation to Pay the Fees; No Refund of Fees Paid. 47
Section 3.24 Application Fees and Miscellaneous Administrative Fees. 47
Section 3.25 Change of Position or Place of Work. 48
Section 3.26 Carrying of Employee Licenses and Credentials. 48
Section 3.27 Authority. 48
Section 3.28 Employee License Reports. 48
Section 3.29 License Reconsideration. 48
Section 3.30 Disclosure of Applicant and License Information and Documents. 49

CHAPTER IV. MINIMUM INTERNAL CONTROL STANDARDS 51
Section 4.01 Accounting. 51
Section 4.02 Organizational Structure. 55
Section 4.03 Forms, Records and Documents. 64
Section 4.04 Record Retention Requirements. 64
Section 4.05 Table Games. 66
Section 4.06 Bill Validator; Bill Acceptor Canister. 76
Section 4.07 Cage Operations Standards. 78
Section 4.08 Complimentary Services. 85
Section 4.09 Standards for Credit. 87
Section 4.10 Procedures for Wire Transfers. 91
Section 4.11 Financial Reports and Information Technology Standards. 93
Section 4.12 Key Controls. 98
Section 4.13 Gaming Operations Compliance. 101
Section 4.14 Bingo. 101
Section 4.15 Pull Tabs. 122
Section 4.16 Marketing, Gaming Promotions, and Player Tracking Systems. 124
Section 4.17 Food and Beverage. 126
Section 4.18 Keno. 126
Section 4.19 Pari-Mutuel Wagering. 132
Section 4.20 Card Games. 135
Section 4.21 Kiosks. 138
Section 4.22 Revenue Audit. 139
Section 4.23 Internal Audit. 143
Section 4.24 External Audit. 146
CHAPTER V. GAMING DEVICES 148
Section 5.01 Possession of Gaming Devices. 148
Section 5.02 Transportation and Movement of Gaming Devices. 148
Section 5.03 Master List of Approved Gaming Devices. 149
Section 5.04 Official Seals or Asset Identifiers. 149
Section 5.05 Gaming Device Bill Acceptor Canister Drop and Count. 150
Section 5.06 Kiosks Drop and Count. 153
Section 5.07 Testing and Approval of Gaming Devices. 155

Section 5.08 Gaming Device Operation in Conformity with Approved Model.....155
Section 5.09 Ticket-In Ticket-Out Controls.....155
Section 5.10 Jackpot Verifications.....157
Section 5.11 Computerized Gaming Machine Systems.....157
Section 5.12 Jackpot and Accumulated Credit Payouts.....157
Section 5.13 In-House Progressive Gaming Device Standards.....158
Section 5.14 Wide Area Progressive Gaming Device Standards.....159
Section 5.15 Standards for Evaluating Theoretical and Actual Hold Percentages.....160
CHAPTER VI. GAMING EQUIPMENT.....161
Section 6.01 Card Controls.....161
Section 6.02 Dice Controls.....165
Section 6.03 Gaming Chips.....170
Section 6.04 Gaming Equipment - Table Games Controls.....175
CHAPTER VII. RULES OF THE GAMES.....178
Section 7.01 General Rules of the Games.....178
Section 7.02 New Games; Requirements and Procedures for Application.....178
CHAPTER VIII. BANK SECRECY ACT / TITLE 31.....180
Section 8.01 Currency Transaction Reporting.....180
Section 8.02 Suspicious Activity Reporting.....184
Section 8.03 CTR and Suspicious Activity Report Filings by the Commission.....186
Section 8.04 Title 31 Risk Assessment and Controls.....186
CHAPTER IX. EXCLUSIONS.....188
Section 9.01 Exclusion for Cause.....188
Section 9.02 Compulsive Gambling and Voluntary Exclusion.....190
CHAPTER X. MISCELLANEOUS PROVISIONS.....194
Section 10.01 Sanctions.....194
Section 10.02 Patron Complaints.....196
Section 10.03 Patron Complaint Hearing Review.....196
Section 10.04 Insurance Coverage.....197
CHAPTER XI. RULES OF PROCEDURE FOR HEARINGS.....198
Section 11.01 Scope of Rules of Procedure.....198
Section 11.02 Notice of Hearing.....198
Section 11.03 Ex Parte Communications.....198

Section 11.04 Appearance through Counsel. 199
Section 11.05 Discovery Procedures for Enforcement Hearings. 199
Section 11.06 Confidential Materials. 200
Section 11.07 Hearing Procedures. 201
Section 11.08 Evidence. 202
Section 11.09 Burden of Proof. 203
Section 11.10 Commission Decisions. 203
Section 11.11 Sanctions. 203
CHAPTER XII. LABOR ORGANIZATIONS LICENSING 204
Section 12.01 General Provisions. 204
Section 12.02 Licensing Requirements. 205
Section 12.03 Individual Disclosure Requirements. 206
Section 12.04 Enforcement. 213
CHAPTER XIII. SPORTS WAGERING 214
Section 13.01 Sanctions. 214
Section 13.02 Authorized Sports Wagering Activities. 214
Section 13.03 Prohibited and Restricted Sports Wagering Activities. 215
Section 13.04 Persons Prohibited from Engaging in Sports Wagering Activities. 216
Section 13.05 Sports Wagering Definitions. 216
Section 13.06 Testing and Approval. 218
Section 13.07 Wagering Device Requirements. 218
Section 13.08 Self-Service Kiosks and Point of Sale System Requirements. 219
Section 13.09 Ticket/Voucher Requirements. 221
Section 13.10 Ticket/Voucher Redemption. 222
Section 13.11 Sports Wagering System General Requirements. 223
Section 13.12 Sports Wagering Accounting and Internal Controls. 224
Section 13.13 Sports Wagering Internal Controls. 224
Section 13.14 Surveillance System. 227
Section 13.15 House Rules. 228
Section 13.16 Terms and Conditions. 229
Section 13.17 Information to Be Displayed or Provided. 230
Section 13.18 Sports Wagering Organizational Structure. 231
Section 13.19 Risk Management. 232

Section 13.20 Integrity Monitoring. 233
Section 13.21 Records/Data Retention Requirement. 233
Section 13.22 Required Reports. 234
Section 13.23 Sports Wagering Marketing, Advertisement and Promotions. 237
Section 13.24 Compulsive and Problem Gambling Requirement. 237
Section 13.25 Self-Excluded Persons. 237
CHAPTER XIV. INTERNET AND MOBILE GAMING.....238
Section 14.01 Definitions.....238
Section 14.02 General Requirements for Internet and Mobile Gaming 240
Section 14.03 Geofence Requirements 245
Section 14.04 Internet Gaming Platform and Internet Games Technical Standards 245
Section 14.05 Standards for Approval of Slot Machine Internet Games and Random Number Generators 246
Section 14.06 Standards for Approval of Table Internet Games.....248
Section 14.07 Table Internet Game Rule Submission Process 248
Section 14.08 Location of Servers, Security, and Cloud Storage 249
Section 14.09 Communication Standards for Gaming Systems 249
Section 14.10 Mandatory Gaming System Logging 250
Section 14.11 Self-Monitoring of Internet Gaming Platform Critical Components.....251
Section 14.12 Change Approval.....251
Section 14.13 Internet Gaming Platform Assessment.....251
Section 14.14 Gaming Operation/Internet gaming intermediary Technical and Security Standards (Controls) 252
Section 14.15 Progressive Jackpots 257
Section 14.16 Internet Gaming and Mobile Gaming Accounts 259
Section 14.17 Internet Gaming System or Mobile Gaming System Standards and Operational Controls 261
Section 14.18 Server-Based Gaming System; Server-Based Games (Table Games, Slot Machines, and Peer-to-Peer Gaming) 264
Section 14.19 Required Reports; Reconciliation; Test Accounts.....267
Section 14.20 Bank Secrecy Act Compliance 271
Section 14.21 Integrity Monitoring/Suspicious Behavior 271
Section 14.22 Voiding of Internet Wagers.....271
Section 14.23 Negative Internet Gaming Account Balance Prohibited.....271

Section 14.24 Tournament/Contests, Bonus and Promotional Wagering, Advertising, and Player Loyalty Programs....272
Section 14.25 Data Security of Age and Identity Verification Information....273
Section 14.26 Handling of Internet Gaming Accounts Found to be Used in a Fraudulent Manner....273
Section 14.27 Failed ACH Deposits....273
Section 14.28 Transfer of Funds Prohibited....274
Section 14.29 Internet Gaming Account Withdrawal....274
Section 14.30 Internet Gaming Account Closure....274
Section 14.31 Internet Gaming Dormant Accounts....274
Section 14.32 Internal Control Standards and Requirements....274
Section 14.33 Amendments to Internal Controls....277
Section 14.34 Emergency Procedures....277
Section 14.35 Compliance with Internal Controls....278
Section 14.36 Records Retention....278
Section 14.37 Accounting Records....279
Section 14.38 Responsible Internet Gaming....279
Section 14.39 Prohibited Persons....279

CHAPTER I. GENERAL PROVISIONS

Section 1.01 Legal Authority.

Pursuant to the authority conferred on us by Section 3.03 and subsection 3.15(c) of the Gaming Regulatory Act of the Pokagon Band of Potawatomi Indians, the Pokagon Band Gaming Commission approves and promulgates the following Games of Chance Regulations, which shall be applicable to all Gaming subject to regulation under the Gaming Regulatory Act.

Section 1.02 Short Title.

These Regulations shall be known and may be cited as the "Pokagon Band Gaming Commission Regulations" (referred to herein as the “Regulations”).

Section 1.03 Definitions.

Unless a different meaning is set forth below, the terms used in these Regulations shall have the same meaning as defined in the Gaming Regulatory Act and, to the extent consist with the Act, the Indian Gaming Regulatory Act (''IGRA'') and any regulations promulgated thereunder.

“Account Access Card” means an instrument used to access customer accounts for wagering at a Gaming Machine. Account Access Cards are used in connection with a computerized account database. Account Access Cards are not “smart cards.”

“Accountability” means all items of cash, Chips, Coins, Tokens, plaques, receivables, and Customer

Deposits constituting the total amount for which the bankroll custodian is responsible at a given time.

“Accumulated Credit Payout” means credit earned in a Gaming Machine that is paid to a customer

manually in lieu of a machine Payout.

''Act'' or ''Gaming Regulatory Act'' means the Pokagon Band of Potawatomi Indians Gaming Regulatory Act, as amended from time to time.

“Actual Hold Percentage” means the percentage calculated by dividing the Win by the Drop or Coin-in (number of credits wagered). Can be calculated for individual tables or Gaming Machines, type of Table Games, or Gaming Machines on a per day or cumulative basis.

“Agent” means a person authorized by the Gaming Operation, as approved by the Commission, to make

decisions or perform assigned tasks or actions on behalf of the Gaming Operation.

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

“Any Offense” shall mean any criminal offense other than a gambling-related offense, Fraud or Misrepresentation, whether committed in Michigan or any other jurisdiction, that is, or would be, a crime under the provisions of the Michigan Penal Code, Act No. 328 of the Public Acts of 1931, as amended, being MCL 750.1 to 750.568, or the controlled substance provisions of the Public Health Code, Act No. 368 of the Public Acts of 1978, as amended, being MCL 333.7101 to 333.7545, or any other criminal offense (other than a gambling-related offense, Fraud or Misrepresentation) that involves theft, dishonesty, Fraud or Misrepresentation arising under the laws of Michigan or another State or jurisdiction, that was committed as an adult or prosecuted as an adult offense, and which has not been effectively removed from the employee's criminal record by executive pardon, State court order, or operation of law.

"Applicant" means any Person, applying for, or requesting renewal of, any License required by this Act.

"Application" or "License Application" means a request for the issuance or renewal of a License required by the Act and these Regulations.

"Audit Finding" means the result from a process that evaluates audit evidence and compares it against audit criteria. Audit Findings can show that audit criteria are being met (conformity) or that they are not being met (nonconformity). They can also identify best practices or improvement opportunities. Audit Findings include external audits, external investigation findings, internal procedural violation report findings, internal Audit Findings, and internal/external compliance Audit Findings.

"Automated Payout" means payment issued by a machine.

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

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

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

"Bill Acceptor Canister" means the box attached to the Bill Acceptor used to contain cash received by Bill Acceptors, whether in Gaming Machines, Gaming Devices, or functioning as a Financial Instrument Storage Component used in connection with Player Interfaces.

"Bill Acceptor Drop" means cash contained in Bill Acceptor Canisters.

"Bill-in Meter" means a Meter included on a Gaming Machine accepting cash that tracks the number of bills put in the machine.

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

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

"Cage" means a secure work area within the Gaming Operation for cashiers, which may include a storage area for the Gaming Operation bankroll.

"Cage Accountability form" means an itemized list of the components that make up the Cage Accountability.

"Cage Credit" means advances in the form of cash or Gaming Chips made to customers at the Cage. Documented by the players signing an IOU or a Marker similar to a Counter Check.

"Cage Marker Form" means a document, signed by the customer, evidencing an extension of Credit at the Cage to the customer by the Gaming Operation.

"Calibration Module" means the section of a weigh scale used to set the scale to a specific amount or number of Coins to be counted.

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

point, whichever comes first.

“Card Game” means a Game in which the Gaming Operation is not party to wagers and from which the Gaming Operation receives compensation in the form of a Rake, a time buy-in, or other fee or payment from a player for the privilege of playing.

“Card Room Bank” means the operating fund assigned to the card room or main Card Room Bank.

“Cash Equivalent(s)” means documents, Financial Instruments other than cash, or anything else of representative value to which the Gaming Operation has assigned a monetary value. A Cash Equivalent includes, but is not limited to, Tokens, Chips, Coupons, Vouchers, Payout slips and tickets, and other items to which a Gaming Operation has assigned an exchange value.

“Cashless System” means a system that performs Cashless Transactions and maintains records of those Cashless Transactions.

“Cashless Transaction” means a movement of funds electronically from one component to another, such as to or from a Patron Deposit Account.

“Cash-out Ticket” means an instrument of value generated by a Gaming Machine representing a cash amount owed to a customer at a specific Gaming Machine. This instrument may be wagered at other machines by depositing the Cash-out Ticket in the machine Bill Acceptor.

“Chair” means the Chair of the National Indian Gaming Commission.

“Chips” means cash substitutes, in various denominations, issued by a Gaming Operation and used for wagering.

''Class I Gaming'' shall have the definition that term is given in the Indian Gaming Regulatory Act at 25 U.S.C. § 2703 (6).

''Class II Gaming'' means Class II Gaming as defined in the Indian Gaming Regulatory Act at 25 U.S.C. § 2703 (7) and any Regulations promulgated thereunder.

''Class III Gaming'' means Class III Gaming as defined in the Indian Gaming Regulatory Act at 25 U.S.C. § 2703 (8) and any Regulations promulgated thereunder but excluding any Class III Gaming that is not authorized by the Compact.

“Class II Gaming System” means 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 25 C.F.R. § 547.

“Coin” means a small piece of metal, usually flat and circular, authorized by the United States government for use as money, or Tokens issued by the Gaming Operations for use as a monetary equivalent.

“Commission” or “Gaming Commission” means the Pokagon Band Gaming Commission, established by the Pokagon Band of Potawatomi Indians Gaming Regulatory Act. Also, generically referred to as the “Tribal Gaming Regulatory Authority” or “Commission”.

“Commissioner” means a Commissioner of the Pokagon Band Gaming Commission as appointed by the Pokagon Band Tribal Council pursuant to the Act.

''Compact'' means the Compact dated December 3, 1998, including all renewals, amendments, appendices, exhibits and other attachments thereto, between the Pokagon Band of Potawatomi Indians and the State of Michigan providing for the Conduct of Tribal Class III Gaming by the Pokagon Band of Potawatomi Indians, which was deemed approved by the Secretary of the Interior by operation of law

under the IGRA (25 U.S.C. § 2710(d)(8) and became effective upon publication in the Federal Register (64 Fed, Reg. 8111; February 18, 1999).

“Complimentary Services and Items means a service or item provided at no cost, or at a reduced cost, to a Patron as set forth in 25 C.F.R. §543.2.

''Control Person'' means any person who has the power to direct or cause direction of the Management and policies of the business operations of a Gaming Supplier as verified by the Gaming Supplier's ownership and organization structure described in the documents establishing the existence of the Gaming Supplier and the designation of persons authorized to act on behalf of the Gaming Supplier. A person shall be presumed to have control when such person owns shares of any corporation that is not a publicly-traded corporation and such person owns, controls or holds the power to vote ten percent (10%) or more of the voting securities of the corporation. Control Persons include members of the Board of Directors, Chief Executive Officer, Chief Operating Officer, and any person with the responsibility and authority to manage the contract on behalf of the Gaming Supplier with respect to the goods or services being provided to a Gaming Operation.

“Count” means the act of counting and recording the Drop and/or other funds. Also, the total funds counted for a Game, Player Interface, Shift, or another period.

“Count Room” means a secured room where the Count is performed in which the cash and Cash Equivalents are counted.

“Count Team” means personnel that perform the Count.

“Counter Check” means a form provided by the Gaming Operation for the customer to use in lieu of a personal check.

“Counter Game” means a Game in which the Gaming Operation is a party to wagers and wherein the Gaming Operation documents all wagering activity. The term includes, but is not limited to, bingo, Keno, and pari-mutuel race books. The term does not include Table Games, Card Games and Gaming Machines.

“Coupon” means 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” means 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” means the maximum dollar amount of Credit assigned to a customer by the Gaming Operation.

“Credit Slip” means a form used to record either:

(a) The return of Chips from a Gaming table to the Cage; or

(b) The transfer of IOUs, Markers, or negotiable checks from a Gaming table to a Cage or bankroll.

“Currency Cassette” means a compartment that contains a specified denomination of currency. Currency Cassettes are inserted into Kiosks, allowing them to dispense currency.

“Customer Deposits” means the amounts placed with a Cage cashier by customers for the customers' use at a future time.

“Deal” means a specific Pull Tab Game that has a specific serial number associated with each Game.

“Dealer” means an Employee who operates a Game, individually or as a part of a crew, administering

house rules and making payoffs.

“Dedicated Camera” means a video camera that continuously records a specific activity.

“Deskman” means a person who authorizes payment of winning tickets and verifies Payouts for Keno games.

“Draw Ticket” means 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) means 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) means the total amount of cash, Chips, and Tokens removed from Drop Boxes, plus the amount of Credit issued at the tables.

“Drop Box” means a locked container in which cash or Cash Equivalents are placed at the time of a transaction, typically used in Card Games or Table Games. It is affixed to the Gaming table into which the Drop is placed. The Game type, table number, and Shift are indicated on the box.

“Drop Bucket” means a container located in the Drop Cabinet (or in a secured portion of the Gaming Machine in coinless/cashless configurations) for collecting Coins, Tokens, Cash-out Tickets, and Coupons from the Gaming Machine.

“Drop Cabinet” means the wooden or metal base of the Gaming Machine that contains the Gaming Machine Drop Bucket.

“Drop Period” means the period of time that occurs between sequential Drops.

“Drop Proceeds” means the total amount of Financial Instruments removed from Drop Boxes, Bill Accepter Canisters, and Financial Instrument storage components.

“Earned and Unearned Take” means race bets taken on present and future race events. Earned take means bets received on current or present events. Unearned take means bets taken on future race events.

''Emergency Operation Plan'' means the plan required by Article V, Section 5, of the Health and Safety Act, which shall be included with an Application for a Gaming Operation License under Section 6.03 of the Act.

“EPROM” means erasable programmable read-only memory or other equivalent Game software media.

“Exception Report” A listing of occurrences, transactions or items that fall outside a predetermined range of acceptability.

“Excluded Person” means any Patron or other person whose name has been added to an Exclusion List

in accordance with the requirements set forth in Section 10.14 of the Act.

“Exclusion List” means the list of Excluded Persons created and maintained under the requirements set forth in Section 10.14 of the Act.

“Fill” means a transaction whereby a supply of Chips, Coins, or Tokens is transferred from a bankroll to a table Game.

“Fill Slip” means a document evidencing a Fill.

“Financial Instrument” means any tangible item of value tendered in Game play, including, but not limited to bills, Coins, Vouchers, and Coupons.

“Financial Instrument storage component” means any component that stores Financial Instruments, such

as a Drop Box, but typically used in connection with Player Interfaces.

“FinCEN” means the Financial Crimes Enforcement Network of the United States Department of the Treasury.

''Fiscal Year'' for the Tribe means the period ending on December 31st of each year and for the Pokagon Gaming Authority and the Four Winds Casino Resort means the period ending on the last Sunday of each calendar year.

“Flare” means the information sheet provided by the manufacturer that sets forth the rules of a particular Pull Tab Game and that is associated with a specific Deal of Pull Tabs. The Flare shall contain the following information:

(a) Name of the Game;

(b) Manufacturer name or manufacturer's logo;

(c) Ticket Count; and

(d) Prize structure, which shall include the number of winning Pull Tabs by denomination, with their respective winning symbols, numbers, or both.

''Fraud or Misrepresentation'' shall mean a criminal offense committed in Michigan or any other jurisdiction, involving, theft, Fraud or Misrepresentation, which is a felony or would be a felony if committed in Michigan, and which was committed as an adult or prosecuted as an adult offense, and which has not been effectively removed from the employee's criminal record by executive pardon, state court order, or operation of law.

“Future Wagers” means bets on races to be run in the future (e.g., Kentucky Derby).

''Game'' means any Game of chance, however conducted, operated, or played, that comes within the definition of Gaming provided in this Section.

“Game Server” means an electronic selection device, utilizing a Random Number Generator.

''Gaming'' means any Class II Gaming or Class III Gaming activity, either individually or collectively and whether authorized or unauthorized.

''Gaming Device'' means any mechanical, electro-mechanical or electronic equipment, contrivance, component, or machine, whether used remotely or directly in connection with any Gaming that affects the result of a wager by determining or predicting the outcome of a Game or the odds of winning or losing a Game. This term shall be broadly construed to promote the purposes of this Act and shall also include any devices, machines, components, or contrivances which do affect, or are capable of affecting, in any way, the playing of any Game, provided that this term shall not be construed to expand the meaning of ''electronic Games of chance'' set forth in Section (3) subsection (A) (5) of the Compact for the purpose of affecting the calculating net Win under Sections 17 and 18 of the Compact.

''Gaming Employee'' means any Primary Management Official, Key Employee, any other person employed by a Gaming Operation whose employment requires access to restricted areas of the Gaming Operation, and any other employee of a Gaming Operation deemed by the Gaming Commission to be engaged in Gaming-related activities during his or her employment.

''Gaming Equipment or Supplies'' means:

(a) Any machine, mechanism, device, or implement that may affect the result of a Game by determining Win or loss, including without limitation, any of the following:

(1) Any Gaming Device

(2) Software used with any Gaming Device

(3) Cards; and

(4) Dice

(b) Layouts for live Table Games and representatives of values, including without limitation, Chips, Tokens, or electronic debit cards and related hardware or software that affect the result of the Game; and

(c) Services to maintain, repair, or renovate any equipment or supplies described in subsections (a) or (b) and any other services that directly relate to the conduct of Gaming, security, or surveillance at a Gaming Operation, including without limitation, casino credit reporting services.

''Gaming Establishment'' means any facility or premises where Class II or Class III Gaming is conducted and includes all buildings, structures and other appurtenances required for the operation or maintenance of such facility or used in connection with such Gaming.

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

“Gaming Machine Analysis Report” means a report prepared that compares theoretical to actual Hold by a Gaming Machine on a monthly or other periodic basis.

“Gaming Machine Booths and Change Banks” means a booth or small Cage in the Gaming Machine area used to provide change to players, store change aprons and extra Coin, and account for jackpot and other Payouts.

“Gaming Machine Pay Table” means the reel strip combinations illustrated on the face of the Gaming Machine that can identify Payouts of designated Coin amounts.

“Gaming Operation” means any business owned by the Tribe or a Tribal entity, the revenues of which are primarily derived from Gaming or from any Gaming Establishment.

“Gaming Operation Accounts Receivable” (for Gaming Operation Credit) means Credit extended to Gaming Operation customers in the form of Markers, returned checks, or other Credit instruments that have not been repaid.

“Gaming Promotion” means any promotional activity or award that requires Game play as a condition of eligibility.

“Gaming Supplier” means any Person who sells, leases, or otherwise supplies any Gaming Equipment or Supplies to a Gaming Operation.

“Generally Accepted Accounting Principles (GAAP)” means 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)” means a widely accepted set of standards that provide a measure of audit quality and the objectives to be achieved in an audit, as established by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA).

“Governmental Accounting Standards Board (GASB)” means Generally Accepted Accounting Principles used by state and local governments.

“Gross Gaming Revenue” means annual total amount of cash wagered on class II and class III games and admission fees (including table or card fees), less any amounts paid out as prizes or paid for prizes awarded.

''Gross Revenue'' means the total of all the following, less the total of all cash paid out as winnings to Patrons and any amounts made deductible from Gross Revenues as Patron winnings or otherwise:

(a) Cash received as wagers;

(b) Cash received in payment for Credit extended by a Licensee to a Patron for the purposes of Gaming; and

(c) Compensation received for conducting any Game in which the Licensee is not a party to a wager. For the purposes of this definition, cash or the value of non-cash prizes awarded to Patrons in a contest or tournament are not winnings. The term “winnings”, as used in this definition, does not include:

(1) Counterfeit money, Chips, Tokens, wagering instruments, or wagering credits;

(2) Coins of other countries that are received in Gaming Equipment or Supplies;

(3) Cash taken in fraudulent acts perpetrated against a Licensee for which the Licensee is not reimbursed; or

(4) Cash received as entry fees for contests or tournaments in which the Patrons compete for prizes. Calculation of Gross Revenues - certain expenses not deductible.

(d) In calculating Gross Revenue, any prizes, premiums, drawings, benefits, or tickets which are redeemable for money or merchandise or other promotional allowance, except money or Tokens paid at face value directly to a Patron as the result of a specific wager and the amount of cash paid to purchase an annuity to fund winnings, must not be deducted as Patron winnings.

(e) In calculating Gross Revenue from Gaming Devices, the actual cost to the Licensee of any personal property distributed to a Patron as the result of a legitimate wager may be deducted as a Patron winning, but not travel expenses, food, refreshments, lodging or services. For the purposes of this Section, ''as the result of a legitimate wager'' means that the Patron must make a wager prior to receiving the personal property, regardless of whether the receipt of the personal property is dependent on the outcome of the wager.

“Hearing Examiner” means an official appointed by the Commissioners to conduct an investigation or administrative hearing so that the Commissioners can exercise their statutory powers. A Hearing Examiner has the power to administer oaths, receive evidence, take testimony, and make initial findings of fact or law.

“Hold” means the relationship of Win to Coin-in for Gaming Machines and Win to Drop for Table Games.

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

wagers accepted by the pari-mutuel wagering operation.

“Independent” means 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.

''Indian Gaming Regulatory Act'' or “IGRA'' means P.L. 100-497, 102 Stat. 2467, enacted on Oct. 17, 1988 and codified at 25 U. S.C. § 2701 et seq.

“Internal Audit” means persons who perform an audit function of a Gaming Operation that are Independent of the department subject to audit. Independence is obtained through the organizational reporting relationship, as the Internal Audit department shall not report to management of the Gaming Operation. Internal Audit activities should be conducted in a manner that permits objective evaluation of areas examined. Internal Audit personnel may provide audit coverage to more than one operation within a Tribe's Gaming Operation holdings.

“Issue Slip” means a copy of a Credit instrument that is retained for numerical sequence control purposes.

“Keno” means a Class III Game of chance similar to lotto, based on the drawing of numbers that must

correspond with selected numbers on cards.

“Key Employee” means:

(a) A person employed by a Gaming Operation who performs one or more of the following functions:

(1) Bingo caller,

(2) Count Room supervisor,

(3) Security Officer,

(4) Custodian of Gaming Equipment or Supplies; or cash,

(5) Floor Manager,

(6) Pit boss,

(7) Dealer,

(8) Croupier,

(9) Approver of Credit, or

(10) Custodian of gambling terminals or other devices operated by the Management of any Gaming Operation, including Persons with access to cash and accounting records for such devices;

(b) If not otherwise included, any other person whose total cash compensation from employment in any Gaming Operation exceeds $50,000 per year;

(c) If not otherwise included, the four most highly-compensated persons employed in any Gaming Operation; or

(d) Any other employee of any Gaming Operation that the Commission designates by Commission Regulations as a Key Employee.

“Lammer Button” means a type of chip that is placed on a Gaming table to indicate that the amount of Chips designated thereon has been given to the customer for wagering on Credit before completion of

the Credit instrument. Lammer Button may also mean a type of chip used to evidence transfers between table banks and Card Room Banks.

“Kiosk” means a device capable of redeeming Vouchers and/or wagering credits or initiating are physically separate and not regulated by the same Tribal Gaming regulatory authority[DVMLC1].

''License'' means a limited grant of authority by the Commission, pursuant to the Act, to a specific Person to perform certain acts or engage in certain activities that are regulated under the Act and cannot be performed or engaged in without a License. Neither the filing of an Application nor the Commission's decision to grant or not grant a License to an Applicant shall create a property interest or due process rights in favor of the Applicant except as may be explicitly provided by the Act, these Regulations, or other Tribal Laws. Licenses shall be structured according to the type of Applicant; as provided in the table below:

License Type	Category	Description	License Term
Gaming Operation	N/A	N/A	two (2) years
Employee	Level 1	Primary Management Officials	one (1) year
	Level 2	Key Employees	two (2) years
	Level 4	Non-Gaming Employees	three (3) years
Supplier	N/A	Gaming Supplier	two (2) years
	N/A	Non-Gaming Supplier	three (3) years

''Licensee'' means any Person who has been issued a valid and current License pursuant to the provisions of this Act.

“Lines of Credit” means the privilege granted by a Gaming Operation to a Patron to:

(a) Defer payment of debt; or

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

“Logic Box” means a housing unit containing multiple processing units required for EGD operation; processing units may include, but is not limited to, Random Number Generators, stand-alone progressive controllers, graphics processing units, and central processing units.

(a) At a minimum, Logic Boxes require the following security features before an EGD is offered to the public

(1) A lock provided by the Operation that is keyed separately from any other locking device utilized within the Gaming Operation

(2) A Commission-approved tamper evident pre-numbered seal

“Main Card Room Bank” means a fund of cash, Coin, and Chips used primarily for poker and pan Card Game areas. Used to make even cash transfers between various games as needed. May be used similarly in other areas of the Gaming Operation.

“Management Contract” means any contract, agreement or other document, including all collateral agreements, that delegates managerial responsibilities to any Person in or for any Gaming Operation and

that requires approval by the NIGC pursuant to the Indian Gaming Regulatory Act.

“Management Contractor” means any Person to whom managerial responsibilities in or for any Gaming Operation have been assigned by a Gaming Operation under a Management Contract.

''Management Fee” means any monies paid by a Gaming Operation from Gaming Revenue to any Person pursuant to a Management Contract, but excluding monies permitted under the Management Contract to be paid to the Management Contractor as reimbursement for Operating Expenses, capital replacement costs, or in fulfillment of other obligations of such Gaming Operation.

“Manager” means the person designated by the Gaming Operation as having management responsibility for a Gaming Operation.

“Manual Payout” means any non-automated Payout.

“Marker” means a document, signed by the customer, evidencing an extension of Credit to him/her by the Gaming Operation.

“Marker Inventory Form” means a form maintained at Table Games or in the Gaming Operation pit that are used to track Marker inventories at the individual table or pit.

“Marker Transfer Form” means a form used to document transfers of Markers from the pit to the Cage.

“Master Game Sheet” means a form used to record, by Shift and day, each table Game's winnings and losses. This form reflects the opening and closing table inventories, the fills and credits, and the Drop and Win.

“Meter” means an electronic (soft) or mechanical (hard) apparatus in a Gaming Machine. May record the number of Coins wagered, the number of Coins Dropped, the number of times the handle was pulled, or the number of Coins paid out to winning players.

“MICS” means the minimum internal control standards promulgated by the National Indian Gaming Commission.

“Motion Activated Dedicated Camera” means a video camera that, upon its detection of activity or motion in a specific area, begins to record the activity or area.

“Multi-Game Machine” means a Gaming Machine that includes more than one type of Game option.

“Multi-Race Ticket” means a Keno ticket that is played in multiple games.

''Net Revenue'' means Gross Revenue of any Gaming Operation minus amounts paid for, or paid out as prizes, winnings and related Operating Expenses, excluding Management Fees.

“Network Communication Equipment” means a device or collection of devices that controls data communication in a system including, but not limited to, cables, switches, hubs, routers, wireless access points, landline telephones and cellular telephones.

“NIGC” means the National Indian Gaming Commission.

''Non-Gaming Employee'' means any employee of a Gaming Operation who is not a Gaming Employee. For purposes of Licensing, Level 4 shall be comprised of all Non-Gaming Employees.

''Non-Gaming Supplier'' means any Person who is not a Gaming Supplier and who provides goods or services to a Gaming Operation, the aggregate annual value of which exceeds an amount established by Commission Regulation as determined from all written and oral contracts between the Non-Gaming Supplier and the Gaming Operation to supply such goods or services within any twelve-month period of time.

“On-line Gaming Machine Monitoring System” means a system used by a Gaming operation to monitor Gaming Machine Meter readings and/or other activities on an on-line basis.

On-line Gaming Machine Monitoring System “Order for Credit” means a form that is used to request the transfer of Chips or Markers from a table to the Cage. The order precedes the actual transfer transaction that is documented on a Credit Slip.

''Operating Expense'' means any expense incurred in the operation of Gaming that is specifically designated as an Operating Expense in any Management Contract or which otherwise is so treated by Application of Generally Accepted Accounting Principles.

“Outstation” means areas other than the main Keno area where bets may be placed, and tickets paid.

“Par Percentage” means the percentage of each dollar wagered that the house wins (i.e., Gaming Operation advantage).

“Par Sheet” means a specification sheet for a Gaming Machine that provides machine Hold percentage, model number, hit frequency, reel combination, number of reels, number of Coins that can be accepted, and reel strip listing.

“Pari-Mutuel Wagering” means a system of wagering on horse races, jai-alai, greyhound, and harness racing, where the winners divide the total amount wagered, net of commissions and Operating Expenses, proportionate to the individual amount wagered.

''Patron'' means any person who participates in Gaming as a customer or who is physically present on the premises where Gaming is conducted as a customer of the Gaming Operation. Also, may be referred to as a “player”.

“Patron Deposit Account” means 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” means that part of a Marker form on which customer payments are recorded. “Payout” means a transaction associated with a winning event.

''Person'' means any business, proprietorship, association, partnership, syndicate, corporation, firm, joint venture, trust or other form of business association or entity, labor organization, state, local government, government instrumentality or entity, as well as any individual person. The term “person'', without an initial capital ''P'', refers exclusively to an individual person.

“Person Having a Direct or Indirect Financial Interest in a Management Contract” means:

(a) When a Person is a party to a Management Contract, any Person having a direct financial interest in such Management Contract;

(b) When a trust is a party to a Management Contract, any beneficiary or trustee;

(c) When a partnership is a party to a Management Contract, any partner;

(d) When a corporation is a party to a Management Contract, any Person who is a director or who holds at least 10% of the issued and outstanding stock alone or in combination with another stockholder who is a spouse, parent, child or sibling; or

(e) When an entity, other than a Person, has an interest in a trust, partnership, corporation or Person that has an interest in a Management Contract, all parties of that entity are deemed to be persons having a direct financial interest in a Management Contract.

“Petition” means a formal written request appealing to authority, usually the Commission, with respect

to a particular case.

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

“Pit Podium” means a stand located in the middle of the tables used by Gaming Operation supervisory personnel as a workspace and a record storage area.

“Pit Supervisor” means the employee who supervises all games in a pit.

“Player Interface” means 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” means a system typically used in Gaming Machine departments that can record the Gaming Machine play of individual customers. Also, may be referred to as a “Patron Management System”.

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

“Primary and Secondary Jackpots” means promotional pools offered at certain Card Games or Table Games that can be won in addition to the primary pot.

''Primary Management Official'' means:

(a) The person having Management responsibility for a Management Contract;

(b) Any person who has authority:

  (1) to hire and fire employees of a Gaming Operation; or

  (2) to establish working policy for a Gaming Operation

(c) The chief financial officer or other person who has financial Management responsibility for any Gaming Operation;

(d) The Manager or any person having Management responsibility over all or any part of any Gaming Operation;

(e) Any person the Commission designates by Commission Regulations as a Primary Management Official.

“Prize Payout” means a payment to a player associated with a winning or qualifying event.

“Progressive Gaming Machine” means a Gaming Machine, with a payoff indicator, in which the payoff increases as it is played (i.e., deferred Payout). The payoff amount is accumulated, displayed on a machine, and will remain until a player lines up the jackpot symbols that result in the progressive amount being paid.

“Progressive Jackpot” means deferred Payout from a progressive Gaming Machine. “Progressive Table Game” means Table Games that offer Progressive Jackpots.

“Promotional Payout” means merchandise or awards given to players by the Gaming Operation based on a wagering activity.

“Promotional Progressive Pots and/or Pools” means funds contributed to a Game by and for the benefit of players that are distributed to players based on a predetermined event.

“Rabbit Ears” means a device, generally V-shaped, that holds the numbered balls selected during a Keno

or bingo Game so that the numbers are visible to players and employees.

“Rake” means a commission charged by the house for maintaining or dealing a Game such as poker.

“Rake Circle” means the area of a table where Rake is placed.

“Random Number Generator (RNG)” means a device that generates numbers in the absence of a pattern. May be used to determine numbers selected in various games such as Keno and bingo. Also, commonly used in Gaming Machines to generate Game outcome.

“Reel Symbols” means symbols listed on reel strips of Gaming Machines.

“Registered Non-Gaming Supplier” means a Non-Gaming Supplier that has filed a Registration form with the Commission and has received written confirmation from the Commission that the registration process is complete and that it is a Registered Non-Gaming Supplier.

''Regulation(s)'' means any regulations promulgated by the Commission pursuant to the Act. Also referred to as Tribal Internal Control Standards, or “TICS”.

''Rehabilitation Hearing'' means a hearing conducted by and before the Commission under the requirements of the Act and these Regulations concerning any Applicant for a Level 2, or Level 4 Gaming Employee License who is a Tribal citizen and who was convicted of or entered a plea of guilty or no contest to Any Offense within the preceding five (5) years in order to determine whether the Applicant is not eligible for a Level 2, or Level 4 Gaming Employee License under the standards set forth in the Act and these Regulations.

''Reservation'' means, pursuant to 25 U.S.C. § 1300j-5 or other applicable Federal law, (i) all lands, the title to which is held in trust by the United States for the benefit of the Pokagon Band of Potawatomi Indians; and (ii) all lands proclaimed by the Secretary of the Interior to be part of the Tribe's Reservation. The term Reservation includes any rights-of-way running through the Reservation.

“Schedule of Fees” means the schedule of fees for each type of License, which is established by the Commission under Section 5.11 of the Act, and as may be amended from time-to-time.

“Runner” means a Gaming Employee, Independent of the Table Games department and the Cage department, who transports Chips/cash to or from a Gaming table and a cashier.

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

“SAR” see Suspicious Activity Report.

“Secretary” means the Secretary of the United States Department of the Interior, unless the context clearly indicates otherwise.

“Self-Exclusion” see Voluntary Exclusion.

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

“Shift” means a time period, unless otherwise approved by the Commission, not to exceed 24 hours.

“Shill” means an Agent financed by the Gaming Operation and acting as a player.

“Short Pay” means a payoff from a Gaming Machine that is less than the listed amount.

“SICS” See “System of Internal Control Standards (SICS)”.

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

"Soft Count" means the Count of the contents in a Drop Box, Bill Acceptor Canister, or Kiosk Financial Instrument storage components and Currency Cassettes.

"Statistical Drop" means total amount of money, Chips and Tokens contained in the Drop Boxes, plus pit Credit issued, minus pit Credit payments in cash in the pit.

"Statistical Win" means closing bankroll, plus Credit Slips for cash, Chips or Tokens returned to the Cage, plus Drop, minus opening bankroll, minus fills to the table, plus Marker Credits.

"Sufficient Clarity" means 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)" means the secured area(s) where surveillance takes place and/or where active surveillance equipment is located.

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

"Suspicious Activity Report" means a report of any suspicious transaction the Gaming Operation are required to, or believes is relevant to, the possible violation of any law or regulation using FinCEN Form 111.

"System of Internal Control Standards (SICS)" means 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 Game(s)" means a Game(s) 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" means the total Coins, Chips, and Markers at a table.

"Table Inventory Form" means the form used by Gaming Operation supervisory personnel to document the inventory of Chips, Coins, and Tokens on a table at the beginning and ending of a Shift.

"Table Tray" means the container located on Gaming tables where Chips, Coins, or cash are stored that are used in the Game.

"Take" means the same as Earned and Unearned Take.

"Theoretical Hold" means the intended Hold percentage or Win of an individual Gaming Machine as computed by reference to its Payout schedule and reel strip settings or EPROM.

"Theoretical Hold Worksheet" means a worksheet provided by the manufacturer for all Gaming Machines that indicate the theoretical percentages that the Gaming Machine should Hold based on adequate levels of Coin-in. The worksheet also indicates the reel strip settings, number of credits that may be played, the Payout schedule, the number of reels and other information descriptive of the Gaming Machine.

"TICS" See "Tribal Internal Control Standards (TICS)".

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

''Tribal Chairperson'' means the duly-elected Chairperson of the Tribe.

''Tribal Council'' means the Tribal Council of the Pokagon Band of Potawatomi Indians, established under Article X of the Pokagon Band Constitution as the governing body of the Tribe.

''Tribal Court'' means the Pokagon Band Tribal Court and the Pokagon Band Court of Appeals.

“Tribal Gaming Regulatory Authority (Commission)” See “Commission”.

“Tribal Internal Control Standards (TICS)” means internal control standards established by the Commission that are at least as stringent as the applicable MICS standards set forth by the NIGC. Also referred to as “Regulations”.

''Tribe'' means, and ''Tribal'' shall refer to, the Pokagon Band of Potawatomi Indians.

“Vault” means a secure area where cash and Cash Equivalents are stored.

“Voluntary Exclusion” means the policy or program enacted by Section 10.15 of the Act as a method of addressing the issue of addictive and compulsive gambling. Any person who meets the requirements to voluntarily participate shall have their name placed on the Exclusion List, and the requirements of subsections 10.14(e) and (f) of the Act shall apply.

“Voucher” means 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” means 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.

“Wide area progressive (WAP) Gaming Machine” means a progressive Gaming Machine that is linked to machines in other operations and play on the machines affect the progressive amount. As wagers are placed, the progressive meters on all of the linked machines increase.

“Win” means the net Win resulting from all Gaming activities. Net Win results from deducting all Gaming losses from all wins prior to considering associated Operating Expenses.

“Win-to-Write Hold Percentage” means Win divided by Write to determine Hold percentage.

“Write” means the total amount wagered in Keno, bingo, Pull Tabs, and pari-mutuel operations.

“Writer” means an employee who writes Keno, bingo, Pull Tabs, or pari-mutuel tickets. A Keno Writer usually also makes Payouts.

Section 1.04 General Purposes.

These Regulations are promulgated with the intention of implementing the provisions of the Gaming Regulatory Act, and their purpose is to establish rules and standards applicable to the operation of Gaming Operations within the jurisdiction of the Tribe.

These purposes should be construed and interpreted within the framework and scope of the powers, ends and objectives of the Tribal Council and the Commission set forth in the Pokagon Band Constitution and the Act.

Section 1.05 Scope and Applicability.

These Regulations shall apply to all administrative procedures for licensing, granting of Licenses, overseeing, supervision and regulation related to the operation of the Gaming within the jurisdiction of the Tribe and the Commission.

Section 1.06 Rules of Interpretation.

(a) These Regulations shall be liberally interpreted in order to allow the Commission to carry out its duties and to ensure that all the objectives of the Act and these Regulations are achieved.

(b) In special cases, and for just cause, the Commission may relax or permit deviations from the provisions of these Regulations when strict and literal compliance therewith defeats its purpose, provided that the Commission's grant of permission to deviate from specific requirements in the Regulations must be made in writing by a duly issued order of the Commission and shall apply exclusively to those Persons identified in the order.

(c) Resolving inconsistency between governing documents.

(1) Inconsistency between the Compact and these Regulations:

(i) If there is a direct conflict between an internal control standard established in the Compact and a standard or requirement set forth in these Regulations, then the internal control standard established in established in the Compact shall prevail.

(ii) If an internal control standard in the Compact provides a level of control that equals or exceeds the level of control under an internal control standard or requirement set forth in these Regulations, then the Compact standard shall prevail.

(iii) If an internal control standard or a requirement set forth in these Regulations provides a level of control that exceeds the level of control under an internal control standard established in the Compact, then the internal control standard or requirement set forth in these Regulations shall prevail.

(2) Inconsistency between the Act and the Regulations:

(i) If there is a direct conflict between an internal control standard established in the Act and a standard or requirement set forth in these Regulations, then the internal control standard established in the Act shall prevail.

(ii) If an internal control standard in the Act provides a level of control that equals or exceeds the level of control under an internal control standard or requirement set forth in these Regulations, then the Act standard shall prevail.

(iii) If an internal control standard or a requirement set forth in these Regulations provides a level of control that exceeds the level of control under an internal control standard established in the Act, then the internal control standard or requirement set forth in these Regulations shall prevail.

(3) Conflicts of audit and accounting standards. When establishing SICS, the Gaming Establishment 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.

(d) The Commission shall have sole authority to interpret the provisions of the Regulations and determine whether or not any inconsistency with the Compact or the Act exists, subject to the right of any Person to challenge final orders of the Commission as provided in the Act.

Section 1.07 Words and Terms.

When interpreting the provisions of these Regulations, except where otherwise expressly stated, or if it is clearly understood to the contrary from the text:

(a) Words conjugated in the present tense shall be understood to include the future tense.

(b) Words used in their masculine form shall also include the feminine and neutral forms.

(c) Words in the singular shall include the plural and vice versa.

Section 1.08 Areas Not Covered by the Regulations.

The Commission shall exercise its discretion in any matter not covered by these Regulations to achieve the objectives of the Compact, Act, and these Regulations. If a practice or procedure is not specifically addressed in these Regulations, or the Commission does not exercise its discretion, such practice or procedure is prohibited

Section 1.09 Access to Records.

(a) No original of any official record or document shall leave the custody of the Commission, except by express written order of the Executive Director or a court of competent jurisdiction.

(b) The Commission, through its Executive Director and other authorized Commission personnel shall have access to all areas of any Gaming Establishment and to all records, files, information, and data of any Gaming Establishment, wherever located, and may interview any employee, Agent or representative of any Gaming Establishment with respect to matters relating to the operation of any Gaming Establishment. Advance notice to the Gaming Establishment or any employee, Agent or representative of the Gaming Establishment shall not be required for the Commission to exercise the authority described in this Paragraph.

Section 1.10 Communications; Notices.

(a) Except when otherwise provided, any document or correspondence addressed to the Commission shall be sent to, or personally delivered at, the principal office of the Commission.

(b) Said documents or correspondence shall be deemed to have been delivered or filed from the date the same were received at the principal office of the Commission.

(c) Except as otherwise provided in these Regulations, all notices and other communications from the Commission shall be sent to a Licensee and an Applicant by regular or certified mail to the address which appears in the most recent Application or in a change of address notice received from such person.

(d) Any notice or any other communication from the Commission shall be deemed to have been served or received when the same is deposited, postage prepaid, in the mail of the United States of America and the time specified in said notice shall commence to run from that date.

(e) Applicants shall immediately notify the Commission of any change of address.

Section 1.11 Restrictions for Gaming Enterprises.

(a) Minimum age for players.
No person below the age of twenty-one (21) years on the date of Gaming shall be permitted in any Gaming enterprise Licensed under the provisions of this Ordinance, except in designated

areas approved by the Commission. If any person below the age of twenty-one (21) years plays and otherwise qualifies to Win any prize or winnings, the prize or winnings may be subject to forfeiture.

(b) Prohibition on Firearms.

(1) A person may not carry a firearm or other weapon in a Gaming Establishment, except for the following persons with valid authorization under law:

(i) Tribal law enforcement officials;

(ii) Federal law enforcement officers, as defined in 5 U.S.C. §8331(20);

(iii) State, county, city, township or village law enforcement officers, as defined in Section 2 of Michigan Public Act 203 of 1965, as amended, to extent and under circumstances duly authorized by the Tribal Council;

(iv) Armored car personnel picking up or delivering currency at secured areas: and

(v) Security personnel employed by a Gaming Operation may carry handcuffs or similarly restrictive restraint devices and pepper spray, to the extent expressly authorized by the Gaming Operation.

(2) All law enforcement officers shall, to extent practicable, advise the Manager and the Commission, or their agents, prior to conducting any official law enforcement activities within a Gaming Establishment.

Section 1.12 Enforcement Provisions.

Each Gaming Establishment shall continuously adhere to the minimum requirements set forth by the Regulations. Non-compliance with any applicable regulation or control procedure is a violation.

(a) The Commission will monitor violations of such said laws and rules by written notices to individuals, Gaming Establishments, and suppliers. Under most non-emergency circumstances and based on the severity of offense, prior to the issuance of a fine or penalty, the individual or entity receiving the fine or penalty will probably, but not necessarily, have been issued a written notice to take immediate actions to resolve the situation.

(b) The notice shall contain:

(1) Citing of regulation and/or policy violated;

(2) Description of the violation;

(3) Dates of prior notifications (if applicable);

(4) Date violation must be corrected (if applicable);

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

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

CHAPTER II. SUPPLIER LICENSING

Section 2.01 Restrictions on Doing Business.

(a) No Person shall provide goods or services related to a Gaming Operation, or the Games, or in another manner shall carry on business related with activities of a Gaming Operation, its employees or Agents, unless it holds a current Gaming Supplier License validly issued by the Commission in accordance with the Act and these Regulations or is a Registered Non-Gaming Supplier, except as provided in this Chapter.

(b) No Gaming Supplier shall manufacture, sell or lease, distribute, repair or provide maintenance services to Gaming Devices in a Gaming Operation unless it holds a current Gaming Supplier License validly issued by the Commission in accordance with the Act and these Regulations.

(c) The Gaming Commission reserves the right to compel any Non-Gaming Supplier to be licensed if the Commission feels circumstances warrant such action.

Section 2.02 Determining the Need for a Gaming Supplier License.

(a) Any Gaming Supplier which meets one or more of the following criteria shall be considered a Gaming-related vendor and, unless otherwise authorized by the Commission or unless otherwise set forth in these Regulations, shall obtain a Gaming Supplier License to do business with the Gaming Operation.

(1) Gaming Suppliers shall include, but not be limited to, any Person that meets the following criteria:

(i) The Person manufactures, sells or leases, supplies or distributes devices, machines, equipment, accessories, objects or articles which:

(A) Are designed specifically for use in a Gaming Operation;

(B) Are needed to carry out an authorized Game;

(C) Have the capacity to affect the result of the play of an authorized Game; or

(D) Have the capacity to affect the calculation, storage, collection or control of the Gross Revenues.

(ii) Junket representatives, junket operators and tour groups bringing Patrons to the Gaming Operation would be Gaming Suppliers.

(2) The Person provides maintenance services or repairs Gaming Equipment, including Gaming Devices;

(3) The Person provides services directly related to the operation, Regulation or administration, among others, of a Gaming Operation;

(4) The Person provides those other articles or services that the Commission has determined are used in or are incidental to Gaming, or to an activity of a Gaming Operation and that, therefore, require a License from the Commission in order to protect the trust, credibility and integrity of Gaming within the jurisdiction of the Tribe;

(5) Credit reports service providers for Gaming Operations and suppliers of security services for Gaming Operations.

(b) The list contained in paragraph (a) above is not all inclusive, but illustrative.

Section 2.03 Granting a Gaming Supplier or Non-Gaming Supplier License.

All Gaming Supplier and Non-Gaming Supplier License Applicants shall submit to the Commission the information, documentation and guarantees necessary to establish through clear and convincing evidence:

(a) The financial stability, integrity and economic responsibility of the Applicant;

(b) The good character, honesty and integrity of the Applicant;

(c) That the owners, administrative and supervisory personnel, principal employees and sales representatives of the Applicant comply with the parameters provided in these Regulations;

(d) The integrity of the investors, mortgage creditors, guarantors and holders of bonds, notes and other evidences of debt which are in any way related to the Applicant;

(e) The integrity of all the officers, directors and trustees of the Applicant; and

(f) The licensing criteria as set forth in the Act.

(g) If the Applicant is not a publicly traded company, the Applicant shall produce proof of beneficial ownership. Stock ownership shall be issued to bona fide individuals or entities and shall not be in the form of nominee or bearer shares.

Section 2.04 Initial License Application.

(a) The initial Application for a Gaming Supplier License shall consist of:

(1) An original and a copy of the following documents:

(i) Business Entity Disclosure Form - Gaming Supplier or Business Entity Disclosure Form Non- Gaming Supplier, as appropriate, are to be completed by the Applicant;

(ii) Personal History Disclosure Form(s) shall be completed by each person who must be qualified by the Applicant in accordance with these Regulations.

(2) The fees to be paid, as set forth in the Schedule of Fees.

(b) The Commission may request the holding company of the Applicant to submit documents described in (a)(1)(i-ii) above.

(c) Every initial Application shall be filed at or mailed to the Commission at its address of record.

(d) The Commission shall not evaluate an initial Gaming Supplier and Non-Gaming Supplier License Application unless the same is accompanied by all the information required in these Regulations, including all documents requested in paragraphs (a) and (b) above; provided that any incomplete Application filed with the Commission shall be deemed to be as if the same had not been filed.

(e) It shall be the responsibility of the Gaming Supplier and Non-Gaming Supplier Applicant and its principals to provide information and or documentation and to demonstrate their qualifications by clear and convincing evidence relative to the character, honesty and integrity of its directors, officers, stockholders and principal employees to the Commission.

Section 2.05 Duration of License.

(a) Each Gaming Supplier License issued by the Commission shall be for a period not to exceed two (2) years.

(b) Each Non-Gaming Supplier License issued by the Commission shall be for a period not to exceed three (3) years.

(c) Notwithstanding the provisions of paragraph (a) and (b) above, the Commission may, as it may deem necessary, issue any Gaming Supplier or Non-Gaming Supplier License for a shorter period.

Section 2.06 License Renewal Application.

(a) Each Gaming Supplier License Renewal Application shall be filed no later than sixty (60) days prior to the expiration date of said License.

(b) The Gaming Supplier and Non-Gaming Supplier License Renewal Application shall include:

(1) A duly-completed original and a photocopy of:

(i) A renewal Application for Gaming Suppliers or Non-Gaming Suppliers, as appropriate, which shall contain all the information that has changed from the date of the Application for the initial Gaming Supplier or Non-Gaming Supplier License or of the last renewal, to be completed by the Applicant and by each holding company of the Applicant;

(ii) Personal History Disclosure Form to be completed by each person who must be qualified in accordance with the Act, and who has not been qualified by the Commission; and

(2) The amount of fees to be paid is as set forth in the Schedule of Fees.

Section 2.07 License Fees and Investigative Costs.

(a) The fees to be paid for the initial Application for a Gaming Supplier and Non- Gaming Supplier Registration shall be determined by the Commission and set forth in the Schedule of Fees.

(b) As set forth in the Schedule of fees, Applicants for Gaming Supplier Licenses will also be billed for the costs of the background investigations necessary to complete a background investigation to the standards set forth in these Regulations.

(c) As set forth in the Schedule of fees, Applicants submitting a renewal Application shall be billed for a Gaming Supplier Renewal Application and for each Control Person; and for the costs of the background investigations necessary to complete the licensing process to the standards set forth in these Regulations.

Section 2.08 Disqualification Criteria.

The Commission may deny a Gaming Supplier and Non-Gaming Supplier License to any Applicant that, in the opinion of the Commission:

(a) Has not proven through clear and convincing evidence that the Applicant and any of the persons required to be qualified in accordance with these Regulations are in fact duly-qualified; or

(b) Has violated any of the provisions of the Act or these Regulations; or

(c) Has failed to provide information or documentation requested in writing by the Commission in a timely manner, which shall not exceed thirty (30) business days from the date of request by the Commission without reasonable justification.

(d) Does not consent to investigations, inspections and searches, or to have photographs and fingerprints taken for investigative purposes.

(e) Has been convicted of any felony or misdemeanor involving moral turpitude, in the State of Michigan or any other jurisdiction, providing that this disqualifying criterion shall not automatically apply in case of convictions that have been expunged from such the Applicant's criminal record upon a court order.

(f) Is being prosecuted or has pending charges in any jurisdiction for any crime previously specified; however, at the request of the Applicant or the person being prosecuted, the Division may postpone the decision concerning such Application while said charges are pending.

(g) Is identified as a career offender or is a member of a criminal organization, or as being associated to a career offender or a criminal organization.

(h) The Commission may also deny this License by applying the criteria listed above to those persons related to the Applicant that must be qualified pursuant to these Regulations as a condition of licensure.

Section 2.09 Supplier License Qualification Requirements.

(a) The Commission shall not issue a Gaming Supplier and Non-Gaming Supplier License to any Applicant who has failed to establish in advance the individual qualifications of each one of the following Control Persons:

(1) Every owner of the Applicant who has, directly or indirectly, any interest in or is the owner of more than ten percent (10%) of the Applicant;

(2) Every owner of the Applicant entity that the Commission deems necessary to promote the purposes of the Act and the Regulations;

(3) Any director of the Applicant, except such director who, in the opinion of the Commission, is not significantly involved in or connected with the administration of the Applicant;

(4) Every representative of the Applicant who is significantly involved in or who has authority over the manner in which the business dealing with the activities of a Gaming Operation is conducted and any officer who the Commission considers necessary to protect the good character, honesty and integrity of the Applicant;

(5) Any officer of the holding company of the Applicant who the Commission considers necessary to protect the good character, honesty and integrity of the Applicant;

(6) Any employee who supervises the national office that employs the sales representatives who shall solicit business from or negotiate directly with the Gaming Operation; and

(7) Any other person who the Commission considers should be qualified in conjunction with the Application.

(b) In addition to the above, a Gaming Supplier shall file a Level 2 License Application for any employee who shall be regularly dedicated to soliciting business from the Gaming Operation and any technological employee who has access to the Gaming Operation floor in the performance of

his job duties.

(c) To establish the individual qualifications, the entity or entities specified in subparagraphs (a) and (b) of this Section shall complete Business Entity Disclosure Form - Gaming Suppliers and Business Entity Disclosure Form for Non-Gaming Suppliers, as appropriate.

(d) To establish the individual qualifications, the persons specified in subparagraphs (a)(2-7) of this Section shall complete Personal History Disclosure Form(s).

Section 2.10 Individual Person License Qualification Requirements.

(a) Any person who is required to qualify, because of his/her relationship with a Gaming Supplier or Non-Gaming Supplier License Applicant, shall provide the Commission with information, documentation and assurances necessary to establish, through clear and convincing evidence:

(1) His/her relationship with the Applicant;

(2) That he/she is older than eighteen (18) years of age;

(3) That he has not been convicted by a State or Federal court of justice or a court of justice of any other jurisdiction of:

(i) Committing, intending to commit or conspiring to commit a crime of moral turpitude, illegal appropriation of funds or robbery, or any violation of a law related to Games of chance, or a crime which is contrary to the declared policy of the Tribe with respect to the Gaming industry; or

(ii) Committing, intending to commit, or conspiring to commit a crime which is a felony on the Reservation or a misdemeanor in another jurisdiction which would be a felony if committed on the Reservation.

(b) Failure to comply with one of the requirements set forth in paragraph (a) above shall be sufficient cause for the Commission to deny a Gaming Supplier License or Non-Gaming Supplier License.

(c) The Commission shall deny any person required to qualify in conjunction with a Gaming or Non-Gaming Supplier License that does not satisfy the standards for entity licensing set forth in the Act or these Regulations.

Section 2.11 Investigations; Supplementary Information; Approval of Change.

(a) The Commission may, at its discretion, conduct any investigation with respect to an Applicant or any person related to an Applicant that it deems pertinent, either at the time of the initial Application or at any subsequent time.

(b) It shall be the continuing duty of any Applicant or holder of a Gaming Supplier or Non-Gaming Supplier License to fully cooperate with the Commission during any investigation and to provide any supplementary information that the Commission requests.

(c) The Applicant shall file with the Commission for its approval, within ten (10) business days, any change in the Applicant or holder of a Gaming Supplier or Non-Gaming Supplier License the original state of which was a condition imposed by the Commission for the granting of the initial Gaming Supplier License or the renewal of said License; provided that any change in the ownership of the Applicant or the holder of a Gaming Supplier or Non-Gaming Supplier License or any change in the ownership of any holding or intermediary company of the Applicant that represents five percent (5%) or more of the total shares issued and outstanding or of the total

participation in the same, except when the holding or intermediary company is a publicly-traded corporation, not approved by the Commission shall be sufficient cause for invalidating any License or prior approval granted by the Commission. The proposed new owner shall submit to the Commission an initial Gaming Supplier License or Non-Gaming Supplier Application and evidence that he is qualified to receive the same.

Section 2.12 Revocation, Suspension, or Non-Renewal of License.

(a) Any of the following reasons shall be considered sufficient cause for the suspension, denial of renewal or revocation of a Gaming Supplier License or a Non-Gaming Supplier registration:

(1) Violation of any provision of the Compact, the Act or the Regulations;

(2) Conduct that would disqualify the Applicant, or any other person, required to be qualified by the Commission;

(3) Failure to comply with any applicable laws or regulations;

(4) The material deviation of any representation made in the Application for the Gaming Supplier or the Registered Non-Gaming Supplier.

(b) Notwithstanding the provisions of subparagraph (a) above, any other cause that the Commission deems reasonable shall be considered sufficient cause for the suspension, denial of renewal or revocation of a Gaming Supplier License.

(c) A suspension or revocation of a License shall not take effect until:

(1) Execution of a settlement agreement;

(2) Execution of an Order by the Executive Director; or

(3) The Executive Director determines an immediate suspension or revocation of a License just and proper. The Commission may immediately suspend or revoke a Person's License or Permit for the following reasons but not limited to:

(i) When a Person's actions pose an immediate threat to the integrity of Gaming or the safety of the general public, patrons, or other employees and for which suspension is the only reasonable means to mitigate such threat; or

(ii) When a Person fails to cooperate with the Commission's licensing policies and procedures.

Section 2.13 Temporary License.

(a) The Commission, at its discretion, may issue a Temporary License to a Supplier License Applicant to permit the Applicant to carry out a commercial transaction with a Gaming Operation before said Applicant has obtained a permanent Gaming Supplier License, provided that:

(1) The Applicant has filed with the Commission a completed Application for a Gaming Supplier License;

(2) At least fifteen (15) days has passed since the filing of said completed Application with the Commission; and

(3) The Gaming Operation submits to the Commission a Petition for special authorization to carry out a commercial transaction in the absence of a permanent Gaming Supplier License that contains:

(i) Sufficient reasons to convince the Commission to grant the temporary License; and

(ii) A copy of the contract or proposed contract describing the commercial transaction that it desires to carry out.

(b) The Commission shall evaluate the Application and said Petition for a temporary License and shall promptly notify the Applicant and the petitioning Gaming Operation of its decision in writing.

(c) Any commercial transaction conducted under a temporary License shall be noticed to the Commission by the temporary Licensee and the Gaming Operation within ten (10) days following the carrying out of the commercial transaction. The notification shall at least contain the date of the transaction and the description of the commercial transaction carried out.

Section 2.14 Reciprocity.

(a) The Commission may recognize and accept the licensing determinations of other Gaming regulatory agencies regarding any Gaming Supplier or Non-Gaming Supplier License Applicant and persons determined to be Control Persons of the Applicant pursuant to these Regulations. The Applicant for a Gaming Supplier or Non-Gaming Supplier License shall Petition the Commission and such Petition shall include the following:

(1) Jurisdictions in which the Applicant has valid Gaming license or other service industry licenses;

(2) Certification that the license held by the Gaming Supplier or Non-Gaming Supplier License Applicant is in good standing in other jurisdictions in which it is licensed; and

(3) If also licensed by the State of Michigan, a certification that the license is in good standing in that state.

(b) The Commission shall determine that one or more of the jurisdictions in which the Gaming Supplier or Non-Gaming Supplier Applicant has been licensed has Licensing standards that are at least as stringent and a background investigation process at least as rigorous as set forth in the Act and these Regulations.

Section 2.15 Non-Gaming Suppliers.

(a) No Non-Gaming Supplier shall provide goods or services to the Gaming Operation on a regular and continuing basis unless it is a Registered Non-Gaming Supplier in accordance with these Regulations except as otherwise expressly provided in this Section. The following standards shall apply to determine whether a Non-Gaming Supplier must be a Registered Non-Gaming Supplier. Any Non-Gaming Supplier who provides, or should know that it will provide, in excess of $300,000 of goods or services to a Gaming Operation in any twelve-month period must file a Non-Gaming Supplier Registration Form and receive written confirmation from the Commission that it is duly registered before it may engage in business or continue to engage in business with a Gaming Operation.

(b) Notwithstanding the above, the Commission may exempt a Person from the requirement of obtaining a Non-Gaming Supplier Registration under this Section 2.15. The following Persons shall be automatically exempt from the registration requirement and shall not be required to submit an Exemption Application, provided that the Commission may condition the granting of such exemption on the submission of non-public information that is necessary to verify that such Person meets the criteria in one of the exemption provisions in this subsection:

(1) Local, State, and Federal governmental agencies, including the United States Postal Service, to the extent the entity provides services related to its governmental agency function to a Gaming Operation.

(2) A Person or field of commerce that is subject to regulatory oversight and a due diligence investigation by another regulatory agency that is satisfactory to the Commission, including public utilities and accredited higher education institutions, to the extent that the services provided to the Gaming Operation involve regulated activities.

(3) An insurance company licensed or authorized to transact business to the extent that it provides insurance related services to a Gaming Operation.

(4) A publicly traded United States corporation under the regulation of the United States Securities and Exchange Commission, or a wholly owned subsidiary of such a corporation.

(5) A professional entertainer, sports figure, or other celebrity engaged by a Gaming Operation to appear at a special entertainment or promotional event sponsored by the Gaming Operation to the extent that such Person provides entertainment or promotional services to a Gaming Operation.

(6) A federally chartered depository financial institution to the extent that it provides financial- related services to a Gaming Operation.

(7) A Person or entity that provides professional legal or accounting services to a Gaming Operation to the extent that it provides financial related services to a Gaming Operation.

(8) A medical corporation, partnership, sole proprietorship, or other business entity, to the extent that the Applicant provides medical related services to a Gaming Operation.

(9) An Agent or promoter of a professional entertainer, sports figure, or celebrity, provided that such Agent or promoter does not otherwise provide services to the Gaming Operation on a regular and continuing basis.

(10) A Person who provided facilities, promotion, or advertising to a Gaming Operation and is one of the following:

(i) A media outlet (defined as a newspaper, a magazine, an outdoor advertising business, or a radio or television outlet).

(ii) A provider of a facility or a host or sponsor of an event that presents advertising on behalf of or promotes a Gaming Operation, including but not limited to theaters, ballrooms, halls, arenas, parks, stadiums, golf courses, and other entertainment, recreational, and sports facilities.

(iii) A provider of a facility that provides entertainment, recreational, or hospitality services to a Gaming Operation and is a theater, ballroom, hall, arena, park stadium, golf course, or special event venue.

(c) Any Person that meets the exemption criteria in subsections 2.15(b)(ii-iv) and wishes to apply for an exemption from the Non-Gaming Supplier registration requirements under this Section shall apply in writing to the Commission for said exemption.

(d) The Exemption Application required by subsection 2.15(c) shall contain the following information:

(1) Name, address and detailed description of the service offered by the Applicant;

(2) Name of the owners, directors, officers and managerial employees of the Applicant;

(3) Dollar amount of the transactions; and

(4) Evidence that fulfills the specific requirements of one of the subsections 2.15(b)(ii-iv).

(e) Every Gaming Operation shall submit a report to the Commission on a monthly basis summarizing all transactions with vendors for the previous month, and cumulatively, for the past twelve months to assist the Commission in assessing regular and continuing business by Non-Gaming Suppliers. Said report shall contain the following:

(1) Name of Vendor

(2) Nature of Goods & Services Provided

(3) Dollar Amount

(4) Any further information deemed necessary by the Commission

(f) The Executive Director may waive, on a case-by-case basis for good cause shown, one or more specific requirements of this Section 2.15 for a Non-Gaming Supplier, provided that the Commission reserves the authority to reinstate such requirements for the Non- Gaming Supplier at the Commission's discretion.

Section 2.16 Records.

(a) All Gaming Suppliers and Non-Gaming Suppliers Licensed by the Commission shall maintain in a place secure against robbery, loss or destruction the records corresponding to the business operations, which shall be available to, and be produced for, the Commission, should they be requested. Said records shall include:

(1) Any correspondence with the Commission and other governmental agencies;

(2) Any correspondence related to the business with a Gaming Operation, whether proposed or existing;

(3) Copies of any publicity and promotional materials;

(4) The personnel files for every employee of the Licensed Gaming Supplier or Non- Gaming Supplier Person, including those for the sales representatives;

(5) The financial records for all the transactions related to the business with a Gaming Operations, whether proposed or existing.

(b) The records listed in subparagraph (a) above shall be kept at least for a period of five (5) years.

Section 2.17 Obligation to Pay the Fees; No Refund of Fees Paid.

(a) Any obligation for payment of fees arising from these Regulations shall be paid in full even when the Applicant withdraws its Application for a Gaming Supplier or Non-Gaming Supplier License.

(b) All fees arising from these Regulations shall not be refunded.

Section 2.18 Master Vendors List.

(a) The Commission shall maintain a master vendor list of all vendors doing business with the Gaming Operation.

(b) An approved master vendors list will be maintained by the Commission and will be comprised of

all vendors with temporary or permanent License approval or confirmed Registration to engage in business transactions with the Gaming Operation.

(c) The Commission shall also maintain a prohibited vendor list, which shall include all vendors who are not licensed or who are otherwise prohibited from conducting business with a Gaming Operation. The Commission shall provide this list to each Gaming Operation on a monthly basis.

(d) Engaging in business with a vendor on the prohibited vendor list by a Gaming Operation may result in monetary fines not to exceed $5,000, regulatory sanctions, or both.

Section 2.19 Carrying of Gaming Licenses and Credentials for Suppliers.

(a) All employees of licensed suppliers to whom the Commission has issued a Gaming License shall carry the Gaming License visibly displayed on their person at all times while on property unless such requirement is waived by the Executive Director.

(b) No Gaming Operation shall permit a person to work in its Gaming Operation without said person complying (carrying their Gaming License as provided in) with paragraph (a) above.

CHAPTER III. EMPLOYEE LICENSING

Section 3.01 Employee License Requirements.

No Person may work as an employee of a Gaming Operation or provide services to a Gaming Operation unless the person has a current employee License validly issued by the Commission, as provided in the Act and this Chapter. The employee License requirement applies to managerial employees as well as non-managerial employees who work in or for a Gaming Operation, regardless of whether or not the employee is an employee of the Gaming Operation.

Section 3.02 Application for a Gaming Employee License

The Commission shall require each prospective Gaming Employee to submit a sworn Application to the Commission on the forms and in the manner required by the Commission. The Application for Level 1 Licenses shall include, at a minimum, the forms, information, other requirements described hereunder.

(a) Application Form. The Application form shall require, at a minimum, the following information:

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

(2) Currently and for the previous ten (10) years:

(i) business and employment positions held,

(ii) ownership interests in those businesses,

(iii) business and residence addresses; and

(iv) driver's license numbers, including issuing state;

(3) The names and current addresses of at least three personal references, including one personal reference that was acquainted with the Applicant during each period of residence listed under subsection (a)(2) paragraph (iii) of this Section;

(4) Current business and residence telephone numbers; and

(5) Whether the Applicant is a Tribal citizen applying for a Level 2 or a Level 3 Gaming Employee License and, if so, the Applicant's Tribal enrollment number.

(b) Application Form Notices. The notices set forth below shall be placed on the front of every Application so that the Applicant will read the notices prior to filing out the Application form.

(1) ***Privacy Act Notice.***
In compliance with the Privacy Act of 1974, the following information is provided: Solicitation of the information on this form is authorized by 25 U.S.C. 2701 et seq. The purpose of the requested information is to determine the eligibility of individuals to be granted a gaming license. The information will be used by the Tribal gaming regulatory authorities and by the National Indian Gaming Commission members and staff who have need for the information in the performance of their official duties. The information may be disclosed by the Tribe or the NIGC to appropriate Federal, Tribal, State, local, or foreign law enforcement and regulatory agencies when relevant to civil, criminal or regulatory investigations, or prosecutions, or when pursuant to a requirement by a tribe or the NIGC in connection with the issuance, denial, or revocation of a gaming license, or investigations of activities while associated with a tribe or a gaming operation. Failure to

consent to the disclosures indicated in this notice will result in a tribe's being unable to license you for a primary management official or key employee position. The disclosure of your Social Security Number (SSN) is voluntary. However, failure to supply a SSN may result in errors in processing your application.

(2) ***False Statements Notice.***
A false statement on any part of your license application may be grounds for denying a license or the suspension or revocation of a license. Also, you may be punished by fine or imprisonment (U.S. Code, title 18, section 1001).

(c) Application Form Authorizations and Acknowledgements. Every Application form shall require the Applicant to sign an authorization and an acknowledgement that are substantially similar in substance to the following:

(1) Authorization permitting the Commission to investigate the Applicant's background, including his criminal and civil records, credit and financial history, business relationships and activities, records of all previous license Applications, and tax records; and

(2) A signed acknowledgement that the Applicant consents to the personal jurisdiction of the Tribe, the Commission, and the Tribal Court and that the Applicant waives all available defenses against such jurisdiction.

(d) Personal History Disclosure. The Personal History Disclosure shall require, at a minimum, the following information:

(1) *Relationship with other tribes*. A description of any existing and previous Gaming-related or other business relationships with any Indian tribe, including ownership interests in those businesses;

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

(3) *Prior Gaming applications*. The name and address of any licensing or regulatory agency with which the person has filed an application for a license or permit related to gaming, the current status of the application, and whether or not such license or permit was granted.

(4) *Felony charges*. A list of all felony charges and dispositions against the Applicant, if any, and for each felony for which there is ongoing prosecution or a conviction, the charge, the name and address of the court involved, and the date and disposition if any, including identification of any conviction, or plea of guilty or no contest, to a gambling related offense, Fraud or Misrepresentation at any time;

(5) *Misdemeanor charges*. A list of all misdemeanor charges and dispositions against the Applicant, if any, (excluding traffic charges for which incarceration was not a possible punishment, referred to hereunder as "minor" traffic charges), and for each misdemeanor conviction or ongoing misdemeanor prosecution (excluding minor traffic charges), within ten (10) years of the date of the Application, the name and address of the court involved and the date and disposition, including identification of any conviction, or plea of guilty or no contest, to a gambling related offense, Fraud or Misrepresentation at any time;

(6) *Convictions*. For each criminal charge (excluding minor traffic charges), whether or not there is a conviction, if such criminal charge was within ten (10) years of the date of the

Application and is not otherwise listed pursuant to subsections (d)(4) or (d)(5) of this Section, the criminal charge, the name and address of the court involved, and the date and disposition; and

(7) *Prior business applications.* The name and address of any licensing or regulatory agency with which the person has filed an application for a business or occupational license or permit, whether or not such license or permit was granted.

(e) Current Photographs. The Applicant shall provide a current photograph in such form as the Commission may require.

(f) Personal Financial Questionnaire. The Personal Financial Questionnaire shall include a statement of assets and liabilities and shall include, at a minimum, the following information:

(1) Complete financial statement, along with income tax returns for the previous three (3) years, showing all sources of income for the previous three (3) years, and assets, liabilities, and net worth as of the date of the Application; and

(2) A list of all professional or business licenses the Applicant has applied for, whether or not those licenses where granted and the name, address and phone number of the regulatory agency involved. The Personal Financial Questionnaire shall also include a sworn statement to be signed by the Applicant stating that neither the Applicant nor any member of the Applicant's immediate family has a past or current financial interest, other than a salary interest, in any gaming-related activity or business anywhere. If the Applicant has any relative who has such a relationship, the Applicant shall fully disclose his name and the nature of the relationship.

(g) Fingerprints. All Applicants for a Gaming Employee License shall submit one or more complete sets of original fingerprints to be taken by the Commission in such manner and form as the Commission may require, which shall be processed in accordance with this Act and the Regulations. The Gaming Commission is the Tribal agency that is authorized to take all fingerprints required to be taken under this Act and the IGRA. The Commission may also require the submission of one or more additional sets of fingerprints, which the Commission may submit to be processed by any governmental agency's criminal history check system as the Commission deems necessary.

(h) Other Information. The Applicant shall complete any other forms and disclose and submit any and all other information required by Regulation or reasonably requested by the Commission.

(I) Application Fees and Costs. The Applicant shall pay all fees and costs required by the Commission to process the Application.

Section 3.03 Background Investigation.

The Commission shall conduct, or cause to be conducted, an investigation sufficient to make the determinations required under Sections 3.11 and 3.12. In conducting background investigations, the Commission shall seek to ensure that Gaming Operations shall not employ persons whose prior activities, reputation, habits and associations pose a threat to the public interest or to the effective regulation of Gaming, or create or enhance the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of such Gaming. Such investigations shall be conducted according to requirements at least as stringent as those set forth at 25 C.F.R. Parts 556 and 558, the Compact, and this Chapter. The Commission shall establish procedures to protect confidential information generated by the investigation or submitted by the Applicants from any unauthorized disclosure. The background investigation shall, at a

minimum, consist of the following:

(a) Verify Identity. Verify the Applicant's identity through primary sources, such as government-issued identification and other documents, including without limitation social security cards, driver's licenses, birth certificates, or passports.

(b) References. Contact each reference provided in the License Application and, when warranted, contact other references and sources identified in the Application in order to verify and supplement the information submitted by the Applicant/Licensee and to resolve any discrepancies encountered through the background investigation.

(c) Financial Information. Review the Applicant's credit history and, when the Application is for a Level 1 License or when required by the Regulations or otherwise warranted, verify the financial information provided by the Applicant by contacting financial institutions and other sources and investigate the Applicant's financial background based on the Applicant's Personal Financial Questionnaire.

(d) Civil History. Conduct a civil history check.

(e) Criminal History. Conduct a criminal history check.

(1) *Applicant for a Level 1 or a Level 2*. Submit the Application and fingerprints to the NIGC, which will forward the fingerprints to the Federal Bureau of Investigation and the NCIC to search and report on the Applicant's criminal history, if any, and

(2) *All Applicants for a Gaming Employee License*. Obtain information from law enforcement agencies and courts in the jurisdictions where the Applicant has resided regarding all felony convictions during the Applicant's lifetime and misdemeanor convictions and criminal charges within the last ten years;

(f) Prior Business Relationships. Inquire into the Applicant's previous or existing business relationships.

(g) Agency History. Verify and evaluate the Applicant's history and status with licensing agencies in other jurisdictions.

(h) Investigative Report. The investigator shall create an investigative report that includes, at a minimum, the following:

(1) Steps taken in conducting a background investigation;

(2) Results obtained;

(3) Conclusions reached; and

(4) The basis for those conclusions.

In the absence of disqualifying information, the investigator shall prepare for Commission purposes in a separate report factual findings regarding each licensing standard to the extent that there is clear and convincing evidence to support a finding. The Gaming Commission shall keep confidential the identity of each person interviewed in the course of the investigation, except to the extent that disclosure is permitted under applicable federal or Tribal law or the Compact.

Section 3.04 Persons Who Must Obtain an Employee License.

(a) Unless otherwise approved by the Commission, any Person who carries out or will carry out, or has or will have any of the functions mentioned in paragraphs (b) through (e) of this Section, shall obtain an employee License before commencing to work in the Gaming Operation; provided that the list contained in paragraphs (b) through (e) of this Section is not all-inclusive, but illustrative, being the guiding rule for determining the necessity of having an employee License and the type or level of License that may be required.

(b) Primary Management Official (Level 1):

(1) The person who has Management responsibility for a Management Contract.

(2) Any person who has authority to:

(i) Hire or fire employees of a Gaming Operation; or

(ii) Establish working policies for a Gaming Operation and an ability to control or direct a Gaming Operation.

(3) In addition, the following individuals will be deemed to be Primary Management Officials:

(i) The chief financial officer or other person who has financial Management responsibility for a Gaming Operation; and

(ii) The Manager or any person having Management responsibility over all or part of a Gaming Operation.

(4) Any other person who has the authority to direct, control, manage or engage in discretionary decision-making over a Gaming Operation.

(c) Any person who is going to be employed by the Gaming Operation in a position that includes any of the following responsibilities or powers, regardless of the title, shall obtain a Key Employee License (Level 2):

(1) The supervision of specific areas of the Gaming Operation, including, but not limited to, any person who:

(i) Functions as a bingo caller;

(ii) Supervises a counting room;

(iii) Functions as custodian of Gaming Equipment or Supplies, or cash;

(iv) Functions as a floor Manager;

(v) Functions as a pit boss;

(vi) Functions as a Dealer;

(vii) Functions as an approver of Credit;

(viii) Functions as a custodian of gambling terminals or other devices operated by the Management of any Gaming Operation, including Persons with access to cash and accounting records for such devices;

(ix) Functions as a Shift Manager;

(x) Functions as a supervisor of a Gaming table section;

(xi) Functions as a poker Shift supervisor;

(xii) Functions as Shift Manager or supervisor of the slot machine operation;

(xiii) Supervises the repair and maintenance of the Gaming Devices and the bill validators;

(xiv) Supervises the operation of the surveillance department during a Shift;

(xv) Supervises security investigations or the operation of the security department during a Shift;

(xvi) Functions as Manager or supervisor of any Cage;

(xvii) Supervises any Count Room; or

(xviii) Supervises the collection unit of the Gaming Establishment.

(2) Authority to develop or administer policy or long-term plans or to make discretionary decisions relative to the operation of the Gaming Operation shall be considered a Key Employee (Level 2) and shall include, but not be limited to, any person who:

(i) Functions as the Gaming device section Manager;

(ii) Functions as director of surveillance;

(iii) Functions as director of security;

(iv) Functions as controller;

(v) Functions as credit Manager;

(vi) Functions as an audit Section executive;

(vii) Functions as Manager of the IT ("Information Technology") section or of any information system of a similar nature;

(viii) Manages a marketing department;

(ix) Manages the Gaming Operation administrative operations; or

(x) Functions as hotel general Manager.

(d) Any person who is going to be employed by the Gaming Operations in a position that includes any of the following responsibilities related to the operation of the Gaming Operations, or whose responsibilities predominantly involve the maintenance or the operation of Gaming activities or equipment and assets associated with the same, or who is required to work regularly in a restricted area shall obtain a Key Employee License (Level 2). Such persons shall include, but not be limited to, any person who:

(1) Functions as a croupier;

(2) Conducts or supervises any table Game;

(3) Conducts surveillance investigations and operations in a Gaming Operation;

(4) Repairs and maintains Gaming Equipment, including, but not limited to, Gaming Devices and bill validators;

(5) Functions as Cage cashier, cashier supervisor or Gaming Device cashier;

(6) Assists in the operation of Gaming Devices and bill validators, including, but not limited

to, persons who participate in the payment of jackpots and in the process of filling hoppers, or who supervise said persons;

(7) Identifies Patrons for the purpose of offering them Complimentaries based on the actual volume of play of the Patron, authorizes said Complimentaries or determines the amount of such Complimentaries;

(8) Analyzes Gaming data and makes recommendations to key personnel of the Gaming Operation relating to marketing, Complimentaries, Gaming, special events and player ratings, among others;

(9) Enters data into the Gaming-related computer systems or develops, maintains, installs or operates Gaming related computer software systems;

(10) Collects and records Patron checks and personal checks which are dishonored and returned by a bank;

(11) Develops marketing programs to promote Gaming in the Gaming Operation;

(12) Processes or maintains information on Gaming Credit Applications;

(13) Processes Coins, currency, Chips or Cash Equivalents of the Gaming Operation;

(14) Repairs or maintains the closed-circuit television system equipment as an employee of the surveillance section of the Gaming Operation;

(15) Is a surveillance department trainee or a surveillance room technician;

(16) Controls or maintains the slot machine inventory, including replacement parts, equipment and tools used to maintain the same;

(17) Has responsibilities associated with the installation, maintenance or operation of computer hardware for the Gaming Operation computer system;

(18) Any other employee whose cash compensation in the Gaming Operation exceeds $50,000 in any given year; and

(19) Security Officer.

(e) Any person employed by a Gaming Operations who is not required under the Act or these Regulations to obtain a Level 1, Level 2 or Level 3 License shall obtain a Level 4 License.

Section 3.05 Scope and Applicability of the Licensing of Natural Persons.

(a) In determining whether a person who provides services to a Gaming Operation should hold an employee License, it shall be presumed that such person shall be required to hold an employee License if the services provided by that person are characterized by any of the following factors, which are indicative that an employment relationship exists:

(1) The person will, for a period of time unrelated to any specific project or for an indefinite period of time, directly supervise one of more employees of the Gaming Operations;

(2) The Gaming Operations will withhold local and federal taxes or make regular deductions for unemployment insurance, social security, or other deductions required by law from the payments made to the person;

(3) The person will be given the opportunity to participate in any benefit plan offered by the

Gaming Operations to its employees, including, but not limited to, health insurance plans, life insurance plans or pension plans;

(4) The person will not, during the time that services are rendered to the Gaming Operation, maintain an autonomous business person, seek or provide services to other clients, or practice a trade or profession other than for the benefit of the Gaming Operations; or

(5) The person has an Employee License Application pending before the Commission or will submit such an Application during the time the services are being rendered to the Gaming Operations, and the cost of the License has been or will be paid for or reimbursed by the Gaming Operation.

(b) The Commission may, after considering the factors in paragraph (a) of this Section and any other applicable information, require that the person obtain an employee License before providing or continuing to provide any service to the Gaming Operations even if an agreement to the contrary exists between the Gaming Operations and the person.

Section 3.06 Requirements for Granting an Employee License.

(a) In addition to the specific employee licensing standards stated in Section 7.04 of the Act, each employee License Applicant shall provide the Commission with the necessary information, documentation and guarantees that establish through clear and convincing evidence that he/she:

(1) Is older than eighteen (18) years of age;

(2) Is a citizen of the United States of America or is authorized in accordance with the applicable Federal laws or regulations to work in the United States of America;

(3) Possesses good character and reputation, in addition to being honest and having integrity;

(4) Has no physical or mental disability which hinders adequate performance of his work; and

(5) Has passed the training for croupiers offered by a Gaming Operation in the event that he or she will be working at a table or has a valid certificate of completion of training in specific Table Games in any Gaming jurisdiction in the United States.

(b) In addition to the general Licensing requirements stated in subsection (a), the Commission shall not grant a Level 4 employee License to any Applicant who has been convicted of or entered a plea of guilty or no contest to any felony involving a violent crime, or Any Offense involving theft, dishonesty, Fraud or Misrepresentation or a drug- related offense within the immediately preceding five (5) years that was committed as an adult or prosecuted as an adult offense.

(c) The right of Tribal citizens to a Rehabilitation Hearing under Section 11.03(a) of the Act shall also extend to Tribal citizens who are Applicants for a Level 4 Gaming employee License.

(d) Notwithstanding the provisions of subsection (b) of this Section, the Commission shall have the discretion to waive any Level 4 employee License standard for any Applicant consistent with the public policy of the Act and upon a finding that the interests of justice so require, provided that the Applicant has affirmatively demonstrated the Applicant's rehabilitation based on a consideration of the following factors:

(1) The nature and duties of the Applicant's position;

(2) The nature and seriousness of the offense or conduct;

(3) The circumstances under which the offense or conduct occurred;

(4) The date of the offense or conduct;

(5) The age of the Applicant when the offense or conduct was committed;

(6) Whether the offense or conduct was an isolated or repeated incident;

(7) Any social conditions which may have contributed to the offense or conduct; or

(8) Any evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational schooling, successful participation in correctional work- release programs, or the recommendation of persons who have or have had the registrant under their direct supervision.

(e) Failure to comply with the applicable licensing standards stated in Section 7.04 of the Act or the general requirements stated in paragraph (a) above shall provide adequate grounds for the Commission to deny an Application for an employee License.

Section 3.07 Provisional Employee License.

(a) The Commission may issue a provisional employee License in accordance with the following rules:

(1) The Commission determines that the Applicant has filed with the Commission a completed Application for an employee License;

(2) The Applicant would meet the Licensing standards set forth in the Act and these Regulations; and

(3) Granting the provisional License would not pose a threat to the public interest or to the effective regulation of Gaming and would not create or enhance the dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of Gaming.

(b) A provisional License may be issued for a period of time not to exceed ninety (90) days.

(c) The Commission shall make a determination whether or not to issue a provisional License to all Applicants for Level 1, Level 2, or Level 3 Licenses. Applicants for a Level 4 License may commence employment without a License provided that the Commission determines that the Applicant has filed a complete Application with the Commission before commencing employment.

Section 3.08 Initial Employee License Application Processing.

(a) If the Commission determines that the initial Application does not comply with all the requirements provided in the Act and these Regulations, it shall notify the Applicant of the deficiency (ies) within twenty (20) days following the filing of the Application. The Commission shall not evaluate any incomplete initial Application.

(b) If the Commission has determined that the Application filed is complete, the Commission shall:

(1) Accept the Application and initiate the procedure for considering the same;

(2) Notify in writing all License Applicants that the Application has been accepted for consideration. Said notice shall also include:

(i) The date of said acceptance;

(ii) The file number of the Application; and

(iii) An admonishment to the Applicant that the fact that the Application has been accepted for consideration does not mean that the Applicant has complied with the requirements of the Act or the Regulations for a License;

(3) Analyze and evaluate the information offered in the Application and any other information necessary to determine if the requested License should be granted;

(4) Make a decision with respect to the requested License; and

(5) Notify the Applicant of the decision taken. If the decision consists of a denial of the License, the Commission shall inform the Applicant the reason or reasons for the denial and of his right to request a hearing pursuant to the Act.

(c) The Commission, at any time, may request from an Applicant for an Employee License any other information it may deem necessary in order to make a decision with respect to the Application.

Section 3.09 Standards for Issuance of a Gaming Employee License.

The Commission shall not grant a Gaming Employee License to any person who does not meet the applicable standards set forth below:

(a) Standards Applicable to All Gaming Employees. The Commission shall not grant a Gaming Employee License to any person who:

(1) Is a member of the Tribal Council, a Tribal Judge, or a Tribal Law Enforcement Officer;

(2) Is under the age of 18;

(3) Has been convicted of or entered a plea of guilty or no contest to a gambling-related offense, Fraud or Misrepresentation;

(4) Is determined by the Commission

(i) to have participated in organized crime or unlawful gambling or

(ii) whose prior activities, criminal records, reputation, habits, and/or associations pose a threat to the public interest or to the effective regulation and control of Gaming, or

(iii) create or enhance the dangers of unsuitable, unfair, or illegal practices, methods and activities in the conduct of Gaming or to the carrying on of the business and financial arrangements incidental to the conduct of Gaming;

(5) Lacks good character, honesty, integrity, financial stability, or the ability and experience required for the position being sought; or

(6) Has knowingly and willfully provided materially false and misleading statements or information to the Commission or refused to respond to questions material to the suitability determination that have been asked by the Commission.

(b) Additional Standards Applicable Only to Level 1. In addition to the standards set forth in subsection (a), the Commission shall not grant a Gaming Employee License to any person in Level 1 that:

(1) Has been convicted of or entered a plea of guilty or no contest to any felony;

(2) Has been convicted of or entered a plea of guilty or no contest to Any Offense not specified in subsection (3) of Paragraph (a) within the immediately preceding ten (10) years; or

(3) Has shown a lack of financial integrity or stability in personal finances or in business affairs.

(c) Additional Standards Applicable Only to Level 2. In addition to the standards set forth in subsection (a), the Commission shall not grant a Gaming Employee License to any person in Level 2 that has been convicted of or entered a plea of guilty or no contest to Any Offense not specified in subsection (3) of paragraph (a) within the immediately preceding five (5) years; provided that this provision shall not apply if the Applicant has been pardoned by the Governor of the State where the conviction occurred or, if the Applicant is a Tribal citizen, the Commission has determined through a Rehabilitation Hearing that such conduct does not require that the Applicant be denied a Gaming Employee License.

(d) Standards Applicable to Level 3. In addition to the standards set forth in subsection (a), the Commission shall not grant a Gaming Employee License to any person in Level 3 that has been convicted of or entered a plea of guilty or no contest to any criminal offense (other than a gambling-related offense, Fraud or Misrepresentation) within the immediately preceding five (5) years that involves theft, dishonesty, fraud or misrepresentation arising under the law of Michigan or another state or jurisdiction, that was committed as an adult or prosecuted as an adult offense; provided that this provision shall not apply if the offense has been effectively removed from the Applicant's criminal record by executive pardon, state court order, operation of law, or, if the Applicant is a Tribal citizen, the Commission has determined through a Rehabilitation Hearing that such conduct does not require that the Applicant be denied a Gaming Employee License.

Section 3.10 Eligibility Determination.

(a) Commission Review and Determination. Within fifteen (15) days following the completion of the background investigation described in Section 3.03 but not more than fifty (50) days from the date it issues a Provisional License, the Commission shall review the Application, the investigative reports, and any objections to the issuance of a License and shall make a determination of eligibility under the standards set forth in Section 3.09.

(b) Level 1 or Level 2 License; Preliminary Determination. If the Application is for a Level 1 or a Level 2 License, the Commission shall also consider any information provided by the NIGC before making a determination of eligibility and shall comply with the additional requirements of Section 3.11. Pending the outcome of the process set forth in Section 3.11, the Commission's eligibility determination regarding Applicant's for a Level 1 or a Level 2 License shall be a preliminary determination.

(c) Level 3 License; Final Determination. If the Application is for a Level 3 License, the Applicant may challenge a determination that the Applicant is ineligible for a Level 3 License, or is only eligible with conditions, in accordance with the procedures and requirements of Chapter XI. If the Commission determines that the Applicant is eligible for a Level 3 License, the Commission shall promptly notify the Applicant and shall issue the License.

Section 3.11 Approval of a Level 1 or Level 2 Gaming Employee License.

(a) Preliminary Eligibility Determination. If the Commission makes a preliminary eligibility determination that the Applicant for a Level 1 or a Level 2 Gaming Employee License qualifies for the issuance of a License, the Commission shall, within seven (7) business days of the date such determination is made, but not longer than sixty (60) days from the date the Commission issues a Provisional License, prepare and forward to the NIGC, in such form and to the extent the NIGC may require, a notice of results of the Applicant's background investigation, which notice shall, at a minimum, include the following:

(1) Applicant's name, date of birth, and social security number;

(2) Date on which Applicant began or will begin work as Key Employee or Primary Management Official;

(3) A summary of the information presented in the investigative report, which shall at a minimum include a listing of:

(i) Licenses that have previously been denied;

(ii) Licenses that have been revoked, even if subsequently reinstated;

(iii) every known criminal charge brought against the Applicant within the last ten (10) years of the date of the Application; and

(iv) every felony of which the Applicant has been convicted or any ongoing prosecution.

(4) A copy of the eligibility determination made under Section 3.08. The Commission shall request that the NIGC issue within thirty (30) days any objections it determines are warranted to the issuance of a License.

(b) Requirements for Final Determination. A final determination regarding the eligibility of an Applicant for a Level 1 or a Level 2 Gaming Employee License may only be made after the Commission provides the NIGC with the Applicant's fingerprints and any other materials required under this Act and by the NIGC under applicable federal law and after one of the following has occurred:

(1) *The NIGC Has No Objections or Thirty Days Have Elapsed*. Notice has been received from the NIGC that it has no objection to the issuance of the License or thirty (30) days have elapsed since the Commission provided the NIGC the required materials and the NIGC has not responded; or

(2) *NIGC Objections Are Resolved*. If, within the thirty (30) day period the NIGC provides the Commission with a statement itemizing objections to the issuance of a License to the Applicant, the Commission shall reconsider the Applicant's eligibility, taking into account the objections itemized by the NIGC. If, within that thirty (30) day period the NIGC requests additional information concerning the Applicant, the Commission shall promptly respond to such request. The receipt of the NIGC's request shall suspend the thirty (30) day period referred to in this Section until the NIGC receives the additional information requested.

(c) Final Determination of Eligibility. Upon compliance with the requirements of subsection (b), the Commission may proceed with a final determination regarding the Applicant's eligibility. An

Applicant may challenge a determination that the Applicant is ineligible for a Level 1 or a Level 2 License, or is only eligible with conditions, in accordance with the procedures and requirements of Chapter XI. If the Commission determines that the Applicant is eligible for a Level 1 or a Level 2 License, the Commission shall promptly notify the Applicant and shall issue the License.

(d) Ninety Day Limit for Final Determination of Eligibility. A Gaming Operation shall not employ a Key Employee or Primary Management Official who does not have a License after ninety (90) days from the date the Commission issues a Provisional License.

(e) Notice to NIGC of Final Determination of Eligibility. The Commission shall notify the NIGC of its issuance of a License within thirty (30) days from the date it is issued.

Section 3.12 Denial of a Gaming Employee License.

If the Commission issues a final decision denying any Application for a License under this Chapter, the Commission shall, within seven (7) calendar days, notify the Applicant that the Application was denied and shall specify all specific reasons upon which the denial is based. The notice shall also inform the Applicant of the right to appeal the denial, as provided in Chapter XI. If the Commission denies an Application for a Level 1 or a Level 2 License, the Commission shall also notify the NIGC and shall provide the NIGC with copies of its eligibility determination in accordance with Section 3.11 and investigative report (if any) for inclusion in the Indian Gaming Individuals Records System.

Section 3.13 Form of License.

The License shall display on its face the Licensee's photograph, the Licensee's name, the Gaming Establishment at which the employee is licensed to work, the level of License, the date that the License became effective, and the date that it expires.

Section 3.14 Employee License Duration.

(a) Primary Management Officials will be issued a License for one (1) year.

(b) Key Employees will be issued a License for two (2) years.

(c) Non-Key Employees will be issued a License for two (2) years.

(d) Non-Gaming Employees will be issued a License for three (3) years.

(e) Notwithstanding the provisions of paragraph (a) to (d) above, the Commission may, as deemed necessary, issue any employee License for a shorter period.

Section 3.15 Suspension or Revocation of a License.

(a) Standard for Suspension of License Following a Hearing. Any License issued under this Chapter may, after notice and hearing, be suspended by the Commission for such period the Commission determines in accordance with the requirements of subsection (c) if the Commission determines that any of the following have occurred:

(1) The Licensee has been formally charged with any offense that may disqualify the Licensee from holding a License under this Act.

(2) The Licensee has engaged in conduct that poses a threat to the integrity of Gaming or to the health, safety or welfare of the general public at any Gaming Establishment, whether within or outside the jurisdiction of the Tribe.

(3) The Licensee has knowingly made a material false or misleading statement in his License Application.

(4) The Licensee has participated in unauthorized Gaming, whether or not regulated by this Act.

(5) The Licensee has failed or refused to comply with the conditions of his License, with any duty imposed on Applicant/Licensee under this Act, or with any lawful order of the Commission, the Tribal Court, or the NIGC.

(b) Standard for Summary Suspension of License Pending a Hearing. Any License issued under this Chapter may be immediately suspended by the Commission for not more than thirty (30) days pending a hearing if, in addition to the standards set forth in subsection (a):

(1) the NIGC notifies the Commission that it has information that a Licensee employed as a Primary Management Official or Key Employee is no longer eligible to be licensed; or

(2) the Commission receives reliable information that the Licensee has engaged in conduct that poses an immediate threat to the integrity of Gaming or to the health, safety or welfare of the general public at any Gaming Establishment, whether within or outside the jurisdiction of the Tribe.

(c) Length of License Suspension. Following a suspension hearing, if the Commission determines that neither lifting the suspension nor initiating a revocation proceeding would serve the purposes and requirements of this Act, the Commission may suspend the License for any additional period of time it determines is needed under the circumstances to allow for further investigation or other appropriate purpose under this Act, provided that no suspension shall exceed a period of ninety (90) days without affording the Licensee the right to a hearing to reconsider the suspension.

(d) Standard for Revocation of a License. Any License issued under this Chapter may, after notice and hearing, be revoked if the Commission determines that the Licensee fails to meet the standards for a Gaming Employee License under Section 7.04 of this Act or under other applicable law or that the Licensee has failed or refused to comply with the conditions of his or her License, with any duty imposed on the Licensee under this Act, or with any lawful order of the Commission, the Tribal Court, or the NIGC.

(e) Investigation of Grounds for Suspending or Revoking a License. Upon receipt by the Commission of information that a License may be suspended or revoked based on the grounds described in subsections (a), (b), or (d) the Commission shall promptly conduct an investigation to substantiate the allegations and to obtain any other relevant information that may prove or disprove grounds for suspension or revocation.

(f) Notice of Intent to Suspend License. If upon completion of the investigation, the Commission determines that grounds exist to suspend the License under the standards set forth in subsection (a), but such grounds do not meet the standards of subsection (b), the Commission shall issue a Notice of Intent to Suspend License, which shall be served on the Licensee and the Manager of the Gaming Establishment.

(g) Notice of Summary Suspension of License Pending a Hearing. If upon completion of the investigation the Commission determines that grounds exist to suspend the License under the standards set forth in subsection (b), the Commission shall issue a Notice of Summary Suspension

of License Pending Hearing, which shall be served upon the Licensee and upon the Manager of the Gaming Establishment.

(h) Notice and Hearing Requirements. Any Notice under this Section shall:

(1) inform the Licensee of the right to a hearing upon request;

(2) state in detail the grounds upon which it is issued;

(3) identify any witnesses the Commission intends to call, except witnesses whose identity the Commission determines should not be disclosed in advance of the hearing in order to protection such witnesses and ensure their full cooperation;

(4) summarize the facts and evidence that the Commission intends to present to demonstrate that adequate cause exists to support the action against the employee's License; and

(5) inform the employee that he or she has the right to present evidence to rebut the grounds specified in the notice, including testimony from fact witnesses, or to present evidence of mitigating circumstances demonstrating that the action against his or her License is not warranted.

(i) Time Requirement for Requesting a Hearing. The Commission shall make every reasonable effort to set the date for a before the Commission within fourteen (14) days, but in no event later than thirty (30) days, after the date the Licensee files a written request for a hearing. The Licensee shall file a request for a hearing within three (3) business days from the date the Licensee receives a Notice. The Commission may, on its own, schedule a hearing, notwithstanding the lack of written request for a hearing from the Licensee. The hearing shall be conducted in accordance with the procedures described in Chapter XI.

(j) Conversion of Suspension Hearing to Revocation Hearing. If the results of the investigation described in subsection (e) indicate that there are sufficient grounds to revoke the Licensee's License under the standard set forth in subsection (d), the Commission may, in its discretion, convert the hearing on the suspension of the License to a hearing to show cause why the License should not be revoked. If the Commission converts a suspension hearing to a revocation hearing and has already issued a notice under subsections (f) or (g), it shall provide the Licensee with a new Notice and a new opportunity to request a hearing under subsection (h), which would also commence a new time period for scheduling the hearing.

(k) Decision Following Hearing. The Commission shall decide at the conclusion of a hearing under this Section whether or not to continue the suspension or to revoke the License, as the case may be, and shall issue findings of fact and conclusions of law to support any such decision. If the hearing involved the revocation of a Level 1 or a Level 2 License, the Commission shall notify the NIGC of its decision.

(l) Time Limit for Issuing a Decision. Notwithstanding the ninety (90) day time limit for suspension of a License pursuant to paragraph (c), following a revocation hearing under this Section that is based on notification the Commission receives from the NIGC regarding a Licensee's eligibility pursuant to the standards set forth in Section 3.08, the Commission shall issue a decision and shall notify the NIGC of its decision, which notice shall be provided within forty-five (45) days of the date that the Commission received notification from the NIGC.

Section 3.16 Show Cause Hearing for Primary Management Official.

Notwithstanding the provisions in the foregoing Section 3.15, in the event that the Commission determines that there are grounds to issue a Notice of Suspension or Revocation regarding a Level 1 License and such grounds do not involve criminal conduct, the following procedures shall apply in addition to the requirements of this Chapter that are not inconsistent with this Section:

(a) Prior to issuing a Notice of Suspension or a Notice of Revocation, the Commission shall issue a Notice for Show Cause to the Licensee.

(b) In addition to the notice and hearing requirements set forth in subsection 3.15 (g), the Notice for Show Cause shall suggest satisfactory measures the Licensee may pursue to address the grounds stated in the Notice of Suspension or Revocation.

(c) The Commission shall provide the Licensee with an opportunity for a conference with Commission staff prior to the show cause hearing to address any questions related to the hearing. Such meeting shall, except for good cause or as otherwise agreed to by the Licensee and the Commission, occur within two (2) business days from the date the Licensee receives the Notice for Show Cause.

(d) If the licensing problem is not resolved to the Commission's satisfaction prior to the Show Cause Hearing, the Commission may proceed with the Show Cause Hearing to suspend or revoke the License.

Section 3.17 Date to Submit Employee License Renewal Application.

All Employee License holders of any category shall renew their Licenses by filing with the Commission an employee License Renewal Application. The completed renewal Application shall be filed with the Commission no later than sixty (60) days prior to expiration of the License.

Section 3.18 Employee License Renewal Application.

(a) The employee License Renewal Application shall include:

(1) A duly filled out original and a photocopy of Form PHD-ER (Personal History Disclosure-Employee Renewal), which shall contain all the information which has changed since the date of the initial Employee License Application or of the last renewal.

(2) The documents that identify the Applicant, as provided in Section 7.01 of the Act;

(i) The fees to be paid as set forth in the Schedule of Fees.

(ii) A notarized sworn statement from the Applicant that declares that all the information contained in the Application is true and complete to the best of the Applicant's knowledge and belief.

(iii) A Release Authorization allowing government and private bodies to take and offer any pertinent information related to the person as may be requested by the Commission.

(b) All renewal Applications shall be filed with the Commission.

(c) Any Licensee who fails to file a completed renewal Application in accordance with the requirements of this section at least sixty (60) days prior to the expiration date of the Licensee's current License shall, upon filing a renewal Application, pay an Application fee for such late filing as set forth in the Schedule of Fees. Such Applicant's current License shall expire on the expiration

date indicated on the License unless the Commission issues a new License before the expiration date.

(d) Any Licensee whose current License expires before the Licensee files a completed renewal Application with the Commission before the date of expiration of the Applicant's current License shall apply for an employee License; provided that his Application, for all purposes of these Regulations, shall be considered an initial employee License Application and shall comply with these Regulations related to initial employee Applications.

Section 3.19 Employee License Renewal Application Processing.

(a) The Commission shall determine if the renewal Application filed complies with all the requirements provided in these Regulations and if any deficiency is found, it shall notify the Applicant of the deficiency (ies) within fifteen (15) days following the filing of the renewal Application with the Commission; provided that the Commission may, at its discretion and depending on the magnitude of the deficiency (ies) notified, grant an opportunity for the Applicant to cure any deficiency notified within the period and under the conditions determined by the Commission at said time. Any Application where a deficiency has been cured in accordance with the above shall be deemed to have been filed complete within the period required by these Regulations.

(b) Upon receipt of an Application for renewal of an employee License duly-completed and filed within the period required by these Regulations, the Commission shall carry out the investigation it deems necessary.

(c) The Commission shall make a decision with respect to each completed License Renewal Application which has been submitted within a reasonable period of time after its filing.

(d) The Commission shall notify the Applicant of the decision made. If the decision consists of a denial of the renewal of the License, the Commission shall inform the Applicant the reason or reasons for the denial and of his right to request a hearing pursuant to the Act.

Section 3.20 Documentation, Disclosure and Cooperation Requirements.

(a) Each Applicant shall be responsible for providing the information, documentation and assurances required for establishing through clear and convincing evidence that his qualifications are in accordance with the Act and the Regulations.

(b) It shall be the continuing responsibility of every Applicant or holder of an Employee License to provide all the information, documentation and assurances that may be required by the Commission pertaining to the qualifications, and to cooperate with the Commission. Any refusal of an Applicant to comply with a formal request for information, evidence or testimony from the Commission shall be sufficient cause for a denial or revocation of the License.

(c) It shall be the continuing responsibility of every Level one (1) Licensee to provide any and all required professional conduct disclosures.

Section 3.21 Identification of the Applicant.

(a) Each Applicant shall have the responsibility to identify themselves by presenting original documents listed in subsections (b) (1), (2) and (3) which follow.

(b) The Applicant shall establish his identity by providing the Commission with one of the following documents:

(1) A current and valid U.S. Passport or Certification Naturalization or a current identification card issued by the Department of Homeland Security (DHS) containing a photograph or fingerprints and containing identification information including name, date of birth, sex, height, color of eyes and address.

(2) If none of the documents described in item (1) above are available and subsection (3) below does not apply, the Applicant shall present a certified copy of a birth certificate issued by a State, County, or municipal authority of the United States with an official seal and one of the following documents:

(i) A current and valid state issued driver's License that has a photograph contained thereon; or

(ii) A current and valid identification card issued to persons who serve in the U.S. military or their dependents that has a photograph and/or other identifying information contained thereon; or

(iii) A current and valid school identification card containing a photograph, an expiration date, the seal or logo of the issuing institution and the signature of the card holder; or

(iv) A current and valid identification card issued by a Federal, State or local government agency that contains a photograph and other identifying information.

(3) If the Applicant is a student and a citizen of another country with a J-1 authorization, the Applicant shall present the appropriate signed J-1 authorization document and a valid and current foreign passport with the United States citizenship and immigration stamp attached therein.

(c) If the Applicant is not a citizen of the United States, the Applicant shall provide a country identification number from the Applicant's country of citizenship.

(d) In the event that the name on any identification document provided by an Applicant is different than the name on the Application form, the Applicant shall provide the Commission with a marriage certificate, a divorce decree, a copy of a court order granting a Petition for a name change, or other valid authority to verify the use of a different name.

Section 3.22 Prohibition of Employment with Expired License.

No employee with an expired License shall work in a position or shall exercise functions for which such License is required, with the understanding that if such employee is found working without a current and valid License, the employee, as well as the Gaming Operation employing the employee, shall be subject to the sanctions stipulated in these Regulations.

Section 3.23 Obligation to Pay the Fees; No Refund of Fees Paid.

(a) Any payment of fees arising from these Regulations shall be paid in full even if the Applicant withdraws his/her employee License Application.

(b) The Commission shall not refund to the Applicant any amounts paid as licensing fees.

Section 3.24 Application Fees and Miscellaneous Administrative Fees.

(a) The Application and renewal fee for Primary Management Officials (Level 1) shall be as set forth in the Schedule of Fees.

(b) The Application and renewal fee for Key Employees (Level 2) shall be as set forth in the Schedule of Fees.

(c) The Application and renewal fee for Non-Key (Level 3) employees shall be as set forth in the Schedule of Fees; and

(d) The Application and renewal fee for Non-Gaming (Level 4) employees shall be as set forth in the Schedule of Fees.

Section 3.25 Change of Position or Place of Work.

(a) An employee of the Gaming Operation whose change of position requires a different License may not change position until that person has submitted a completed Application form and has been issued a new License.

(b) As it relates to any change in title that entails a change in the job classification, the employee shall pay the total amount of the fees for such classification, as set forth in the Schedule of Fees.

(c) For any employee change of position that requires a different License, the employee shall submit a completed Application form to the Commission at least two (2) weeks in advance of change of position unless otherwise approved by the Commission.

Section 3.26 Carrying of Employee Licenses and Credentials.

(a) All persons to whom the Commission has issued an Employee License shall carry the Employee License on their person at all times while carrying out their functions unless such requirement is waived by the Executive Director.

(b) No Gaming Operation shall permit a person to work in its Gaming Operation without said person complying (carrying their Employee License as provided in) with paragraph (a) above.

Section 3.27 Authority.

Nothing provided in this Chapter shall be interpreted as limiting the authority and powers of the Commission to at any time:

(a) Investigate the qualifications of any holder of an employee License; and

(b) Suspend and/or revoke an employee License if the holder of the License does not comply with the requirements provided in the Act or in these Regulations.

Section 3.28 Employee License Reports.

The Gaming Operation shall provide a listing of all of its employees by department, job title and License category to the Commission on a monthly basis.

Section 3.29 License Reconsideration.

Any Applicant who has an initial or renewal Application denied or any Licensee whose License is revoked pursuant to the Act or these Regulations may only be reconsidered for licensing in accordance with the following:

(a) After the denial of an initial or renewal Application:

(1) No Applicant may be reconsidered for Licensing with the Commission for a period of six (6) months following the date of such denial.

(2) No Applicant who has an Application denied a second or subsequent time may be reconsidered for Licensing with the Commission for a period of one (1) year following the date of such denial.

(3) Notwithstanding the standards set forth in subsection (a) above, if Applicant is denied after a hearing conducted pursuant to the Act and these Regulations the Commission may impose any time frame for reconsideration, provided that the Commission shall not impose any time frame greater than those set forth in subsection (a).

(b) After the revocation of an issued License:

(1) No previous Licensee whose License was revoked may be reconsidered for Licensing with the Commission for a period of six (6) months following the date of such revocation.

(2) No previous Licensee whose License was revoked a second or subsequent time may be reconsidered for licensing with the Commission for a period of one (1) year following the date of such revocation.

(3) Notwithstanding the standards set forth in subsection (b) above, the Commission may impose any time frame for reconsideration, provided that the Commission shall not impose a time frame greater that those set forth in subsection (b).

(c) Reconsideration procedures:

(1) Any Applicant or previous Licensee who wishes to be reconsidered for Licensing must file a new Application for Licensing with the Commission.

(2) Any Applicant or previous Licensee filing a new Application in accordance with this Regulation may not be issued a License, provisional or otherwise, until a hearing is conducted in accordance with the Act and these Regulations to determine their eligibility.

Section 3.30 Disclosure of Applicant and License Information and Documents.

(a) The Commission may, consistent with its duties and responsibilities under the law and in an effort to preserve and enhance the integrity of Gaming conducted within the Reservation, disclose Applicant and Licensee information, documents, photographs, records, and other material under the following circumstances:

(1) Pursuant to written authorization from the Applicant or Licensee to whom the information and documents pertain;

(2) Pursuant to a written request from a duly authorized agent of any agency of the United States, a State, or the Tribe, including law enforcement agencies, and regulatory bodies when authorized by law, and in accordance with, the terms and conditions described in any Regulations; and

(3) If ordered to do so by a court of competent jurisdiction.

(b) Disclosure of Applicant or Licensee information and documents by the Gaming Commission is specifically authorized under the following circumstances:

(1) *National Indian Gaming Commission.* The Commission is required to forward to the NIGC, an investigative report on each background investigation. An investigative report shall include: (1) steps taken in conducting a background investigation; (2) results obtained; (3) conclusions reached; and (4) basis for the conclusion. Within thirty (30) days of its

decision, the Commission shall disclose to the NIGC the revocation and any subsequent reinstatement of a Gaming License.

(2) *Michigan Gaming Control Board.* Under Section 4(L) of the Compact the Commission is required, upon request, to provide representatives of the Michigan Gaming Control Board with access to background investigation information compiled by the Commission on all Key Employees and Primary Management Officials.

CHAPTER IV. MINIMUM INTERNAL CONTROL STANDARDS

Section 4.01 Accounting.

(a) The Gaming Operation shall prepare and maintain accurate, complete, legible and permanent records of all transactions pertaining to the revenues and Gaming activities.

(b) General accounting records shall be prepared and maintained on a double-entry system of accounting with transactions recorded on the accrual basis in accordance with Generally Accepted Accounting Principles (GAAP). Detailed, supporting, subsidiary records sufficient to meet the requirements of (c) below shall also be maintained in accordance with the requirements of this Chapter. The Commission shall approve a uniform chart of accounts and accounting classification in order to ensure consistency, comparability, and effective disclosure of financial information.

(1) The chart of accounts shall provide the classifications necessary to prepare the standard financial statements required.

(2) The chart of accounts shall be the minimum level of detail to be maintained for each accounting classification by the Licensee.

(3) The Licensee shall not use other than the approved chart of accounts but may, with the permission of the Commission, expand the level of detail for some or all accounting classifications and/or alter the account numbering system.

(c) The detailed, supporting, and subsidiary records shall include, but not necessarily be limited to:

(1) Detailed records identifying revenues, expenses, assets, liabilities, and equity for each Gaming Establishment;

(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;

(5) Records supporting the accumulation of the costs and number of persons, by category of service, for regulated Complimentary Services;

(6) Journal entries prepared by the Gaming Operation and/or by its Independent accountants;

(7) Records of all investments in property and equipment;

(8) Records of all loans and other amounts payable by the Gaming Operations;

(9) Records which identify the purchase, receipt, and destruction of Gaming Chips and plaques; and

(10) Records provided for in the system of internal accounting controls submitted to the Commission pursuant to the Act.

(11) Each Gaming Operation shall establish administrative and accounting procedures for the purpose of determining effective control over a Gaming Operation's fiscal affairs to ensure.

(i) Assets are safeguarded;

(ii) Financial records are accurate and reliable;

(iii) Transactions are performed only in accordance with Management's general and specific authorization;

(iv) Transactions are recorded adequately to permit proper reporting of Gross Revenues and of fees and taxes, and to maintain Accountability of assets;

(v) Recorded Accountability for assets is compared with actual assets at reasonable intervals, and appropriate action is taken with respect to any discrepancies; and

(vi) Functions, duties, and responsibilities are appropriately segregated in accordance with sound business practices.

(d) Gross Revenues computations shall be computed as follows:

(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 (when hoppers are employed).

(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 winning 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 Gaming Operation as compensation for conducting the Game.

(i) A Gaming Operation shall not include either Shill 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.

(e) The 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 Commission. 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 Devices systems, a Gaming Operation may deduct from winnings only its pro rata share of a wide-area Gaming Device system Payout.

(h) Cash-out Tickets issued at a Gaming Device shall be deducted from Gross Revenue as jackpot Payouts in the month the tickets are issued by the 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 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 or 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 subsection (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; and

(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 NIGC or the Commission upon request.

(k) Maintenance and preservation of books, records and documents shall be in accordance to the following:

(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 may be stored in digital format in a manner approved by the Commission, and shall be retained by a Gaming Operation for a minimum of five (5) years or for a term as required by any other federal, state or local regulatory bodies:

(i) Gaming Operations Cage documents;

(ii) Documentation supporting the calculation of Table Game Win;

(iii) Documentation supporting the calculation of Gaming Device Win;

(iv) Documentation supporting the calculation of revenue received from the Games of Keno, pari-mutuel, bingo, pull-tabs, card Games, Table Games, and all other Gaming activities offered by the Gaming Operation;

(v) Table Games statistical analysis reports;

(vi) Gaming Device 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.).

Section 4.02 Organizational Structure.

(a) The Gaming Operation shall maintain an organizational structure which meet criteria designed to preserve the integrity of the Gaming Operation. Provided the criteria of this section are met, the Gaming Operation shall be permitted to tailor its organizational structure to meet the needs of its own particular management style. The proposed table of organization of each Gaming Operation shall be approved by the Commission and shall provide for the following criteria:

(1) A system of personnel and chain of command which permits Management and supervisory personnel to be held accountable for actions or omissions within their area of responsibility;

(2) The segregation of incompatible functions so that no employee is in a position both to commit an error or perpetrate a Fraud and to conceal the error or Fraud in the normal course of his or her duties;

(3) Primary and secondary supervisory positions which permit the authorization or supervision of necessary transactions at all relevant times; and

(4) Areas of responsibility which are not so extensive as to be impractical for one person to monitor.

(b) In addition to satisfying the requirements of subsection (a) above, the Gaming Operation’s organizational structure shall include, at a minimum, departmental and supervisory positions. Each of these departments and supervisors shall be required to cooperate with, yet perform Independently of all, other departments and supervisors. Mandatory departments are as follows:

(1) Gaming Operation Accounting and Revenue Audit Department.

(i) A Gaming Operation accounting department supervised by a person referred to herein as a controller or equivalent. A controller or equivalent shall be responsible for all Gaming Operations and accounting control functions including, without limitation, the preparation and control of records and data, the control of stored data, the control of unused forms, the accounting for and comparison of operational data and forms, and the control and supervision of the cashiers' Cage, any satellite Cages and the Soft Count room. The Soft Count room shall each be supervised by a Key Employee, who shall be responsible for the supervision of the Soft Count.

(ii) The Gaming Operation shall have in its accounting department one or more individuals responsible for and dedicated to verifying financial transactions and reviewing and controlling accounting forms and data. This function, referred to as

"revenue audit", shall be Independent of the transactions under review. Among other things, this function shall include, but not be limited to, a daily audit of the Table Games documentation, a daily audit of Gaming Machine transaction documentation, a daily audit of the cashier's Cage Accountability, a daily audit (if applicable) of the Coin Vault Accountability, document control and signature verification.

(iii) The Gaming Operation Accounting Department shall be supervised by a Gaming Operation Key Employee holding a License endorsed with the position of accounting officer or equivalent.

(2) Cashier's Cage.

(i) The Gaming Operation shall maintain a Cashier's Cage supervised by a Gaming Operation Key Employee holding a License endorsed with the position of accounting officer or equivalent. The supervisor of the Cashier's Cage shall report to the supervisor of the Gaming Operation Accounting Department and shall be responsible for the control and supervision of Cage cashiers. The cashier's Cage may be separated into Independent operations for Table Games and Gaming Devices.

(ii) The Cashier's Cage shall be responsible for, without limitation, the following:

(A) The custody of Coin, currency, Patron checks, Gaming Chips and plaques, and documents and records normally associated with the operation of a cashier's Cage;

(B) The approval, exchange, and redemption of Patron checks received for the purposes of Gaming;

(C) The receipt, distribution, and redemption of Gaming Chips and plaques, and

(D) Such other functions normally associated with the operation of a cashier's Cage.

(3) Surveillance Department.

(i) The Gaming Operation shall have a surveillance department that is responsible for the covert monitoring of:

(A) The conduct and operation of the Gaming Tables and Gaming Devices;

(B) The conduct and operation of the cashier's Cage;

(C) The collection and Count of the Table Game and slot Drop;

(D) The movement of cash, Chips and any other Gaming Operation assets;

(E) Detection of cheating, theft, embezzlement, and other illegal activities in the Gaming Operations;

(F) Detection of the presence in the Gaming room of any person who is required to be excluded;

(G) Video recording of illegal or unusual activities monitored;

(H) General overview of activities occurring in each Cage and Vault area;

(I) All areas where currency or Coin may be stored or counted;

(J) Drop Box storage rack area; and

(K) General overview of the activities occurring in each Gaming Device booth.

(ii) The surveillance department shall be Independent of all aspects of Gaming Operations and shall be supervised by a Gaming Operations Key Employee holding a License endorsed with the position of Vice President of Surveillance or equivalent. The Vice President of Surveillance shall report to the Chief Operating Officer or to another Independent reporting line as approved by the Commission.

(A) Actions and incidents that involve management personnel at the level of Vice President or higher shall be promptly reported by the Vice President of Surveillance to the Chairman of the Gaming Commission or, if the Chairman is unavailable, to the Vice-Chairman of the Commission, or if the Chairman and Vice-Chairman are unavailable, to the remaining member of the Commission, or if all three members of the Gaming Commission are unavailable, to the Executive Director of the Gaming Commission with a copy to the Chairman of the Gaming Commission.

(B) Violations or potential violations of law, regulations, policies and procedures or Game rules shall be promptly reported by the Vice President of Surveillance to the Chairman of the Gaming Commission or, if the Chairman is unavailable, to the Vice-Chairman of the Commission, or if the Chairman and Vice-Chairman are unavailable, to the remaining member of the Commission, or if all three members of the Gaming Commission are unavailable, to the Executive Director of the Gaming Commission with a copy to the Chairman of the Gaming Commission.

(iii) The personnel of the surveillance department shall at all times be employees of the Gaming Operation.

(iv) Gaming Operations shall not outsource the surveillance function to any third party.

(v) Surveillance Department Restrictions.

(A) Gaming Operations surveillance department employees assigned to monitor Gaming activities shall be Independent of all other departments. In addition to any other restrictions contained in the Act and these Regulations, no present or former surveillance department employee shall accept employment as a Key Employee, Non-Key Employee or Non-Gaming Employee with the Gaming Operation, unless one (1) year has passed since the former surveillance department employee worked in the surveillance department. Notwithstanding the foregoing, the Commission may, upon the filing of a written Petition, waive this restriction and permit the employment of a present or former surveillance department employee in a particular position after consideration of the following factors:

(1) Whether the former surveillance department employee will be employed in a department or area of operation that the surveillance department does not monitor;

(2) Whether the surveillance and security systems of the Gaming Operation

will not be jeopardized or compromised by the employment of the former surveillance department employee in the particular position; and

(3) Whether the former surveillance department employee's knowledge of the procedures of the surveillance department would not facilitate the commission by any person of irregularities or illegal acts or the concealment of any such actions or errors.

(vi) Surveillance System.

(A) The Surveillance System shall be maintained and operated from a staffed surveillance room and shall provide surveillance over Gaming areas, cashiering locations, Drop routes, Count Rooms, money transfer routes and any other areas as may be required by the Commission.

(B) The entrance to the surveillance room shall be secured to prevent unauthorized entry and be located so that it is not readily accessible by either Gaming Operation employees who work primarily on the Gaming Operation 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 or the Act. Such policy shall be approved by the Commission. The surveillance department shall maintain a sign-in log, which shall be completed by all individual(s) entering the surveillance room who are not surveillance personnel.

(D) Surveillance room equipment shall have total override capability over any other satellite surveillance equipment which may be located outside the surveillance room.

(E) In the event of power loss to the Surveillance System, an auxiliary or backup power source shall be available and capable of providing immediate restoration of power to all elements of the Surveillance System that enable surveillance personnel to observe the Table Games remaining open for play and all areas covered by Dedicated Cameras as required by (A) above.

(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, the requirements of these Regulations and the policies of the Gaming Operation.

(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 Patrons 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) A periodic inspection of the Surveillance Systems must be conducted at a frequency approved by the Commission. 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 Commission shall be notified of any camera(s) that has malfunctioned for more than twenty-four (24) hours and the alternative security measures being implemented.

(K) 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.

(L) The following minimum camera coverage shall be required:

(1) All Table Games, except as otherwise provided in Sections L(2), L(3), and L(4) of this Section, the Surveillance System shall provide at a minimum one (1) pan-tilt-zoom camera per two (2) tables or as alternative, one (1) Dedicated Camera per table and one (1) pan-tilt-zoom camera per four (4) tables, and surveillance must be capable of taping:

(I) With Sufficient Clarity to identify Patrons 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.

(2) All craps tables shall have two (2) dedicated cross view cameras covering both ends of the table.

(3) 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.

(4) All big wheel Games shall have one (1) Dedicated Camera viewing the wheel.

(5) All 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 Patrons 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.

(6) All Gaming Devices offering a Payout of more than $250,000 shall be monitored and recorded by a Dedicated Camera(s) to provide coverage of:

(I) All Patrons and employees at the Gaming Device, and

(II) The face of the Gaming Device, with Sufficient Clarity to identify the Payout line(s) of the Gaming Device.

(7) All in-house progressive Gaming Devices 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 Device; and

(II) The face of the Gaming Device, with Sufficient Clarity to identify the Payout line(s).

(8) All wide area progressives offering a base Payout amount (jackpot reset amount) of $1,000,000 or more shall be monitored and recorded by a Dedicated Camera(s) to provide coverage of:

(I) All customers and employees at the Gaming Device; and

(II) The face of the Gaming Device, with Sufficient Clarity to identify the Payout line(s).

(9) 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.

(10) 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.

(11) 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.

(M) The Surveillance System shall monitor and record a general overview of activities occurring in each Cage, Vault area and change booths with Sufficient Clarity to identify employees within the Cage and Patrons and employees at the counter areas.

(1) Each cashier station shall be equipped with one (1) dedicated overhead camera covering the transaction area.

(2) The Surveillance System shall provide an overview of cash transactions. This overview should include the Patron, the employee, and the surrounding area.

(3) The Cage or Vault area in which exchange and transfer transactions occur must be monitored and recorded by a Dedicated Camera or motion activated Dedicated Camera that provides coverage with Sufficient Clarity to identify:

(I) The chip values being transferred; and

(II) The amounts on the exchange and transfer documentation.

(III) Controls provided by a computerized exchange and transfer system constitute an adequate alternative to viewing the amounts on the exchange and transfer documentation.

(N) The Surveillance System shall monitor and record with Sufficient Clarity:

(1) All areas where cash or Cash Equivalents may be stored or counted;

(2) The Count equipment to view any attempted manipulation of the recorded data.

(O) The Surveillance System shall monitor and record the Soft Count room during the Soft Count process. The recording shall include:

(1) All doors to the room;

(2) All Drop Boxes, Currency Cassettes and Bill Acceptor Canisters;

(3) All safes, storage racks and trolleys;

(4) All Count Team personnel;

(5) All areas and counting surfaces where currency is sorted, stacked, counted, verified, or stored during the Soft Count process. The counting surface area must be continuously monitored and recorded by a Dedicated Camera during the Soft Count; and

(6) Audio of the Soft Count process with Sufficient Clarity as determined by the Commission.

(P) The Surveillance System shall provide monitoring and recording of the Drop Box and Bill Acceptor Canister trolleys, storage racks or area by either a Dedicated Camera or a motion-detector activated camera.

(1) All video recordings and/or digital records of coverage provided by the Dedicated Cameras or motion-activated Dedicated Cameras required by this Section shall be retained for a minimum of seven days.

(Q) Recordings involving suspected or confirmed Gaming crimes, unlawful or suspicious activity, or detentions by security personnel discovered within the initial retention period must be copied and retained for a time period, not less than one year.

(R) Duly authenticated copies of video recordings and/or digital records shall be provided to the Commission and/or, prosecutors, Federal or other law enforcement upon request.

(S) A video library log, or comparable alternative procedure approved by the Commission, shall be maintained to demonstrate compliance with the storage, identification, and retention standards required in this section.

(T) Surveillance personnel shall maintain a log or alternative procedure approved by the Commission that documents each malfunction and repair of the Surveillance System as defined in this section.

(1) The log shall include 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.

(U) Surveillance personnel shall maintain a daily log of all surveillance activities. The log shall be maintained by surveillance room personnel and shall be stored securely within the surveillance department.

(1) At a minimum, the following information shall be recorded in a surveillance log:

(I) Date;

(II) Time surveillance 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.

(2) 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 which shall include at a minimum the information required in the surveillance log.

(3) A copy of the log shall be immediately provided to the Commission upon request.

(4) Security Department.
The Gaming Operation shall have a security department that is responsible for the overall security of the facility including, without limitation, the following:

(i) The physical safety of Patrons and employees in the Gaming Operation;

(ii) The physical safeguarding of the assets;

(iii) The protection of Patrons, employees and Gaming Operation property from illegal activity;

(iv) The detainment of individuals when there is probable cause to believe that they are in violation of the law or these Regulations;

(v) The recordation of any and all unusual occurrences including the date, time, nature of the incident, persons involved in the incident, and the assigned Security Department personnel;

(vi) The identification and removal of any person who is required to be excluded pursuant to Chapter 9.

(A) The Security Department shall be supervised by a Gaming Operations Key Employee holding a License endorsed with the position of Vice President of Security or equivalent.

(B) The personnel of the Security Department shall be prohibited from carrying firearms.

(C) The personnel of the security department who participate in any aspect of the Gaming Operation shall at all times be employees of the Gaming Operation.

(D) Nothing in this subsection shall prohibit the Gaming Operation from utilizing outside vendors for hotel security functions.

(4) Table Games Department.

(i) The Gaming Operation shall have a Table Games Department responsible for the conduct of the Table Games in accordance with the established rules of the Games, as well as the minimum internal control standards.

(ii) The Table Games Department shall be supervised by a Management-level employee who ensures that there is sufficient supervision, knowledge and training within the department to provide for the proper and fair conduct of the Games.

(iii) The Vice President of Table Games or equivalent shall be a Gaming Operations Key Employee holding a License granted by the Gaming Commission.

(5) Slot Department.

(i) The Gaming Operation shall have a slot department responsible for all aspects of the operation of the Gaming Machines.

(ii) The department shall be supervised by a management-level employee who ensures that there is sufficient supervision, knowledge and training within the department to provide for proper and effective operation of the Gaming Machines.

(iii) The Vice President or equivalent of the slot department shall be a Gaming Operation Key Employee holding a License granted by the Commission.

(iv) The slot department shall be responsible for the control and supervision of slot cashiers and change persons.

(6) Information Technology (IT) Department.

(i) The Gaming Operation shall maintain an IT Department which shall be responsible for the quality, reliability, and accuracy of all computer systems used in the operation.

(ii) The IT Department shall be responsible for, without limitation, the specification of

appropriate computer software, hardware, and procedures for security, physical integrity, business continuity, and maintenance of:

(A) Access codes and other data-related security controls used to ensure appropriately limited access to computers and the system-wide reliability of data;

(B) Computer tapes, disks, or other electronic storage media containing data relevant to Gaming Operation operations; and

(C) Computer hardware, communications equipment and software used in the conduct of Gaming Operation operations.

(iii) The IT Department shall be supervised by a Gaming Operation Key Employee holding a License granted by the Gaming Commission.

(7) Credit Department.

A Credit department supervised by a person referred to herein as a Credit Manager. The Credit department shall be responsible for the Credit function including, without limitation, the following:

(i) The verification of Patron Credit references;

(ii) The establishment of Patron Credit Limits; and

(iii) The maintenance, review and update of the Patron's Credit files.

Section 4.03 Forms, Records and Documents.

(a) All information required by this Section to be placed on any form, record, or document and in stored data shall be recorded on such form, record, or document and in stored data in ink or other permanent form.

(b) Unless otherwise specified in this Section or exempted by the Commission, all forms, records, documents, and stored data required to be prepared, maintained, and controlled by this Section shall:

(1) Be in a form prescribed or authorized by the Commission; and

(2) Have the name of the establishment and the title of the form, record, document, and stored data imprinted or preprinted thereon or therein.

(c) Nothing in this Section shall be construed as prohibiting or discouraging a Gaming Operation from preparing more copies of any form, record, or document than that prescribed by this Section.

(d) For any computer Applications utilized, alternate documentation and or procedures that described by the standards in this Section as approved by the Commission shall be acceptable.

Section 4.04 Record Retention Requirements.

Documentation of Gaming activities and other proprietary information shall be in accordance with the Regulations, the Act, the Compact, Tribal law, and federal law.

(a) For purposes of this Section, “records” shall be defined as any book, record or document pertaining to, prepared in or generated by the operation of a Gaming Operation, without regard to the medium in which the record is generated or maintained (paper, computer- generated, magnetic media, etc.).

(b) All original books, records and documents pertaining to the conduct of wagering activities shall be retained by a Gaming Operation in accordance with a 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:

(1) Cashier's Cage documents;

(2) Documentation supporting the calculation of Table Game Win;

(3) Documentation supporting the calculation of Gaming Device Win;

(4) Documentation supporting the calculation of revenue of all other Gaming activities offered by the Gaming Operation;

(5) Table Games statistical analysis reports;

(6) Gaming Machine statistical analysis reports;

(7) Bingo, pull-tab, Keno and Pari-Mutuel Wagering statistical reports;

(8) Internal Audit documentation and reports;

(9) Documentation supporting the write-off of Gaming Credit instruments and named Credit instruments; and

(10) All other books, records and documents pertaining to the conduct of wagering activities that contain original signature(s) attesting to the accuracy of the Gaming-related transaction.

(c) Gaming Vouchers redeemed at Gaming Devices or Kiosks which have been verified and electronically cancelled by the Gaming Voucher System shall be retained by a Gaming Operation for a minimum of two (2) days, following a successful reconciliation by Revenue Audit.

(d) The following original books, records and documents shall be retained by a Gaming Operation for a minimum of (90) days and may be destroyed without the notice unless the Commission directs otherwise:

(1) Documents relating to promotions, such as entry forms and Game tickets; and

(2) Gaming Vouchers redeemed at any location other than a Gaming Device or Kiosk which have been verified and electronically cancelled by the Gaming Voucher System.

(e) The following original books, records and documents shall be retained by a Gaming Operation for a minimum of six (6) months and may be destroyed without notice unless the Commission directs otherwise:

(1) Coupons entitling Patrons to cash, slot Tokens, Gaming Chips, progressive wager Coupons or match play Coupons, including unused, voided and redeemed Coupons; and

(2) All records shall be held immediately available for inspection by the Commission or their authorized Agents.

(f) Unless otherwise specified in this part, all other books, records, and documents shall be retained until such time as:

(1) The accounting records have been audited by the Gaming Operation's Independent certified public accountants;

(2) The CPA annual audit report is delivered without exceptions;

(3) The destruction is done in cooperation with and the presence of the Commission.

(g) At the Gaming Operation operator discretion, original books, records and documents may be scanned or directly stored to unalterable media with the following conditions:

(1) The storage media must contain the exact duplicate of the original document.

(2) All documents stored must be maintained with a detailed index containing the casino department and date. This index must be available upon Commission request.

(3) Upon request by Commission, hardware (terminal, printer, etc.) must be provided in order to perform audit procedures.

(4) Controls must exist to ensure the accurate reproduction of records, up to and including the printing of stored documents used for audit purposes.

(5) At least quarterly, accounting/audit personnel shall review a sample of the documents on the storage media to ensure the clarity and completeness of the stored documents.

(h) If source documents and summary reports are stored on re-writeable storage media, the media may not be relied upon for the performance of any audit procedures, and the original documents and summary reports must be retained.

(i) All records shall be held immediately available for inspection by the Commission or their authorized Agents.

(j) No records, unless provided by these Regulations (other than those scanned or recorded electronically) shall be destroyed without requesting in writing to, and receiving approval from, the Commission. The request shall include in detail, a list of the records that the Gaming Operator is requesting to destroy.

Section 4.05 Table Games.

(a) Table Inventory.

(1) Each Table Game opened for play shall have attached to it a Table Tray, which shall have the Table Inventory of Chips and Coin used for Gaming. The Table Tray shall have a clear locking cover which shall be clearly marked on the outside with the Game and the Gaming table number to which it corresponds. All Table Trays when not in use shall be stored either in the cashier’s Cage or secured to the Gaming table and the cover locked. If the Table Trays are stored on the Gaming table, adequate security, as approved by the Commission, shall be provided. At the close of each Shift, the Table Inventory shall be counted and recorded on a Table Inventory Form.

(i) The keys to the locked Table Trays shall be maintained and controlled by the Table Games department in a secure place and shall at no time be made accessible to any cashier’s Cage personnel or to any person responsible for transporting such table inventories to or from the Gaming tables.

(2) Table Inventory Forms shall at a minimum be a two-part form. One part of the form shall have “Opener” pre-printed on it, and the other part shall have “Closer” pre- printed on it.

(3) If the Table Trays are maintained on an imprest basis, a final Fill or Credit shall be made to bring the table bank back to par prior to closing the table and completing the Table Inventory Form.

(4) The following information shall be recorded on a Table Inventory Form:

(i) Date and Shift;

(ii) Table Game identifier;

(iii) The table's chip and Coin inventory; and

(iv) Signature of the outgoing Dealer and outgoing Pit Supervisor attesting to the accuracy of the inventory form. If the Dealer is not available, such verification may be provided by another Pit Supervisor or another supervisor from another Gaming department who shall sign the form attestingto the accuracy of the information recorded thereon.

(5) After obtaining the required signatures, the "Closer" shall be placed in the Drop Box by a person other than a Pit Supervisor. The "Opener" shall be secured in the Table Tray, which shall be locked. The information on the Table Inventory Form shall be visible from the outside of the container.

(6) Whenever a Table Game is opened, the Dealer and Pit Supervisor shall remove the "Opener" from the Table Tray and verify the Count recorded on the form to the table bank inventory. If the Count is correct, the Dealer and Pit Supervisor shall sign the "Opener" attesting to the accuracy of the information recorded thereon.

(i) If a discrepancy exists between the "Opener" and the table bank inventory, the Pit Supervisor shall notify Surveillance and complete a one-part Table Inventory Discrepancy form. The form shall include the following:

(A) Date and Shift of preparation;

(B) Date and Shift recorded on the "Opener";

(C) Nature of the discrepancy; and

(D) Signature of the Pit Supervisor completing the form.

(ii) After signing the form, the Pit Supervisor shall place the form in the Drop Box.

(7) After obtaining the required signatures, the "Opener" shall be placed in the Drop Box by a person other than a Pit Supervisor.

(8) If final fills or credits are not made, beginning and ending inventories shall be recorded on the Master Game Sheet for Shift Win calculation purposes.

(b) Table Fill Procedures.

(1) Whenever Chips are distributed to a Table Game from the Cage, a Fill Slip shall be prepared by a chip bank cashier, or if computer prepared by a chip bank cashier or Pit Supervisor. Fills shall be at minimum triplicate, serially pre-numbered forms, each series of fills shall be used in sequential order, and the series numbers of all fills received by the Gaming Operation shall be accounted for by employees with no incompatible functions. All original and duplicate void Fills shall be marked "VOID" and require the signature of the preparer and the signature of one other person Independent of the transaction and shall

be submitted to the accounting department for retention and Accountability.

(2) Un-issued and issued Fill 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 Slips.

(3) A Fill shall be authorized by Pit Supervisory personnel using a two-part request form (Request). Access to the Request prior to use shall be restricted to Pit Supervisory personnel. If the Fill Slip is computer prepared, and the input of the data to generate the Fill is restricted to Pit Supervisory personnel, then the use of the access to the Request may be ignored.

(4) On the original and duplicate request, the following information, at a minimum, shall be recorded:

(i) The date and time, or Shift of preparation;

(ii) The denomination of Gaming Chips, Coins and plaques to be distributed to the Gaming tables;

(iii) The total amount of each denomination of Gaming Chips, Coins and plaques to be distributed to the Gaming table;

(iv) The Game and table number to which the Gaming Chips, Coins and plaques are to be distributed; and

(v) The signature of the Pit Supervisor.

(5) After preparation of the Request, the original copy of such Request shall be transported directly to the cashier's Cage.

(6) The duplicate copy of the Request shall be placed by the Dealer or boxman in public view on the Gaming table to which the Gaming Chips, Coins and plaques are to be received. Such duplicate Request shall not be removed until the Chips, Coins and plaques are received at which time the Request and Fill are deposited in the Drop Box.

(7) If the Fill is manually prepared, the following procedures and requirements shall be observed:

(i) Fill 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 one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year.

(ii) Each series of Fills shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser.

(iii) Access to the triplicates shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of Fills, placing Fills in the dispensers, and removing from the dispensers, each, the triplicates remaining therein. These employees shall have no incompatible functions.

(8) For Gaming Operations in which Fills are computer-prepared each series of Fills shall be a

two- part form, at a minimum, and shall be inserted in a printer that will: simultaneously print an original and a duplicate and store, in machine-readable form, all information printed on the original and duplicate. The stored data shall not be susceptible to change or removal by any personnel after preparation of a Fill.

(9) On original, duplicate, and triplicate copies of the Fill, or in stored data, the preparer shall record, at a minimum, the following information:

(i) The denomination of the Gaming Chips, Coins and plaques being distributed;

(ii) The total amount of each denomination of Gaming Chips, Coins and plaques being distributed;

(iii) The total amount of all denominations of Gaming Chips, Coins and plaques being distributed;

(iv) The Game and table number to which the Gaming Chips, Coins and plaques are being distributed;

(v) The date and Shift during which the distribution of Gaming Chips, Coins and plaques occurs; and

(vi) The signature of the preparer or, if computer prepared, the identification code of the preparer.

(10) The time of preparation of the Fill shall be recorded at a minimum, on the original and duplicate upon preparation.

(11) Chips, Tokens, and/or other Cash Equivalents distributed to the Gaming tables from the cashier's Cage shall be transported directly to the Gaming tables from the cashier's Cage by a person who is Independent of the Cage or pit, who shall agree the Request to the Fill and sign the original copy of the Request, maintained at the cashier's Cage, before transporting the Gaming Chips, Coins and plaques and the original and duplicate copies of the Fill for signature.

(12) Signatures attesting to the accuracy of the information contained on the Fills shall be, at a minimum, of the following personnel at the following times:

(i) The original and the duplicate:

(A) The chip bank cashier upon preparation;

(B) The security department member transporting the Gaming Chips, Coins and plaques to the Gaming table upon receipt from the cashier of the Gaming Chips, Coins and plaques to be transported;

(C) The Dealer or box man assigned to the Gaming table upon receipt at such table from the security department member of Gaming Chips, Coins and plaques after breaking down and verifying the Fill in public view and placing the Fill in the Table Tray; and

(D) The Pit Supervisor assigned to the Gaming table upon receipt of the Gaming Chips, Coins and plaques at such table.

(13) Upon meeting the signature requirements as described in subsection (12) of this Section, the security department member that transported the Gaming Chips, Coins and plaques and the original and duplicate copies of the Fill to the table shall observe the immediate

placement by the Dealer or box man of the duplicate Fill and the duplicate Request in the Drop Box attached to the Gaming table to which the Gaming Chips, Coins and plaques were transported and return or observe the return of the original Fill to the chip bank where the original Fill and Request shall be maintained together and controlled by employees Independent of the Security department.

(14) The original and duplicate void Fills, the original Request, and the original Fill, maintained and controlled in conformity with subsection (13) above, shall be forwarded to the accounting department for agreement, on a daily basis, with the duplicate Fill and duplicate Request removed from the Drop Box and the triplicate or stored data.

(c) Table Credit Procedures.

(1) Whenever Chips are removed from a Table Game by the Cage, a Credit Slip (Credit) shall be prepared by a chip bank cashier, or if computer prepared by a chip bank cashier or Pit Supervisor. Credits shall be at minimum triplicate, serially pre- numbered forms, each series of Credits shall be used in sequential order, and the series numbers of all Credits received by the Gaming Operation shall be accounted for by employees with no incompatible functions. All original and duplicate void Credits shall be marked "VOID" and require the signature of the preparer and the signature of one other person Independent of the transaction and shall be submitted to the accounting department for retention and Accountability.

(2) Un-issued and issued 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 Credit Slips.

(3) A Credit shall be authorized by a Pit Supervisor using a two-part request form (Request). Access to the Request prior to use shall be restricted to Pit Supervisory personnel. If the Credit Slip is computer prepared, and the input of the data to generate the Credit is restricted to Pit Supervisory personnel, then the use of the Request may be ignored.

(4) On the original and duplicate Request, the following information, at a minimum, shall be recorded:

(i) The date and time, or Shift of preparation;

(ii) The denomination of Gaming Chips, Coins and plaques to be removed from the Gaming table;

(iii) The total amount of each denomination of Gaming Chips, Coins and plaques to be removed from the Gaming table;

(iv) The Game and table number from which the Gaming Chips, Coins and plaques are to be removed; and

(v) The signature of the Pit Supervisor.

(5) After preparation of the Request, the original copy of such Request shall be transported directly to the cashier’s Cage.

(6) The duplicate copy of the Request shall be placed by the Dealer or box man in public view on the Gaming table from which the Gaming Chips, Coins and plaques are to be disbursed. Such duplicate Request shall not be removed until the Chips, Coins and plaques are removed from the table, at which time the Request and Credit are deposited in the Drop

Box.

(7) If the Credit is manually prepared, the following procedures and requirements shall be observed:

(i) Each series of Credits shall be a three-part form, at a minimum, and shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser; and

(ii) Access to the triplicates shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of Credits, placing Credits in the dispensers, and removing from the dispensers, each, the triplicates remaining therein. These employees shall have no incompatible functions.

(8) For establishments in which Credits are computer-prepared each series of Credits shall be a two- part form, at a minimum, and shall be inserted in a printer that will simultaneously print an original and a duplicate and store, in machine-readable form, all information printed on the original and duplicate. The stored data shall not be susceptible to change or removal by any personnel after preparation of a Credit.

(9) On original, duplicate, and triplicate copies of the Credit, or in stored data, the preparer shall record, at a minimum, the following information:

(i) The denomination of the Gaming Chips, Coins and plaques being removed from the table;

(ii) The total amount of each denomination of Gaming Chips, Coins and plaques being removed;

(iii) The total amount of all denominations of Gaming Chips, Coins and plaques being removed;

(iv) The Game and table number from which the Gaming Chips, Coins and plaques are being removed;

(v) The date and Shift during which the removal of Gaming Chips, Coins and plaques occurs; and

(vi) The signature of the preparer or, if computer prepared, the identification code of the preparer.

(10) The time of preparation of the Credit shall be recorded at a minimum, on the original and duplicate upon preparation.

(11) Chips, Tokens, and/or other Cash Equivalents shall be removed from the Table Tray by the Dealer or box person and shall be broken down and verified by the Dealer or box person in public view prior to placing them in racks for transfer to the Cage.

(12) The original and duplicate parts of the Credit Slip shall be transported to the pit by a Runner Independent of the Cage or pit. After signatures of the Runner, Dealer, and Pit Supervisor are obtained, the duplicate shall be deposited in the Table Game Drop Box by the Dealer and the original shall be transported with the Gaming Chips, Tokens, and/or other Cash Equivalents from the pit to the Cage by a person (Runner) Independent of the

Cage or pit for verification and signature of the cashier on the original Credit.

(d) Table Game Drop and Count Procedures.

(1) 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. If a currency counter interface is used:

(i) It must be 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.

(2) The Table Game Drop Box Count shall be performed in a Soft Count room.

(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. A Commission representative may be present in the Count Room.

(4) The Table Game Drop Box Count shall be conducted Independently to prevent the commingling of funds. 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) The Table Game Drop Box Count shall be performed by a minimum of three employees. 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 days per week. This standard shall not apply if Gaming Operations utilizes a Count Team of more than three persons.

(6) 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 (3) employees in the Count Room until the Drop Proceeds have been accepted into Cage/Vault Accountability. Only Count Team members shall be allowed access to Table Game Drop Box content keys during the Count process.

(7) The Count Team shall be Independent of transactions being reviewed and counted, unless authorized by the Gaming Commission.

(8) At least three Count Team members are required to be present at the time the Count Room and other Count keys are issued for the Count.

(9) 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.

(10) Table Game Drop Boxes, when empty, shall be shown in a manner where the contents are clearly visible to another member of the Count Team and surveillance.

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

(12) After counting the contents of each box, the funds shall be passed to an employee who did not perform the initial Count, who shall Count the funds a second time without having access to the value of the first Count.

(13) The second Count shall be compared to the first Count. If they do not agree, the difference shall be reconciled.

(14) 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.

(15) 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 currency.

(16) Table Drop Box copies of table fills, table credits, openers, closers and Markers shall be recorded on the Master Gaming Report (MGR).

(17) The Count sheet shall be reconciled to the total Drop by a Count Team member who shall not function as the sole recorder, and variances must be reconciled and documented.

(18) All members of the Count Team shall sign the Count document or a summary report to attest to their participation in the Count.

(19) 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.

(20) All Drop Proceeds that were counted shall be turned over to a Cage employee who shall be Independent of the Count Team. Prior to having access to the value of the funds counted by the Soft Count Team, the Cage cashier shall conduct a bulk Count of the Soft Count Drop and compare the bulk Count to the Soft Count. All differences shall be reconciled prior to the Cage cashier and Count Team leaving the Count Room.

(21) Any unresolved variances between total drop proceeds recorded on the count sheet and the cage final verification during transfer must be documented and investigated.

(22) After agreeing the counts, the Cage employee shall sign the Count sheet and transport the funds to the main bank.

(23) 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 Cage. Alternatively, it may be adequately secured (e.g., locked canister to which only accounting personnel can gain access) until retrieved by the accounting department.

(24) 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.

(25) 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.

(e) Table Game Drop.

(1) The Table Game Drop shall be performed by two persons, at least one of whom is Independent of the Table Games department. With the exception of staging, the Drop shall be a continuous process.

(2) At the end of each Shift:

(i) All locked Table Game Drop Boxes shall be removed, and a separate Drop Box shall be placed on each table opened at any time during each Shift by a person Independent of the pit Shift being Dropped;

(ii) Upon removal from the tables, Table Game Drop Boxes shall be transported directly to the Count Room by a minimum of two agents, at least one of whom is independent of the card game shift being dropped, and locked in a secure manner until the Count takes place;

(iii) If Drop Boxes are not placed on all tables, then the Table Games department shall document which tables were open during the Shift;

(iv) When not in use, empty Table Game Drop Boxes shall be stored in a secure manner in the Count Room. The key to access the secured empty Table Game Drop Boxes shall be maintained by the Security department or an electronic key tracking system, and access to the key shall be restricted to the persons authorized to remove Table Game Drop Boxes during the Drop and Count. A log shall be maintained by the custodian of sensitive keys to document authorization of personnel accessing keys;

(v) The involvement of at least two authorized persons Independent of the Table Games department shall be required to access stored empty Table Game Drop Boxes; and

(vi) The Gaming Commission and Surveillance shall be notified when the Drop is to begin so that surveillance may monitor the activities.

(3) Each Table Game Drop Box shall have:

(i) Permanently imprinted or impressed thereon, or an electronic designation as approved by the Commission, a number corresponding to a permanent number on the Gaming table and marked to indicate Game, table number, and Gaming Shift, except that emergency Drop Boxes may be maintained without such number or marking, provided the word “emergency” is permanently imprinted or impressed thereon and, when put into use, are temporarily marked with the number of the Gaming table and identification of the Game and Gaming Shift.

(ii) A slot opening through which currency, Coins, forms, records, and documents can be inserted into the Drop Box which shall automatically lock when the Drop Box is removed from the table.

(iii) A key securing the contents of the Drop Box and a key to release the Drop Box from the table. The release key shall be keyed separately from the contents key. The following shall apply to the keys:

(A) 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;

(B) 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;

(C) The Drop Box release key and Drop Box contents key shall be maintained by the Security Department or an electronic key tracking system which shall be Independent of the Table Games Department;

(D) 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 date, time, and reason for access shall be documented with the signatures of all participants and observers;

(E) A log shall be maintained to document authorization of personnel accessing keys; and

(F) When access to a Table Game Drop Box is required at a time other than the scheduled Drop, the date, time, and signature (or digital signature if using an electronic key tracking system) of employee signing out/in the release key must be documented.

(iv) Table Game Drop Box storage rack keys.

(A) 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.

(B) 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.

(4) Procedures shall be developed and implemented to ensure that unauthorized access to empty Table Game Drop Boxes shall not occur from the time the boxes leave the secure location until they are placed on the tables.

(5) When Table Game Drop Boxes are transported to and from the Count Room, they shall be transported in the trolley by the person(s) referenced in section (A) above. The requirement of transporting Drop Boxes in the trolley may be waived when an emergency Drop Box is transported to the Gaming table in accordance with emergency Drop Box procedures approved by the Commission.

(6) Access to stored, full Table Game Drop Boxes shall be restricted to authorized members of the Drop and Count Teams.

(7) All Drop Boxes may be removed only at the time previously designated by the Gaming Operation and reported to the Commission. If an emergency Drop is required, surveillance must be notified before the Drop is conducted and the Commission must be informed within a timeframe approved by the Commission.

Section 4.06 Bill Validator; Bill Acceptor Canister.

(a) If a Gaming device has a bill validator, it shall be so noted on the Master List of Approved Gaming Devices. Included on the Master List of Approved Gaming Devices shall be:

(1) The name of the manufacturer of the bill validator; and

(2) If applicable, the version of the software program that controls the bill validator.

(b) If a Gaming Device has a bill validator that is controlled by a software program which may be modified without replacing any physical element of the bill changer (for example, by downloading software to the storage medium on which the bill changer control program is stored) the Gaming Operator shall submit for review and approval internal controls which shall address, at a minimum, the following:

(1) The method for detecting authorized and unauthorized software changes;

(2) If a Gaming device monitoring system can detect software changes, it shall immediately document the software change therein. A daily report of the changes generated from the Gaming Device monitoring system shall be prepared. If the system cannot detect changes, the Gaming operator shall develop procedures, as approved by the Commission, to periodically test the validity of the software, which shall include a report of the results of the test. (The generation of a daily report from its Gaming Device monitoring system which immediately documents the software change);

(3) Procedures for the control and installation of the software by the Slot Department;

(4) The creation of a software control log by the Slot Department evidencing all authorized changes to the bill validator software; and

(5) The review and comparison of the report and log required above by Slot Department for any deviations and investigation.

(c) Each bill validator in the Gaming Operation shall contain a secure container approved for such use by the Commission, known as the Bill Acceptor Canister, in which all the cash, Vouchers and Coupons inserted into the bill validator shall be deposited.

(d) Each Bill Acceptor Canister shall:

(1) Have imprinted or impressed thereon, or an electronic designation as approved by the Commission, a number which corresponds to the permanent number of the Gaming Device.

(2) If the Gaming Operator has more than one set of Bill Acceptor Canisters, each set shall have markings which distinguish one set from the other.Notwithstanding subsection (b) (1) and (2) above are emergency Bill Acceptor Canisters which shall be denoted as “Emergency” and when in use, the number of the Gaming device in which the canister is being inserted.

(3) Notwithstanding (d) (1) and (2) above, a Gaming operator who uses a computerized Gaming Device monitoring system may use Bill Acceptor Canisters and any related components, which shall, through the use of technology approved by the Commission, comply with the following:

(i) Have a unique identifier number assigned to each Bill Acceptor Canister;

(A) Such number shall not be subject to change without the approval of the Commission; and

(B) The Gaming operator shall provide the Commission with a list of the unique identifier numbers.

(ii) Associate in the Gaming Device monitoring system, the Bill Acceptor Canister with the Gaming Device the Bill Acceptor Canister is inserted into. Such association shall remain with the Gaming Device until the completion of the Soft Count process;

(iii) Provide the Commission and the Gaming Operator with a method to determine the unique identifier number of the Bill Acceptor Canister;

(iv) Have one (1) separate lock securing the contents of the Bill Acceptor Canister, the key to which shall be different from any keys used to lock the Gaming Device compartments, including the compartment which houses said Bill Acceptor Canister;

(v) Be located in an area which shall be secured by one (1) lock, the key to which shall be different from the key which secures the contents of the Bill Acceptor Canister and any keys used to lock the other compartments of the Gaming Device which are controlled by the Gaming Operation. The key for the lock that secures the area where the Bill Acceptor Canister is stored shall be maintained and controlled by a department Independent of the Drop and Count process;

(A) Access to the key securing the contents of the Bill Acceptor Canister shall require two employees from different departments, with the exception of the Count Team.

(B) 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 on a key log maintained by the custodian of the keys to document authorization of personnel accessing keys, which shall include the date and time of access and return.

(C) Only the Count Team members shall be allowed access to Bill Acceptor Canister contents keys during the Count process.

(vi) Have a slotted opening through which currency, Vouchers or Coupons are automatically inserted into the Bill Acceptor Canister box;

(vii) Have a mechanical arrangement or device which prevents the removal of currency from the slot opening when the Bill Acceptor Canister box is removed from the bill validator; and

(viii) Be completely closed, except for such openings as may be necessary for the operation of the bill validator or the Bill Acceptor Canister box; provided, however, that the location and size of such openings shall not affect the security of the Bill Acceptor Canister box, its contents or the bill validator.

(e) Unless otherwise authorized by the Commission, each Gaming Device with a bill validator attached shall also be equipped with the following mechanical, electrical or electronic devices:

(1) A "cash box" Meter that continuously and automatically registers the total amount in dollars (units) accepted by the bill validator; and

(2) A number of "bill meters," that continuously and automatically Count, for each denomination of currency accepted by the bill validator, the actual number of bills accepted by the bill validator.

(3) Such other meters as may be required by the Commission.

Section 4.07 Cage Operations Standards.

(a) 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) Cage Characteristics.

(1) The Gaming Operation shall have on or immediately adjacent to the Gaming Operations floor, a physical structure known as the casino Cage to house the cashiers and the custody of the Cage inventory of:

(i) Currency and Coins;

(ii) House Chips, including reserve Chips;

(iii) Personal checks, cashier's checks, Counter Checks, and traveler's checks for deposit;

(iv) Customer Deposits;

(v) Chips on Gaming tables;

(vi) Hopper loads (Coins put into machines when they are placed in service), if hoppers are used;

(vii) Fills and Credits (these documents shall be treated as assets and liabilities, respectively, of the Cage during a business day. When Win or loss is recorded at the end of the business day, they are removed from the Accountability); and

(viii) Forms, documents and records associated with the operation of the Cage.

(2) The Cage shall be designed and constructed to provide maximum security for the materials housed and the activities performed therein. The Cage shall:

(i) Be fully enclosed except for openings through which materials such as Gaming Chips and plaques, slot Tokens, Patron checks, cash, records, and documents can be passed to service the public, Gaming tables, and slot booths; and

(ii) Contain a silent alarm system for the Cage, its ancillary office space and Vault that shall be connected directly to the monitoring room of the Surveillance Department and the Gaming Operations security department dispatch office.

(3) In addition, the Cage shall be secured by a double door entry and exit system (mantrap) that shall not permit a person to pass through the second door until the first door is securely locked:

(i) The doors of the double door entry and exit system shall be controlled by the Security Department or an electronic key tracking system, which shall limit entry to authorized personnel;

(ii) Locks on each door of the double door entry and exit system shall be keyed differently from each other; and

(iii) The system shall have closed circuit television coverage which shall be monitored by the Gaming Operations security department or surveillance department.

(4) The Gaming Operation Licensee may also have one or more "satellite Cages" separate and apart from the cashier's Cage, but in or adjacent to a Gaming Operation established to maximize security, efficient operations, or Patron convenience and comfort and designed and constructed in accordance with the requirements for the cashier's Cage, or an alternate design and construction as approved by the Commission. A satellite Cage may perform any or all of the functions of the cashier's Cage. The functions which are conducted in a satellite Cage shall be subject to the applicable accounting controls set forth in this Section.

(c) 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 Commission shall be acceptable.

(d) Accounting Controls for the Gaming Operation Cashier's Cage.

(1) The Gaming Operation Cage shall be responsible for assets maintained therein and shall include, but not be limited to, functions that pertain to:

(i) Transactions with Patrons (i.e., exchange cash for Chips, cash checks, accept Customer Deposits, redemption of slot Vouchers);

(ii) Transactions with other Games departments: table, slot, Keno, (i.e. hopper fills, jackpot Payouts, table fills, table credits);

(iii) Preparing Credit Applications and verifying information therein;

(iv) Preparing bank deposits;

(v) Accepting Coin and currency Count from the Count Rooms;

(vi) Receiving wire transfer notifications;

(vii) Exchanges among Cage accountabilities for Chips, checks and Coin;

(viii) Preparing overall Cage reconciliations; and

(ix) Preparing supporting documentation along with signatures of participants for effective segregation and authorization of Cage functions.

(2) Signatures attesting to the accuracy of information contained on Cashier's Count sheets shall be, at a minimum, signatures of incoming and outgoing cashiers following preparation of Cashier's Count Sheets.

(3) At the end of each Gaming day, at a minimum, a copy of Cashier's Count Sheets and related documentation shall be forwarded to the Gaming Operation's accounting department for agreement of opening and closing inventories, agreement of amounts thereon to other forms, records, and documents required by this Section, and recording of transactions.

(e) Personal Checks, Cashier's Checks, Payroll Checks, Travelers' Checks and Counter Checks.

For personal checks, cashier checks, payroll checks, travelers' checks or Counter Checks cashed at the Cage, the Gaming Operation shall establish and comply with appropriate controls submitted to and approved by the Commission for purposes of security and integrity. Checks specified in this subsection shall be presented to the Cage cashier who shall:

(1) Restrictively endorse the check "for deposit only" to the Gaming Operation's bank account;

(2) Initial the check;

(3) Date and time stamp the check;

(4) Verify the Patron identity, current address, and signature via examination of identification credentials;

(5) For personal checks, verify the Patron's check cashing authority and record the source and results in accordance with management policy. However, if a check guarantee service is used to guarantee the transaction and the procedures required by the check guarantee service are followed, then these requirements do not apply.

(6) 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; and

(7) Exchange the check for currency and Coin in an amount equal to the amount for which the check is drawn.

(8) When Counter Checks are issued, the following shall be included on the check:

(i) The Patron's name and signature;

(ii) The dollar amount of the Counter Check, alpha and numeric;

(iii) The bank name, bank account number;

(iv) The date of issuance; and

(v) The signature or initials of the person approving the Counter Check transaction.

(9) Checks that are not deposited in the normal course of business, as established by management, (held checks) are subject to lines of Credit standards in these Regulations.

(10) 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 these Regulations.

(f) Patron Deposit Accounts and Cashless Systems.

(1) 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.

(2) Patron Deposit Accounts and Cashless Systems:

(i) Smart cards cannot maintain the only source of account data.

(ii) The following standards apply when a Patron establishes an account:

(A) The Patron must appear at the Gaming Operation in person, at a designated area of Accountability, and present valid government issued picture

identification; and

(B) An Agent must examine the Patron's identification and record the following information:

(1) Type, number, and expiration date of the identification;

(2) Patron's name;

(3) A unique account identifier;

(4) Date the account was opened; and

(5) The Agent's name.

(iii) The Patron must sign the account documentation before the Agent may activate the account.

(iv) The Agent or Cashless System must provide the Patron Deposit Account holder with a secure method of access.

(3) Patron deposits, withdrawals and adjustments.

(i) 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.

(ii) Adjustments made to the Patron Deposit Accounts must be performed by an Agent.

(iii) When a deposit, withdrawal, or adjustment is processed by an Agent, a transaction record must be created containing the following information:

(A) Same document number on all copies;

(B) Type of transaction, (deposit, withdrawal, or adjustment);

(C) Name or other identifier of the Patron;

(D) The unique account identifier;

(E) Patron signature for withdrawals, unless a secured method of access is utilized;

(F) For adjustments to the account, the reason for the adjustment;

(G) Date and time of transaction;

(H) Amount of transaction (for foreign currency transactions, include the US dollar equivalent, the name of the foreign country, and the amount of the foreign currency by denomination;

(I) Nature of deposit, withdrawal, or adjustment (cash, check, Chips);

(J) Signature of the Agent processing the transaction; and

(K) 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.

(iv) When a Patron deposits or withdraws funds from a Patron Deposit Account electronically, the following must be recorded:

(A) Date and time of transaction;

(B) Location (Player Interface, Kiosk);

(C) Type of transaction (deposit, withdrawal);

(D) Amount of transaction; and

(E) The unique account identifier.

(v) Front money deposits procedures shall include:

(A) A detailed record by patron name and date of all funds on deposit;

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

(C) A reconciliation of the current balance with the deposits and withdrawals at least daily.

(vi) Patron Deposit Account transaction records must be available to the Patron upon reasonable request.

(vii) 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.

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

(g) 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 incoming and outgoing cashiers. These employees shall make individual counts for comparison of 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 documented and investigated by the Gaming Operation. Unverified transfers of cash and/or Cash Equivalents are prohibited.

(3) At the end of each Gaming day, at a minimum, a copy of cashier’s Count sheets and related documentation shall be forwarded to the accounting department for agreement of opening and closing inventories, and agreement of amounts thereon to other forms, records and documents specified in this section.

(4) The Gaming Operation cash-on-hand shall include, but not be limited to, the following components:

(i) Currency and Coins;

(ii) House Chips, including reserve Chips;

(iii) Personal checks, cashier's checks, Markers, and traveler's checks for deposit;

(iv) Customer Deposits;

(v) Chips on tables;

(vi) Hopper loads (Coins put into machines when they are placed in service); and

(vii) Fills and Credits - These documents shall be treated as assets and liabilities, respectively, of the Cage during a business day. When Win or loss is recorded at the end of the business day, they are removed from the Accountability.

(5) Variances. The Gaming Operation must establish, as approved by the Commission, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

(h) Coupon Standards.
Any program for the exchange of Coupons for Chips, Tokens, and/or another Coupon program shall be submitted to the Commission prior to implementation. The Gaming Operation shall establish and comply with procedures that account for and control such programs.

(i) 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.

(j) 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.

(k) 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 Patron 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 any follow-up performed shall be documented, maintained for inspection, and provided to the Commission 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 Commission upon request.

(l) Unclaimed Winnings

(1) Any winnings, whether property or cash, which are due and payable to a known Patron, and which remain unclaimed, shall be held in safekeeping for the benefit of such known Patron.

(2) In circumstances where the winnings have not been provided to the known Patron, the Gaming Operation shall prepare a Safe Keeping Deposit form. The form shall be at least a two-part form and contain the following:

(i) The date and time the winning occurred;

(ii) The Game upon which the Win occurred;

(A) Table Game pit, table number, type of Game (blackjack, craps, etc.);

(B) Gaming Device asset number, location, winning combination; or

(C) Other Games (if offered);

(iii) The amount of winnings due the Patron or description of property won;

(iv) The signature of the winning Patron on the original form at the time it was prepared, if applicable; and

(v) The signature of the preparer on the original and duplicate(s).

(3) The Safe Keeping Deposit form shall be distributed, at a minimum, as follows:

(i) The original to the cashier responsible for maintaining safekeeping balances, by the preparer;

(ii) The duplicate shall immediately be presented to the winning Patron, if applicable, who shall be required to present the duplicate receipt before being paid the winning amount due.

(4) The Commission shall use, or require the Gaming Operation to use, its best efforts to deliver the winnings to the Patron. Documentation shall be maintained of all efforts to provide the Patron with the unclaimed winnings. Documentation shall be, but not limited to, letters of correspondence, telephone calls, or other means of communication used in the attempt to provide the winnings to the Patron.

(5) If applicable, winning Patrons shall collect winnings by presenting, at the cashier's Cage, the duplicate copy of the receipt form, signed in the presence of the cashier. The cashier shall obtain the original receipt from safekeeping and compare the signature on the original to the signature on the duplicate receipt form. The cashier shall sign the original receipt form attesting that signatures on the original and duplicate receipt forms agree and distribute the winnings to the Patron.

(6) The original form shall be retained by the cashier as evidence of the disbursement from the cashier's funds. A duplicate form shall be placed in a box for distribution to accounting by security or someone who did not participate in the transaction.

(7) Winnings of known Patrons held in safekeeping for twelve (12) months or longer shall revert to the Tribe and shall be transferred to the account or place designated by the Tribe after reasonable efforts to distribute the winnings to the known Patron, as determined from review of documentation maintained. Winnings of an ineligible Patron (i.e. under-aged, banned or excluded), shall not be required to be held in safekeeping but shall immediately revert to the benefit of the Tribe and shall be transferred to the account or place designated by the Tribe.

(8) For winnings in excess of $100 wherein the identity of the Patron is not known, the Commission shall require the Gaming Operation to use its best efforts to learn the identity of the Patron. If the identity of the Patron is determined, the operator shall comply with subsections (1) through (7) above.

(9) Where the Patron identity cannot be determined after ninety (90) days from the time winnings were payable, the winnings shall revert to the benefit of the Tribe and shall be transferred to the account or place designated by the Tribe.

(10) Safe Keeping Deposit forms shall be pre-numbered and accounted for. Safe Keeping Deposit forms voided shall be marked "VOID" and signed by the preparer.

(m) The Gaming Operation, as approved by the Commission, shall establish procedures to address transporting of extraneous items such as coats, purses, and or boxes into and out of the Cage, Coin room, Count Room, and/or Vault.

(n) The Gaming Operation as approved by the Commission 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 in the bank, if readily accessible) in an amount sufficient to satisfy obligations to the Gaming Operation Patrons as they are incurred.

Section 4.08 Complimentary Services.

(a) 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) Each Gaming Operation shall establish, and the Gaming Operation shall comply with procedures for the authorization, issuance, recording and monitoring Complimentary Services or Items, including cash and non-cash gifts. Such procedures must be approved by the Commission 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.

(c) On a daily basis, the Gaming Operation shall record the name of each person provided with Complimentary Services or items, the category of service or item provided, the value, as calculated in accordance with (d) below, of the services or items provided to such person, and the person authorizing the issuance of such services or items. Upon request, a copy of this daily report shall be submitted to the Commission. Exempt from this requirement are the individual names of persons authorizing or receiving:

(d) Each non-cash Complimentary service or item that has a value, as calculated in accordance with below, of $100.00 or less; and each Complimentary cash gift of $100 or less.

(e) Management personnel Independent of the department who issued the reports shall review the reports required in paragraph (b) of this section at least monthly. These reports shall be made available to the Commission, Pokagon Band Gaming Authority, and other entity designated by the Commission, upon request.

(f) All Complimentary Services or items shall be valued and recorded as follows:

(1) At full retail price normally charged by the Gaming Operation if the Complimentary service or item is provided directly to Patrons in the normal course of the Gaming Operation's business (such as rooms, food or beverages);

(2) At an amount based upon the actual cost to the Gaming Operation of providing such service or item, if the Complimentary service or item is not offered for sale to Patrons in the normal course of a Gaming Operation's business;

(3) At an amount based upon the actual cost to the Gaming Operation of having a third party, not affiliated with the Gaming Operation, provide a service or item directly or indirectly to Patrons by the third party; and

(4) A Complimentary Service or Item provided directly or indirectly to a Patron on behalf of a Gaming Operation by a third party who is affiliated with the Gaming Operation shall be recorded by the Gaming Operation in accordance with the provisions of this Section as if the affiliated third party were the Gaming Operation.

(g) Complimentary cash gifts shall include, without limitation:

(1) Public relations payments made for the purpose of resolving Patron complaints or disputes with Gaming Operations;

(2) Travel or walk money payments made for the purpose of enabling a Patron to return home;

(3) Cash Complimentary issued to Patrons as a result of actual Gaming activity; and

(4) Coupons issued and redeemed as part of a promotion program.

(h) Where Complimentary cash gifts have a value of $1,000 or more or non-cash gifts have of value of $2,500 or more, the Gaming Operation shall:

(1) Record the address of the recipient; and

(2) Verify the identity of the recipient by:

(i) An examination of an identification credential that also contains a photograph or physical description of the recipient that is consistent with the actual appearance of the Patron; or

(ii) Obtaining the Patron's signature and comparing it and the Patron's physical appearance to the signature and general physical description in a Patron signature file; or

(iii) An authorized employee attesting to the Patron's identity; and

(3) Record the method of verification.

(i) All Complimentary cash gifts shall be disbursed directly to the Patron by a cashier at the cashier's Cage after receipt of appropriate documentation or in any other manner approved by the Commission.

(j) No Gaming Operation shall permit any employee to authorize the issuance of Complimentary cash or non-cash gift with a value of $10,000 or more unless the employee is Licensed and functioning as a Key Employee and the authorization is cosigned by a second employee Licensed and functioning as a Key Employee.

(k) Each Gaming Operation shall submit to the Commission a report listing the name of each person who has received $10,000 or more in Complimentary cash and non-cash gifts within any five (5) day period during the preceding month-end. Such report shall be filed by the last business day of the following month and shall include the total amount of Complimentary cash or non-cash gifts provided to each person.

(l) Prohibited Complimentary Items or Services.

No Key employee, Primary Management Official, or Commission employee/member shall be authorized to receive Complimentary Items or services except:

(1) Food and beverages valued at under two hundred dollars ($200.00) and the aggregate value for the calendar year is under five hundred dollars ($500.00); or,

(2) The same Complimentary Items that are offered to all members of the general public if at a public event held at a Gaming facility.

(m) Variances.

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

Section 4.09 Standards for Credit.

(a) 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) 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 Commission, shall be acceptable.

(c) Credit standards.
At least the following information shall be recorded for Patrons that have Credit Limits or are issued Credit (excluding personal checks, payroll checks, cashier's checks, and traveler's checks):

(1) Patron name, current address, and signature;

(2) Identification verifications;

(3) Authorized Credit Limit;

(4) Documentation of authorization by a person designated by Management to approve Credit Limits; and

(5) Date, time, and amount of credit issuances and payments and amount of available credit.

(d) Credit file.
Prior to the approval and issuance of Credit to a Patron, a Credit file shall be prepared by a Cage employee or Credit department representative of the Gaming Operation with no incompatible functions. All Patron Credit Limits and changes thereto shall be supported by information contained in the Patron Credit file. The Credit file shall contain a Credit Application, and shall contain at least the following information:

(1) Patron's name, current residence address, telephone number and signature;

(2) Verification of Patron identity and signature of the Cage employee who performed such identification verification;

(3) The type of credentials examined to establish Patron identity;

(4) Patron employment or self-employment information including name, address, phone number, and years employed;

(5) Patron banking information including name and address of bank, bank account number upon which the customer is individually authorized to draw upon and where Markers shall be drawn. Markers shall be drawn only on personal accounts verified and listed on the Credit Application.

(6) The application shall notify the Patron of the of the terms of credit.

(7) The name of each Gaming Operation where the Patron has a Gaming Operation Credit Limit and the amount of Credit outstanding;

(8) The amount of Patron outstanding indebtedness other than Gaming Operation debt;

(9) Verification of (d)(5) through (7) above via contact with the bank, directly with other Gaming Operations or a Gaming Operation credit reporting agency, and other credit reporting agencies, such as Experian, TransUnion, or Equifax, for indebtedness, along with the signature, date, and License number of the employee who performed the verifications.

(10) The Patron Credit Limit requested and authorized; and

(i) The signature of person authorized by Management to approve Credit Limits. Junket representatives, or any other employee whose authorization of Credit would cause that employee to be acting in an incompatible function, shall be prohibited from authorizing Credit.

(ii) A list shall be maintained and provided to the Commission upon request of those persons authorized to approve Credit and the limits to which they can extend credit.

(11) Prior to extending Credit, the Patron'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;

(iii) Identity of the customer;

(iv) Additional Credit extensions over a specified dollar amount, which shall be approved by personnel designated by Management; and

(v) Proper approval of Credit extensions over ten percent (10%) of the previously established limit, which shall be documented.

(12) Patron credit balance records shall be updated at the time of each transaction to ensure that lines of credit issued are within the established limit and balance for that patron.

(e) Marker Standards.
Marker forms shall be at least two parts (the original Marker and a Payment Slip), pre- numbered by the printer or concurrently numbered by the computerized system and utilized in numerical sequence.

(1) The completed original Marker shall contain at least the following information:

(i) Marker number;

(ii) Player's name and signature;

(iii) Amount of Credit issued (both alpha and numeric); and

(iv) Bank name, account number and routing number.

(v) The terms of the credit transaction.

(2) 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.

(f) 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) Patron'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 Patron'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).

(4) Any Patron having a Marker returned to the Gaming Operation unpaid by the Patron's bank shall have his/her Credit privileges suspended at the Gaming Operation until the debt is repaid in full or an acceptable explanation to restore Credit is contained in the Patron Credit file.

(g) Access to Credit documentation.

Access to Credit documentation shall be restricted as follows:

(1) The Credit file information shall be restricted to those positions that require access and are so authorized by Management;

(2) Outstanding Credit instruments shall be stored in the Marker bank in the Cage, restricted to persons authorized by Management, and not acting in an incompatible function and;

(3) Credit instruments written-off shall be further restricted to persons specified by Management and who would not be acting in an incompatible function.

(h) 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 or equivalent.

(2) All transactions affecting a customer outstanding indebtedness to the Gaming Operation shall be recorded in chronological order on the customer Credit file.

(3) Credit transactions recorded shall be segregated from safe-keeping deposit transactions; and

(4) Records of all correspondence, transfers to and from outside agencies, and other documents related to issued Credit instruments shall be maintained.

(i) Write-off and settlement standards.

(1) Credit instruments written-off or settled shall be authorized and documented.

(2) Such authorizations shall be made by at least two Management officials who are from departments Independent of the Credit transaction and who's authorization levels for write-offs and settlements are documented.

(3) Only after reasonable collection efforts shall returned Markers be considered uncollectible for accounting purposes. To be judged uncollectible, the Credit file should contain the following information:

(i) Documentation of the Gaming Operation's efforts to collect the outstanding Markers and the reason why collection efforts were unsuccessful; or

(ii) Letters or other correspondence from collection agencies representing the Gaming Operation documenting the collection agency efforts to collect the outstanding Markers and why collection efforts were unsuccessful or were not further pursued.

(iii) Necessary documentation for the approval of write-offs and settlements and transmittal to the appropriate department for recording and deductibility.

(j) Collection agency standards.

(1) When 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 status of the collection agency efforts.

(k) Accounting/auditing standards.
A person Independent of the Cage, Credit and collection functions shall perform all of the following at least three (3) times per year:

(1) Ascertain compliance with Credit Limits and other established Credit issuance procedures;

(2) Randomly reconcile outstanding balances of both active and inactive accounts on the accounts receivable listing to individual Credit records and physical instruments;

(3) Examine Credit records to determine that appropriate collection efforts are being made and payments are being properly recorded; and

(4) 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.

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

Section 4.10 Procedures for Wire Transfers.

(a) A wire transfer or electronic funds transfer can be accepted from or on behalf of a Patron for the following:

(1) Establish a Patron Deposit Account in accordance with Section 4.07(e);

(2) The redemption or partial redemption of a Marker in accordance with Section 4.09(e); and

(3) The payment or partial payment of a returned Marker in accordance with Section 4.09(e).

(b) Wire transfers or electronic funds transfers shall only be accepted at the Cage and the funds shall be deposited in the Gaming Operation's operating account or equivalent. The Cage shall require its bank to notify the Cage that a wire transfer has occurred and shall require that the bank notify them by telephone, direct hard copy notification sent by the bank or direct computer access. If direct computer access is the method of notification, the Cage shall print the screen.

(c) Upon notification from the bank that a wire transfer or electronic funds transfer has occurred, the Cage employee receiving the notification shall record the following information in a transfer log or equivalent:

(1) A sequential number generated by the Cage;

(2) Type of transfer (wire or electronic);

(3) Date and time of notification;

(4) Name and License number of employee who received notification of the transfer;

(5) Amount of funds in number and words;

(6) The name and Gaming Operation account number of the Patron for who the funds were accepted;

(7) The name and address or the American Banking Association (ABA) routing number of the financial institution from which the funds were transferred;

(8) The account number or the name on the account from which the funds were transferred, or the federal reference number for the wire transfer, which consists of the date of the transfer and a unique transaction number for that transfer;

(9) The method of notification as required by (b) above;

(10) The signature and License number of a Cage supervisor who shall verify with the bank that a transfer has occurred, and who is not the employee in item (4) above. The supervisor shall record in the log the method of verification.

(d) After the Cage supervisor has verified the receipt of the transfer, and when the reason for the transfer as listed in subsection (a) above has been determined, a Cage supervisor shall prepare a two- part Wire/Electronic Transfer form which shall include the following information:

(1) The name of the Patron;

(2) The wire transfer or electronic fund transfer number;

(3) The type of transfer, (wire transfer or electronic fund transfer);

(4) The date of the wire transfer or electronic fund transfer;

(5) The actual amount of funds received stated in numbers and words;

(6) The purpose for the transfer (cash deposit; redemption; payment of returned Marker);

(7) The signature of the preparer on both copies; and

(8) The signature on both copies of either:

(i) The Cage employee, if the funds are to be used for a Marker redemption or the payment of a returned Marker; or

(ii) The Cage employee, if the funds are to be used for a cash deposit.

(e) After obtaining the signatures, the Cage supervisor shall transmit the duplicate copy and any supporting documentation to the accounting department, and forward the original Wire/Electronic Transfer Acknowledgment Form to:

(1) The Cage employee, if the funds are to be used for Marker redemption or the payment of a returned Marker, who shall:

(i) Post the amount of the funds to the Patron's Credit account;

(ii) If appropriate, return the redeemed Marker to the Patron;

(iii) Forward to the accounting department the original Wire/Electronic Fund Transfer Acknowledgment Form for comparison to the duplicate; and

(iv) Forward to the accounting department the redemption copy of any Marker redeemed; or

(2) The Cage employee, if the funds are to be used to establish a cash deposit, who shall:

(i) Prepare a deposit file in accordance with Section 4.07 (e);

(ii) Prepare a Deposit Form in accordance with the Section 4.07 (e). Prior to the release to the Patron of any funds credited to a cash deposit file by means of a wire transfer or electronic fund transfer, the general cashier shall verify that the Patron is the Patron recorded on the Wire/Electronic Fund Transfer Acknowledgment Form; and

(iii) Forward to the accounting department the original Wire/Electronic Fund Transfer Acknowledgment Form for comparison to the duplicate.

(f) If, at the expiration of seven business days after the acceptance and deposit into its operating account of a wire transfer or electronic fund transfer from or on behalf of a Patron, a Gaming Operation is unable to determine the purpose for the wire transfer or electronic fund transfer, the Gaming Operation shall, on the next business day, take all steps necessary to return by wire transfer or electronic fund transfer the amount initially accepted on behalf of the Patron to that Patron at the financial institution and to the account number from which the funds were debited. This reversal of the wire transfer or electronic fund transfer shall be recorded in the log.

(g) At the end of the month, a copy of the log shall be forwarded to the accounting department and reconciled with all Wire/Electronic Fund Transfer Acknowledgment Forms prepared during that month.

Section 4.11 Financial Reports and Information Technology Standards.

(a) Standard Financial and Statistical Reports.

(1) The Gaming Operation, unless specifically exempted by the Commission, shall file monthly, quarterly, and annual reports of financial and statistical data. The data may be used by the Commission to evaluate the financial position and operating performance of the Gaming Operation and compile information regarding the performance and trends.

(2) The Commission may periodically prescribe a set of standard reporting forms and instructions to be used by each Gaming Operation in filing the monthly, quarterly, and annual reports.

(3) Annual reports to the Tribal Council and Commission shall be based on the Gaming Operations Fiscal Year, Quarterly reports shall be based on fiscal calendar quarters. Monthly reports shall be based on fiscal months.

(4) The reports shall be signed by the Gaming Operation's General Manager, Chief Gaming Executive, Financial Vice-President, Treasurer or Controller, or equivalent positions if those titles are not appropriate to the entity.

(5) Each report to the Tribal Council and Commission shall be received or postmarked no later than the required filing date. Requests for a filing extension must be submitted to the Tribal Council and Commission in writing prior to the required filing date.

(i) Monthly reports shall be due not later than the 21st calendar day following the end of the month.

(ii) Quarterly reports shall be due not later than the 21st calendar day of the second month following the end of the quarter.

(iii) Annual reports shall be due not later than March 31 of the following calendar year.

(6) In the event of a License termination, change in business entity, or material change in ownership, the Commission may at its discretion require the filing of an interim annual or quarterly report, as of the date of occurrence of the event. Any such request shall be made in writing to the Gaming Operation. The filing due date shall be the later of thirty (30) calendar days after notification to the Gaming Operation or thirty(30) calendar days after the date of occurrence of the event, unless an extension is granted in accordance with subsection (5) above.

(7) Any adjustments resulting from the annual audit required shall be recorded in the accounting records of the year to which the adjustment relates. In the event the adjustments were not reflected in the Gaming Operations annual report and the Tribal Council or Commission concludes the adjustments are significant, a revised annual report may be required from the Gaming Operation. The revised filing shall be due within thirty (30) calendar days after written notification to the Gaming Operation, unless an extension is granted in accordance with subsection (5) above.

(b) Annual audit and other reports.

(1) The Gaming Operation shall, at its own expense, cause its annual financial statements to be audited in accordance with Generally Accepted Auditing Standards by an Independent certified public accountant licensed to practice in the State surrounding the Gaming Operation location.

(2) The annual financial statements shall be prepared on a comparative basis for the current and prior or Fiscal Year and shall present financial position and results of operations in conformity with Generally Accepted Accounting Principles (GAAP).

(3) The financial statements required by this section shall include a footnote reconciling and explaining any differences between the financial statements included in the Gaming Operation's annual report, filed in conformity with Standard Financial and Statistical Reports section of these Regulations, and the audited financial statements. Such footnote shall, at a minimum, disclose the effect of such adjustments on:

(i) Revenues from Gaming Operation authorized Games;

(ii) Revenues net of Complimentary Services;

(iii) Total costs and expenses;

(iv) Income before extraordinary items; and

(v) Net income.

(4) Two copies of the audited financial statements, together with the report thereon of the Gaming Operation's Independent certified public accountant, shall be filed with the Tribal Council and Commission and any other authorized entity not later than April 30 following the end of the Fiscal Year.

(5) The Gaming Operation shall require its Independent certified public accountant to render the following additional reports:

(i) Report on material weaknesses in internal accounting control. Whenever in the opinion of the Independent certified public accountant there exists no material weaknesses in internal accounting control, the report shall so state.

(ii) Report expressing the opinion of the Independent certified public accountant that based on his examination of the financial statements the Gaming Operation has followed, in all material respects during the period covered by his examination, the system of internal accounting control approved by the Commission, the Act, these Regulations and the Compact. Whenever, in the opinion of the Independent certified public accountant, the Gaming Operation has materially deviated from the system of internal accounting control approved by the Commission or the accounts, records, and control procedures examined are not maintained by the Gaming Operation in accordance with the Act, the Compact and this Chapter, the report shall enumerate such deviations and such areas of the system no longer considered effective, and shall make recommendations regarding improvements in the system of internal accounting control.

(iii) An Independent certified public accountant (CPA) shall be engaged annually to perform procedures to verify that the Gaming Operation is compliant with applicable MICS. The procedures may be performed in conjunction with the annual audit. The CPA shall report its finding to the Tribe, the Commission, and to the management of the Gaming Operation.

(iv) The Gaming Operation shall prepare a written response to the Independent certified public accountant's reports required by subsection (5)(i) and (ii) above. The response shall indicate, in detail, the corrective actions taken. Such response shall be submitted to the Commission and other authorized entity within ninety (90) days from receipt of the Independent certified public accountant's reports.

(6) Copies of the reports required by subsection (5) above, and copies of any other reports on internal accounting control, administrative controls, or other matters relative to the Gaming Operations accounting or operating procedures rendered the Gaming Operation's Independent certified public accountant, shall be filed with the Commission and with any other authorized entity, by the Gaming Operation by April 30th following the end of the calendar year or upon receipt, whichever is earlier.

(c) Information Technology Standards.

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

(2) General controls for Gaming hardware and software:

(i) The Gaming Operation Management shall take an active role in making sure that physical and logical security measures are implemented, maintained, and adhered to by personnel to prevent unauthorized access that could cause errors or compromise data or processing integrity.

(ii) The Gaming Operation Management shall 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.

(iii) Physical security measures shall exist over computer, computer terminals, and storage media to prevent unauthorized access and loss of integrity of data and processing.

(iv) Standards in paragraph (c)(1) of this Section shall apply to each applicable department within the Gaming Operation and only authorized personnel shall have access to the following:

(A) Systems software and Application programs;

(B) Computer data; and

(C) Computer communications facilities, or the computer system, and information transmissions.

(3) The main computers (i.e., hardware, software, and data files) for all Gaming Equipment (e.g., Keno, Gaming devices, etc.) shall be in a secured area with access restricted to authorized persons, including vendors.

(4) Access to computer operations shall be restricted to authorized personnel to reduce the risk of loss of integrity of data or processing.

(5) Incompatible duties shall be adequately segregated and monitored to prevent error in general information technology procedures to go undetected or Fraud to be concealed.

(6) Non-information technology personnel shall be precluded from having unrestricted access to the secure computer areas.

(7) The computer systems, including Application software, shall be secured through the use of passwords or other approved means where applicable. Information Technology personnel shall assign and control access to system functions.

(8) Passwords shall be controlled as follows unless otherwise addressed in the standards in this Section:

(i) Each user shall have their own individual password;

(ii) Passwords shall be changed at least quarterly with changes documented; and

(iii) For computer systems that automatically force a password change on a quarterly basis, documentation shall be maintained listing the systems and the date the user was given access.

(iv) Deactivation of passwords to all applicable software Applications shall occur within a timeframe approved by the Commission.

(9) Information Technology personnel shall have backup and recovery procedures in place that include:

(i) Daily, monthly and annual 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, access to which shall be restricted to authorized Information Technology personnel; and

(iv) Recovery procedures, which are tested on a sample basis at least annually with documentation of results.

(10) Information Technology system documentation shall be maintained, including descriptions of hardware and software (including current version numbers of approved software), operator manuals, etc.

(11) Information Technology personnel shall be:

(i) Independent of the Gaming areas (e.g., Cage, pit, Count Rooms, etc.). Information Technology personnel procedures and controls should be documented, and responsibilities communicated.

(ii) Precluded from unauthorized access to:

(A) Computers and terminals located in Gaming areas;

(B) Source documents; and

(C) Live data files (not test data).

(iii) Restricted from:

(A) Having unauthorized access to cash or other liquid assets; and

(B) Initiating general or subsidiary ledger entries.

(12) Gaming program changes for in-house developed systems should be documented as follows:

(i) Requests for new programs or program changes shall be reviewed by the information technology supervisor. Approvals to begin work on the program shall be documented;

(ii) A written plan of implementation for new and modified programs shall be maintained, and shall include, at a minimum, the following:

(A) The date the program is to be placed into service;

(B) The nature of the change;

(C) 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

(D) An indication of who is to perform all such procedures.

(iii) Testing of new and modified programs shall be performed and documented prior to implementation but this paragraph shall not apply to personal computers; and

(iv) A record of the final program or program changes, including evidence of user acceptance, date in service, programmer, and reason for changes, shall be documented and maintained.

(13) The Gaming Operation shall maintain computer security logs. If computer security logs are generated by the system, they shall be reviewed by information technology supervisory

personnel for evidence of:

(i) Multiple attempts to log-on, or alternatively, the system shall deny user access after three attempts to log-on;

(ii) Unauthorized changes to live data files; and

(iii) Any other unusual transactions.

(14) The following shall apply to accessing computer systems through remote access:

(i) Unless otherwise approved by the Commission;

(A) Remote access shall pass through at least one Commission approved application-level firewall;

(B) Remote access shall be made through a Virtual Private Network;

(C) No unauthorized remote user administration functionality shall be permitted (adding users, changing permissions, etc.); and

(D) No unauthorized access to a database other than for information retrieval using existing functions shall be allowed;

(ii) If remote access to any associated equipment is allowed for software support, Information Technology personnel shall maintain an access log that includes:

(A) Name of Agent authorizing remote access;

(B) Name and license number of the Agent accessing the system;

(C) Verification of the Agent's authorization;

(D) Reason for remote access;

(E) Description of work performed including the specific areas accessed and changes that were made;

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

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

(15) All relevant controls from 25 C.F.R §543.20, Information and Technology will apply.

Section 4.12 Key Controls.

(a) Any key that is considered sensitive is required to be controlled and maintained by these Regulations. Such key shall be legally duplicated only by the manufacturer or an approved Agent or successor thereof and shall be capable of unlocking the locking device on no more than one type of secure box, compartment or location used or maintained within the Gaming Operation. Notwithstanding the above, nothing herein shall preclude the Commission from exempting a type of secure box, compartment or location from the requirements of this subsection upon a determination that the security of such box, compartment or location would not otherwise be compromised. Sensitive keys shall include, but not be limited to the following:

(1) Table Drop Box contents key;

(2) Table Drop Box release key;

(3) Table Drop Box trolley keys;

(4) Bill Acceptor Canister release keys;

(5) Bill Acceptor Canister contents keys;

(6) Bill Acceptor Canister trolley keys;

(7) Count Room entrance keys;

(8) Compartments housing microprocessors or other control units controlling progressive Meter(s) for progressive Gaming Devices;

(9) Locations housing a computer that controls a progressive Payout wager system for Gaming tables offering a progressive Payout wager;

(10) Storage cabinets or trolleys for unattached table Drop Boxes; and

(11) Storage cabinets or trolleys for unattached Bill Acceptor Canisters.

(b) The Gaming Operation shall establish inventory internal controls for any sensitive key required by the Regulations which shall include, at a minimum, procedures for:

(1) Maintenance of inventory ledgers by identified, authorized personnel for purposes of documenting:

(i) The requisitioning of keys and locking devices from vendors;

(ii) The receipt of blank key stock;

(iii) The storage, issuance, and return of keys;

(A) Access and return of keys or equivalents shall be documented with the date, time, and signature or other unique identifier of the agent accessing or returning the keys.

(1) At least three (3) drop team agents are required to be present to access and return keys.

(2) At least three (two for card game drop box keys in operations with three tables or fewer) count team agents required to be present at the time count room and other count keys are issued for the count.

(B) Documentation of all keys, including duplicates, shall be maintained and include the following:

(1) A unique identifier for each individual key;

(2) Key storage location;

(3) Number of keys made, duplicated and destroyed;

(C) Custody of all keys involved in the drop and count shall be maintained by a department independent of the count and the drop agents as well as those departments being dropped and counted.

(D) Other than the count team, access to the drop box content keys while in possession of storage rack keys and/or release keys shall be restricted.

(E) Other than the count team, only agents authorized to remove drop boxes shall be allowed access to drop box release keys.

(F) Any use of keys at times other than the scheduled drop and count shall be properly authorized and documented.

(G) Emergency manual keys, such as an override key, for computerized, electronic, and alternative key systems shall be maintained in accordance with the following:

(1) The physical involvement of at least three agents from separate departments, including management, shall be required to access the emergency manual key(s) used to access the box containing the player interface drop and count keys. The date, time, and reason for access, shall be documented with the signatures of all participating persons signing out/in the emergency manual key(s).

(2) The custody of the emergency manual keys shall require the presence of two agents from separate departments from the time of their issuance until the time of their return.

(iv) The storage and issuance keys;

(v) Any loss, removal from service, and subsequent replacement of keys;

(vi) The destruction of keys; and

(vii) The results of physical inventories;

(2) The storage of duplicate keys, including a physical description of any storage location and the identification of authorized personnel in control of such location;

(3) The alteration or destruction of keys, including documentation detailing in whose presence any destruction shall occur; and

(4) A quarterly inventory of all sensitive keys which shall be reconciled to records of keys made, issued, and destroyed. Investigations shall be performed for all keys unaccounted for. A report documenting the investigation shall be prepared and a copy of the report filed with the Commission.

(c) 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.

(d) Logs shall be maintained to document authorization of personnel accessing sensitive keys.

(e) If the Gaming Operation uses a computerized key security system, which restricts access to the Gaming Device 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. In addition, the system must generate a report which includes the transactions performed by the individual(s) that adds, deletes, or changes user's access within the system (i.e. system administrator).

(1) The report shall be reviewed daily by an employee Independent of the system administrator who shall determine the following:

(i) That the transactions completed by the system administrator provide an adequate control over the access to the Gaming Device Drop and Count keys: and

(ii) That any Gaming Device Drop and Count key(s) removed or returned to the key

cabinet by the system administrator was properly authorized.

(2) At least quarterly, review a sample of users that are assigned access to sensitive keys to determine that their access to the assigned keys is adequate, relative to their job position.

(3) All noted improper transactions or unusual occurrences shall be investigated.

Section 4.13 Gaming Operations Compliance.

(a) Regulations.

The Commission is responsible to ensure that Regulations are established and implemented that provide a refined level of control that meets or exceeds the applicable control standards set forth in the NIGC MICS.

(b) Evaluation of existing Regulations.

The Commission must, in accordance with the Tribal Gaming ordinance, determine whether and to what extent the Regulations require revision to ensure compliance.

(c) System of Internal Control Standards (SICS).

(1) Each Gaming Operation must develop a SICS that, at a minimum, complies with these Regulations.

(2) The SICS shall be approved by the Commission.

(3) Each Gaming Operation may establish and implement additional controls beyond these minimum standards, as long as they do not conflict with the standards established herein.

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

(e) Enforcement of the Regulations.

(1) The Commission is required to enforce the Gaming Operations' compliance with the Regulations.

(2) Failure for Class II Gaming Operations to comply with this subsection may subject the tribal operator of the Gaming Operation, or the Management Contractor, to penalties under 25 U.S.C. 2713.

(f) Alternate minimum standards.

The Commission may approve an alternate standard from those required by these Regulations 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.

Section 4.14 Bingo.

(a) Computer Applications.

For any computer Applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the

Commission, will be acceptable.

(b) Play standards for live bingo.

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

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

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

(c) Bingo card control standards for live bingo.

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

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

(ii) The issuance of paper to the cashiers shall be documented and signed for by an Agent responsible for inventory control and a cashier. The document log shall include the Series Number of the bingo paper;

(iii) A copy of the bingo paper control log shall be given to the bingo ball caller for purposes of determining if the winner purchased the paper that was issued for sale that day (electronic verification satisfies this standard);

(iv) At the end of each month, an Agent Independent of bingo sales and inventory control shall verify the accuracy of the ending balance in the bingo paper control by reconciling the paper on-hand;

(v) A monthly comparison shall be made of the amount of paper sold from the bingo paper control log to the amount of revenue recognized. Variances of greater than $10 shall be investigated; and

(vi) A monthly comparison shall be made of theoretical Hold percentages against Actual Hold Percentages with variances of 3% or greater investigated and results documented.

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

(i) The placement of orders;

(ii) Receipt;

(iii) Storage;

(iv) Issuance;

(v) Removal;

(vi) Cancellation of bingo card inventory;

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

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

(d) Receipt from supplier for live bingo.

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

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

(e) Storage for live bingo.

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

(f) Issuance and returns of inventory for live bingo.

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

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

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

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

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

(g) Cancellation and removal for live bingo.

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

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

(h) Logs for live bingo.

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

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

(i) Date;

(ii) Shift or session;

(iii) Time;

(iv) Location;

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

(vi) Signature of Agent performing transaction;

(vii) Signature of Agent performing the reconciliation;

(viii) Any variance;

(ix) Beginning and ending inventory; and

(x) Description of inventory transaction being performed.

(i) Bingo card sales for live bingo.

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

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

(i) Date;

(ii) Shift and/or session;

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

(iv) Dollar amount of bingo card sales;

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

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

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

(i) Patron refunds;

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

(iii) Adjustment to bingo card inventory;

(iv) Documentation of the reason for the void;

(v) Authorization for all voids; and

(vi) Accountability for all voided bingo cards.

(4) Class II Gaming System bingo card sales.

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

(i) Date;

(ii) Time;

(iii) Number of bingo cards sold;

(iv) Dollar amount of bingo card sales; and

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

(j) Bingo equipment standards – manual.

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

(2) The procedures established by the Commission, or the Gaming Operation as approved by the Commission, shall include standards relating to the inspection of new bingo balls put into play.

(3) Bingo equipment shall be maintained and checked for accuracy on frequency established by the Gaming Operation and approved by the Commission.

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

(k) Manual draw for live bingo.

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

(i) Verification of physical objects must be performed by two Agents before the start of the first bingo Game/session with the identification of Agents and the results of the verification logged.

(ii) At least one of the verifying Agents must be a supervisory Agent or Independent of the bingo games department.

(iii) 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 (k)(1) of this section.

(iv) Each ball shall be shown to a camera immediately before it is called so that it is individually displayed to all customers. For speed bingo games not verified by camera equipment, each ball drawn shall be verified by an Agent Independent of the bingo caller responsible for calling the speed bingo Game.

(v) For all coverall games and other games offering a Payout of $1,200 or more, as the balls are called the numbers shall be immediately recorded by the caller and maintained for a minimum of twenty-four (24) hours.

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

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

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

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

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

(l) Electronic equipment.

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

(1) If the electronic equipment uses a bar code or microchip reader, the reader shall be tested periodically by an authorized Agent or an Agent Independent of the bingo department to

determine that it is correctly reading the bar code or the microchip.

(2) If the electronic equipment returns a Voucher or a Payment Slip to the player, the following shall apply.

(i) Cash-out Tickets. For Gaming Machines that utilize Cash-out Tickets, the following standards apply.

(ii) In addition to the applicable auditing and accounting standards of this section, on a quarterly basis, the Gaming Operation shall foot all jackpot Cash-out Tickets equal to or greater than $1,200 and trace totals to those produced by the host validation computer system.

(iii) The provisions of Section 5.09 Ticket-In Ticket-Out Controls of these Regulations shall apply.

(3) 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.

(4) If the electronic equipment utilizes Patron Account Access Cards for activation of play, then §542.13(o) (as applicable) shall apply. 542.13 (o) states the following:

(i) Account Access Cards. For Gaming Machines that utilize Account Access Cards to activate play of the machine, the following standards shall apply:

(A) Equipment.

(1) A central computer, with supporting hardware and software, to coordinate network activities, provide system interface, and store and manage a player/account database;

(2) A network of contiguous player terminals with touch-screen or button-controlled video monitors connected to an electronic selection device and the central computer via a communications network;

(3) One or more electronic selection devices, utilizing Random Number Generators, each of which selects any combination or combinations of numbers, colors, and/or symbols for a network of player terminals.

(ii) (2) Player terminals standards.

(A) The player terminals are connected to a Game Server;

(B) 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;

(C) The Game Server shall be housed in a Game Server room or a secure locked cabinet.

(D) 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;

(1) 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;

(2) All communications between the player terminal, or bank of player terminals, and the account server shall be encrypted for security reasons.

(E) Customer account generation standards.

(1) A computer file for each customer shall be prepared by an Agent, with no incompatible functions, prior to the customer being issued an Account Access Card to be utilized for machine play. The customer shall select his/her PIN to be used in conjunction with the Account Access Card.

(2) For each customer file, an Agent shall:

(I) Record the customer's name and current address;

(II) The date the account was opened; and

(III) 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 as defined by IRS standards.

(3) The Agent 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 direction of the department director/Manager.

(4) After entering a specified number of incorrect PIN entries at the Cage or player terminal, the customer shall be directed to proceed to an Agent to obtain a new PIN. If a customer forgets, misplaces or requests a change to their PIN, the customer shall proceed to an Agent for assistance.

(F) Deposit of credits standards.

(1) The Agent 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.

(2) The customer shall present cash, Chips, Coin or Coupons along with their Account Access Card to an Agent to deposit credits.

(3) The Agent shall complete the transaction by utilizing a card scanner that the cashier shall slide the customer's Account Access Card through.

(4) The Agent shall accept the funds from the customer and enter the appropriate amount on the cashier terminal.

(5) A multi-part deposit slip shall be generated by the point of sale receipt printer. 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 Agent's cash drawer.

(6) The Agent shall verify the customer's balance before completing the transaction. The cashier shall secure the funds in their cash drawer and return the Account Access Card to the customer.

(7) Alternatively, if a Kiosk is utilized to accept a deposit of credits, the Commission, or the Gaming Operation as approved by the Commission, shall establish and the Gaming Operation shall comply with procedures that safeguard the integrity of the Kiosk system.

(G) Prize standards.

(1) Winners at the Gaming Machines may receive cash, prizes redeemable for cash or merchandise.

(2) If merchandise prizes are to be awarded, the specific type of prize or prizes that may be won shall be disclosed to the player before the Game begins.

(3) The redemption period of Account Access Cards, as approved by the Commission, shall be conspicuously posted in the Gaming Operation.

(H) Credit withdrawal.

The customer shall present their Account Access Card to an Agent to withdraw their credits. The Agent shall perform the following:

(1) Scan the Account Access Card;

(2) Request the customer to enter their PIN, if the PIN was selected by the customer;

(3) The Agent shall ascertain the amount the customer wishes to withdraw and enter the amount into the computer;

(4) A multi-part withdrawal slip shall be generated by the point of sale receipt printer. The Agent shall direct the customer to sign the withdrawal slip;

(5) The cashier shall verify that the Account Access Card and the customer match by:

(I) Comparing the customer to image on the computer screen;

(II) Comparing the customer to image on customer's picture ID; or

(III) Comparing the customer signature on the withdrawal slip to signature on the computer screen.

(6) The cashier shall verify the customer's balance before completing the transaction. The cashier shall pay the customer the appropriate amount, issue the customer the original withdrawal slip and return the Account Access Card to the customer;

(7) The copy of the withdrawal slip shall be placed in the cash drawer. All account transactions shall be accurately tracked by the account server computer system. The copy of the withdrawal slip shall be forwarded to the accounting department at the end of the Gaming day; and

(8) 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.

(m) Standards for Linked Electronic Games.

(1) Management shall ensure that all agreements/contracts entered into after June 27, 2002 to provide Linked Electronic Games shall contain language requiring the vendor to comply with the standards in this section applicable to the goods or services the vendor is providing.

(2) Host requirements/Game information (for Linked Electronic Games).

(i) Providers of any linked electronic Game(s) shall maintain complete records of Game data for a period of one (1) year from the date the games are played (or a time frame established by the Commission). This data may be kept in an archived manner, provided the information can be produced within twenty-four (24) hours upon request.

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

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

(A) Date and time Game start and Game end;

(B) Sales information by location;

(C) Cash distribution by location;

(D) Refund totals by location;

(E) Cards-in-play Count by location;

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

(G) Ordered list of bingo balls drawn; and

(H) Prize amounts at start and end of Game.

(3) Host requirements/sales information (for Linked Electronic Games).

(i) Providers of any linked electronic Game(s) shall maintain complete records of sales data for a period of one (1) year from the date the games are played (or a time frame established by the Commission). This data may be kept in an archived manner, provided the information can be produced within twenty-four (24) hours upon request.

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

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

(iv) Sales information required shall include:

(A) Daily sales totals by location;

(B) Commissions distribution summary by location;

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

(D) Daily network summary, by Game by location.

(4) Remote host requirements (for Linked Electronic Games).

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

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

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

(5) Standards for player accounts (for proxy play and Linked Electronic Games).

(i) Prior to participating in any Game, players shall be issued a unique player account number. The player account number can be issued through the following means:

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

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

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

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

(iii) All player transactions shall be maintained, chronologically by account number, through electronic means on a data storage device. These transaction records shall be maintained on-line throughout the active Game and for at least twenty-four (24) hours before they can be stored on an “off-line” data storage media.

(iv) The Game software shall provide the ability to, upon request, produce a printed account history, including all transactions, and a printed Game summary (total purchases, deposits, wins, debits, for any account that has been active in the Game during the preceding twenty-four (24) hours).

(v) The Game software shall provide a “player account summary” at the end of every Game. This summary shall list all accounts for which there were any transactions during that Game day and include total purchases, total deposits, total credits (wins), total debits (cash-outs) and an ending balance.

(n) Technologic aids to the play of bingo.

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

(o) System software signature verification.

(1) Procedures must be implemented for system software verifications. These procedures

must include comparing signatures generated by the verification programs required by 25 CFR 547.8(f), to the signatures provided in the Independent test laboratory letter for that software version.

(2) An Agent Independent of the bingo operation must perform system software signature verification(s) to verify that only approved software is installed.

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

(4) Internal Audits must be conducted as set forth in Section 4.23, Internal Audit. Such audits must be documented.

(p) Installation testing.

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:

(1) Communication with the Class II Gaming System;

(2) Communication with the accounting system;

(3) Communication with the Player Tracking System;

(4) Currency and Vouchers to Bill Acceptor;

(5) Voucher printing;

(6) Meter incrementation;

(7) Pay table, for verification;

(8) Player interface denomination, for verification;

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

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

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

(q) Display of rules and necessary disclaimers.

(1) The Gaming Operation must ensure that all Game rules and disclaimers are displayed at all times or made readily available to the player upon request, as required by 25 CFR part 547.

(2) Commission approval is required of all technologic aids before they are offered for play.

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

(4) Dispute resolution.

(r) Prize Payout.

(1) Payouts in excess of $1,200 shall require written approval, by an Independent Agent of the transaction, that the bingo card has been examined and verified with the bingo card record to ensure that the ticket has not been altered.

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

(3) Controls must be established, and procedures implemented for cash or Cash Equivalents

that address the following:

(i) Identification of the Agent authorized (by position) to make a Payout;

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

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

(4) Verification of validity.

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

(A) Winning card(s); and

(B) Objects drawn.

(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.

(s) Vouchers.

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

(i) Verify the authenticity of each Voucher redeemed;

(ii) If the Voucher is valid, verify that the Patron is paid the appropriate amount;

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

(iv) Retain payment documentation for reconciliation purposes; and

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

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

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

(4) Paid Vouchers must be maintained in the Agent’s Accountability for reconciliation purposes.

(5) Unredeemed Vouchers can only be voided in the Voucher System by supervisory Agent. The accounting department will maintain the voided Voucher, if available.

(6) The following controls for Information Technology and Information Technology data will apply.

(i) Controls must identify the supervisory Agent in the department or area

responsible for ensuring that the department or area is operating in accordance with established policies and procedures.

(ii) The supervisory Agent must be Independent of the operation of Class II games.

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

(iv) Information technology Agents having access to Class II Gaming Systems may not have signatory authority over Financial Instruments and Payout forms and must be Independent of and restricted from access to:

(A) Financial Instruments;

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

(C) Payout forms.

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

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

(A) Control of physical and logical access to the information technology environment, including accounting, Voucher, cashless and Player Tracking Systems, among others used in conjunction with Class II Gaming;

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

(C) Access credential control methods:

(1) Controls must be established to restrict access to the Class II Gaming System components;

(D) Record keeping and audit processes; and

(E) Departmental independence, including, but not limited to, means to restrict Agents that have access to information technology from having access to Financial Instruments.

(vii) Physical security.

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

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

(C) Access to the systems' secured physical location must be restricted to Agents in accordance with established policies and procedures, which must include

maintaining and updating a record of Agents granted access privileges.

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

(ix) Logical security.

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

(1) Systems' software and Application programs;

(2) Data associated with Class II Gaming; and

(3) Communications facilities, systems, and information transmissions associated with Class II Gaming Systems.

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

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

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

(xii) User controls.

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

(B) Management personnel or Agents Independent of the department being controlled must enroll and control access to system functions.

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

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

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

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

(I) User's name;

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

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

(xiii) Lost or compromised access credentials must be deactivated, secured or destroyed within an established time period approved by the Commission.

(xiv) Access credentials of terminated users must be deactivated within an established time period approved by the Commission.

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

(xvi) Installations and/or modifications.

(A) Only Commission authorized, or approved systems and modifications may be installed.

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

(I) The date of the installation or modification;

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

(III) Evidence of verification that the installation or the modifications are approved; and

(IV) The identity of the Agent(s) performing the installation/modification.

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

(xviii) Remote access shall be conducted in compliance with the provisions of Section 4.11(c)(14) of these Regulations.

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

(A) Responding to,

(B) Monitoring,

(C) Investigating,

(D) Resolving,

(E) Documenting, and

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

(xx) All security incidents must be responded to within 1 hour and formally documented.

(xxi) Data backups.

(A) Controls must include:

(1) Adequate backup, including, but not limited to, the following:

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

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

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

(D) Mirrored or redundant data source; and

(E) Redundant and/or backup hardware.

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

(A) Data backup restoration;

(B) Program restoration; and

(C) Redundant or backup hardware restoration.

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

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

(xxv) Software downloads. Downloads, either automatic or manual, must be performed in accordance with the following:

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

(B) Downloads of software, games, prize schedules, or other download packages shall be conducted only as authorized by the Commission.

(C) Downloads shall use secure methodologies that will deliver the download data without alteration or modification

(D) Downloads conducted during operational periods shall be performed in a manner that will not affect Game play.

(E) Downloads shall not affect the integrity of accounting data.

(F) The Class II Gaming System shall log each download of any download package. Each log record shall contain as a minimum:

(1) The time and date of the initiation of the download;

(2) The time and date of the completion of the download;

(3) The Class II Gaming System components to which software was downloaded;

(4) The version(s) of download package and any software downloaded. Logging of the unique software signature will satisfy this requirement;

(5) The outcome of any software verification following the download (success or failure); and

(6) The name and identification number, or other unique identifier, of any individual(s) conducting or scheduling a download.

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

(t) Promotional Payouts.

If the Gaming Operation offers promotional Payouts or awards, the Payout form/documentation shall include, at a minimum, the following information and comply with IRS 1099 reporting requirements:

(i) Date and time;

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

(iii) Type of promotion/reason for payment; and

(iv) Signature of at least two Agent authorizing and completing the transaction. For computerized systems that validate and print the dollar amount of the payment on a computer-generated form, only one signature is required.

(u) Accountability form.

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

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

(3) Unverified transfers of cash and/or Cash Equivalents are prohibited.

(v) Validation - Manual Payouts.

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

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

(w) Verification - Manual Payouts.

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

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

(3) The total Win and Write shall be computed and recorded by Shift or session.

(x) Authorization and signatures for Payouts.

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

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

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

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

(i) $20,000 for a facility; or

(ii) $50,000 for a facility with over $100,000,000 in Gross Gaming Revenues.

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

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

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

(i) Date and time;

(ii) Amount of the Payout (alpha & numeric for Player Interface Payouts); and

(iii) Bingo card identifier or Player Interface identifier.

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

(A) Game name or number;

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

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

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

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

(y) Cash and Cash Equivalent controls.

(1) Cash or Cash Equivalents exchanged between two persons must be counted Independently by at least two Agents and reconciled to the recorded amounts at the end of each Shift or session. Unexplained variances of $5 or above must be investigated, documented, and maintained. Unverified transfers of cash or Cash Equivalents are prohibited.

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

(i) Inventory, including any increases or decreases;

(ii) Transfers;

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

(iv) Resulting variances.

(3) Any change to control of Accountability, exchange, or transfer requires that the cash or Cash Equivalents be counted and recorded Independently by at least two Agents and reconciled to the recorded amount.

(z) Standards for statistical reports.

(1) Records shall be maintained, which include Win, Write (card sales), and a Win-to- Write Hold percentage, for:

(i) Each Shift or each session;

(ii) Each day;

(iii) Month-to-date; and

(iv) Year-to-date or Fiscal Year-to-date.

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

(3) Investigations shall be documented, maintained for inspection, and provided to the Commission upon request.

(aa) Shipping and receiving – software/hardware.

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

(i) Notification of pending shipments must be provided to the Commission by the Gaming Operation; and

(ii) Certification in accordance with 25 CFR part 547.

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

(i) Name and address of the supplier;

(ii) Description of shipment;

(iii) For Player Interfaces: a serial number;

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

(v) Method of shipment; and

(vi) Expected date of delivery.

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

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

(5) The Commission must receive all Class II Gaming System components and Game play software packages and verify the contents against the shipping notification.

(bb) Recordkeeping and audit processes.

(1) The Gaming Operation must maintain the following records, as applicable, related to installed Game Servers and Player Interfaces:

(i) Date placed into service;

(ii) Date made available for play;

(iii) Supplier;

(iv) Software version;

(v) Serial number;

(vi) Game title;

(vii) Asset and/or location number;

(viii) Seal number; and

(ix) Initial Meter reading.

(2) Accounting.

(i) Controls must be established, and procedures implemented to safeguard assets and ensure each Gaming Operation:

(A) Prepares accurate, complete, legible, and permanent records of all transactions pertaining to Gaming revenue and activities for operational Accountability.

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

(1) Record Gaming activity transactions in an accounting system to identify and track all revenues, expenses, assets, liabilities, and equity:

(2) Record all Markers, IOU's, returned checks, held checks, or other similar Credit instruments;

(3) Record journal entries prepared by the Gaming Operation and by any Independent accountants used;

(4) Prepare income statements and balance sheets;

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

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

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

(8) Record transactions to facilitate proper recording of Gaming revenue and fees, and to maintain Accountability of assets;

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

(10) Segregate functions, duties, and responsibilities;

(11) Prepare minimum bankroll calculations; and

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

(cc) Bingo Variances. The operation must establish, as approved by the Commission, 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.

(dd) Bingo Operations.

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

(i) Determination of the event causing the malfunction;

(ii) Review of relevant records, Game recall, reports, logs, surveillance records;

(iii) Repair or replacement of the Class II Gaming component;

(iv) Verification of the integrity of the Class II Gaming component before restoring it to operation; and

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

(i) For Player Interfaces and components that accept cash or Cash Equivalents:

(ii) Coordinate with the Drop team to perform a final Drop;

(iii) Collect final accounting information such as Meter readings, Drop and Payouts;

(iv) Remove and/or secure any or all associated equipment such as locks, card reader, or ticket printer from the retired or removed component; and

(v) Document removal, retirement, and/or destruction.

(3) For removal of software components. Procedures shall include the following:

(i) Purge and/or return the software to the license holder; and

(ii) Document the removal.

(4) For other related equipment such as blowers, cards, interface cards. Procedures must include the following:

(i) Remove and/or secure equipment; and

(ii) Document the removal or securing of equipment.

(5) For all components: Procedures for removal, retirement and/or destruction must include the following;

(i) Verify that unique identifiers, and descriptions of removed/retired components are recorded as part of the retirement documentation; and

(ii) Coordinate with the accounting department to properly retire the component in the system records.

(iii) Where the Commission 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.

Section 4.15 Pull Tabs.

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.

(a) 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) Transfers of Pull Tabs from storage to the sale location shall be secured and Independently controlled.

(4) Pull tabs exchanged between Agents are secured and Independently controlled to include Pull Tab serial numbers;

(5) Increases or decreases to Pull Tab inventory are recorded, tracked, and reconciled;

(i) 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.

(6) Pull tabs are maintained in a secure location, accessible only to authorized Agents, and with surveillance coverage adequate to identify persons accessing the area.

(b) 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.

(4) 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.

(c) 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 Commission.

(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 Commission.

(i) An automated method may substitute for one verification.

(ii) All predetermined Payout thresholds must be authorized by management, approved by the Commission, documented, and maintained.

(5) Total Payout must be calculated and recorded by Shift.

(i) All Payouts must comply with Title 31, BSA/AML, and IRS regulations.

(d) Pull tab operating funds.

(1) 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.

(2) 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.

(3) Unverified transfers of cash and/or Cash Equivalents are prohibited.

(e) Statistical records.

(1) Statistical records must be maintained, including at a minimum:

(i) include Win, Write (sales),

(ii) 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:

(A) Each Shift;

(B) Each day;

(C) Month-to-date; and

(D) 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 Commission upon request.

(i) Each month, the Actual Hold Percentage shall be compared to the theoretical Hold percentage. Any significant variations (3%) shall be investigated.

(3) 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 Commission upon request.

(f) Variances.

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

(g) Audit Findings: Controls will be established, and procedures implemented to collect, review, and take corrective actions to fix identified noncompliance Audit Findings.

Section 4.16 Marketing, Gaming Promotions, and Player Tracking Systems.

(a) 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) The rules of the Gaming Promotion must be displayed or made readily available to Patron upon request. Gaming Promotions rules require Commission 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) Gaming Promotion rules must be submitted for approval at least 14 days prior to the target Drop date of the promotion to the Commission for review and approval, unless otherwise approved by the Commission.

(9) 14 Day Waiver. If a situation arises in which speed is of the utmost concern to the success of a promotion, the 14-day time requirement may be waived upon request at the discretion of the Gaming Commission Executive Director. However, in such situations, every effort need be made by the requesting party to provide prompt and thorough information to facilitate the promotion approval process.

(10) All promotional items, awards, gifts will be inventoried at least monthly for Accountability. Documentation will be maintained stating beginning inventory, issuance and remaining balance as applicable.

(11) If available, Player Tracking Systems will be utilized to account for distribution of promotional items, cash, comps, free play, and rewards.

(12) All promotional items, rewards, gifts, and cash giveaways will be tracked for IRS 1099 issuance.

(13) All event and promotions will comply with BSA/AML regulations.

(c) Player Tracking Systems and Gaming Promotions.

(1) The Player Tracking System shall be secured by the Information Technology (IT) Department so as to prevent unauthorized access (e.g., changing passwords at least quarterly and physical access to computer hardware, etc.).

(2) The addition of points to members' accounts other than through actual Gaming Device play shall be sufficiently documented (including substantiation of reasons for increases) and shall be authorized by a department Independent of player tracking and Gaming Machines. Alternatively, addition of points to members' accounts may be authorized by Slot Department supervisory employees if sufficient documentation is generated and it is

randomly verified by the accounting or Internal Audit department on a quarterly basis.

(3) Employees who redeem points for members shall be allowed to receive lost players club cards, provided that they are immediately deposited into a secured container for retrieval by Independent personnel.

(4) 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.

(5) All other changes to the Player Tracking System must be appropriately documented.

(6) The Gaming Operation may not delete or destroy specific computerized customer Gaming activity information (prior to the end of the five-year retention period), such as player rating records. The more limited trip history records (which only summarize the total funds from a customer's multi-day trip and the most recent trips, usually between three and nine trips) are not allowed.

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

(e) Pre and Post Formas shall be created for marketing events; Expenses will be appropriately accrued for accurate and transparent performance;

(f) Media invoices and purchase orders will provide itemization for transparency (i.e. radio spots purchased, air times, TV spots purchased and air times).

(g) A Purchase Order process shall be utilized and adhered to as appropriate.

(h) Payments resulting from promotional payments, drawings, or a giveaway program disbursed by the cage or any other department must include the following (This section does not apply to payouts for card game promotional pots and/or pools):

(1) All payments disbursed by the cage must be documented to support accountability;

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

(i) Date and time;

(ii) Dollar amount;

(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.

Section 4.17 Food and Beverage.

(a) Inventory Controls: Controls shall be established, and procedures implemented for the following:

(1) Creation of Recipes to cost out menu items and establish the COGS (cost of goods sold).

(2) Kitchen staff shall have access to recipes for reference and adherence to prescribed portion sizes.

(3) COGS reports will be produced monthly.

(4) The current COGS will be compared against established budgets and prior year on a monthly basis. Explanations of variances shall be provided to Gaming Operation executives and made available upon request to Commission.

(5) If reasonable, Food and Beverage venues will maintain logs for waste, breakage and spoilage to be turned into accounting monthly.

(6) Food and Beverage Inventory will be tracked separately to each Gaming Operation and shall not be commingled between them. This shall not preclude the transfer of inventory between Gaming Operations.

(b) Cashiering: Controls shall be established, and procedures implemented for the following:

(1) Exception Reports will be monitored at least weekly for propriety with results documented and variances investigated.

(2) Cashiers must perform blind Drops at the end of Shift.

(3) Shift reports will be printed by an Agent Independent of the cashiering function.

(c) Accounting: Controls shall be established, and procedures implemented for the following:

Paid revenues and comp revenues will be documented separately on financial reports for transparency.

Section 4.18 Keno.

(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 Gaming Commission, 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.

The following standards shall apply if a Rabbit Ear or wheel system is utilized:

(1) A Dedicated Camera shall be utilized to monitor the following both prior to, and subsequent to, the calling of a Game:

(i) Empty Rabbit Ears or wheel;

(ii) Date and time;

(iii) Game number; and

(iv) Full Rabbit Ears or wheel.

(2) The film of the Rabbit Ears or wheel shall provide a legible identification of the numbers on the balls drawn.

(3) 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.

(4) The Commission, or the Gaming Operation as approved by the Commission, shall establish and the Gaming Operation shall comply with procedures that prevent unauthorized access to Keno balls in play.

(5) Back-up Keno ball inventories shall be secured in a manner to prevent unauthorized access.

(6) The Commission, or the Gaming Operation as approved by the Commission, 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.

(d) Random Number Generator.

The following standards shall apply if a Random Number Generator is utilized:

(1) The Random Number Generator shall be linked to the computer system and shall directly relay the numbers selected into the computer without manual input.

(2) Keno personnel shall be precluded from access to the Random Number Generator.

(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 Gaming Commission, or the Gaming Operation as approved by the Gaming Commission, 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.

(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.

For each Writer station, a cash summary report (Count sheet) shall be prepared that includes:

(1) Computation of net cash proceeds for the Shift and the cash turned in; and

(2) 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.

(g) Promotional Payouts or awards.

If a Gaming Operation offers promotional Payouts or awards, the Payout form/documentation shall include the following information:

(1) Date and time;

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

(3) Type of promotion; and

(4) Signature of at least one employee authorizing and completing the transaction.

(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 Commission 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 Agent:

(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 this section (using the sample sizes indicated) shall be performed on tickets written by that Agent.

(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 Commission upon request. 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.

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:

(1) Video recordings and/or digital records of Rabbit Ears or wheel;

(2) All copies of winning Keno tickets of less than $1,500.00.

(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.

Section 4.19 Pari-Mutuel Wagering.

(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 Commission, or the Gaming Operation as approved by the Commission, 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 relative paragraphs 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 Commission.

(ii) In addition, the Commission, or the Gaming Operation as approved by the Commission, 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 Commission, will be acceptable.

(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.

(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.

(1) A Gaming Operation shall perform the following accounting and auditing functions:

(i) The pari-mutuel audit shall be conducted by personnel Independent of the pari-mutuel operation.

(ii) Documentation shall be maintained evidencing the performance of all pari-mutuel accounting and auditing procedures.

(iii) An accounting Agent 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.

(iv) The accounting Agent shall verify actual cash/Cash Equivalents turned in to the system's summary report for each cashier's drawer (Beginning balance, (+) Fills (draws), (+) net Write (sold less voids), (−) Payouts (net of IRS withholding), (−) cashbacks (paids), (=) cash turn-in).

(v) 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:

(A) Commission;

(B) Positive Breakage;

(C) Negative Breakage;

(D) Track/event fees;

(E) Track/event fee rebates; and

(F) Purged tickets.

(2) All winning tickets and Vouchers shall be physically removed from the SAM's for each day's play.

(3) 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) Regrade 1% of paid (cashed) 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.

(4) At least annually, the auditor shall foot the wagers for one day and trace to the total produced by the system.

(5) At least one day per quarter, the auditor shall recalculate and verify the change in the unpaid winners to the total purged tickets.

Section 4.20 Card Games.

(a) Computer Application.

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 Commission, will be acceptable.

(b) 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.

(c) 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.

(4) A Rake collected, or Ante placed shall be done in accordance with the posted rules.

(d) 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. Cards will be inspected and cancelled by a department Independent of the card department. The removal and cancellation procedure require Commission review and approval.

(3) At least monthly, an Agent Independent of the card department will account for card inventory to include but not limited to cards purchased, cards on hand, cards cancelled or removed from play. Discrepancies or variance in Accountability will be reported to Gaming Operation management Independent of the card department and Commission upon discovery of a discrepancy or variance.

(4) The Gaming Operation as approved by the Commission, shall establish and the Gaming Operation shall comply with a reasonable time period, which shall not exceed seven (7) days, within which to mark, cancel, or destroy cards from play.

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

(6) A card control log shall be maintained that documents when cards and dice are received on site, distributed to and returned from tables and removed from play by the Gaming Operation.

(e) Plastic cards.

If a Gaming Operation uses plastic cards (not plastic-coated cards), the cards may be used for up to three (3) months if the plastic cards are routinely inspected and washed or cleaned in a manner and time frame approved by the Commission.

(f) 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.

(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.

(3) Two Agents—one of whom must be a supervisory Agent—must Independently Count the Table Inventory at the opening and closing of the table and record the following information:

(i) Date;

(ii) Shift;

(iii) Table number;

(iv) Amount by denomination;

(v) Amount in total; and

(vi) Signatures of both Agents.

(h) 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.

(i) 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.

(j) Variances.

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

Section 4.21 Kiosks.

(a) 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.

(b) 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.

(c) Currency Cassettes must be secured with a lock or tamper resistant seal and, if not placed inside a Kiosk, must be stored in a secured area of the Cage/Vault.

(d) The Commission or the Gaming Operation, subject to the approval of the Commission, 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.

(e) With regard to Cashless Systems, the Commission or the Gaming Operation, subject to the approval of the Commission, must develop and implement procedures to ensure that communications between the Kiosk and system are secure and functioning.

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

(1) Starting balance dollar amount per Financial Instrument;

(2) Starting balance number of items per Financial Instrument;

(3) Dollar amount per Financial Instrument issued;

(4) Number of items per Financial Instrument issued;

(5) Dollar amount per Financial Instrument redeemed;

(6) Number of items per Financial Instrument redeemed;

(7) Dollar amount per Financial Instrument increases;

(8) Number of items per Financial Instrument increases;

(9) Dollar amount per Financial Instrument decreases;

(10) Number of items per Financial Instrument decreases;

(11) Ending balance dollar amount per Financial Instrument; and

(12) Ending balance number of items per Financial Instrument.

Section 4.22 Revenue Audit.

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

(b) Independence. 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.

(d) Controls must be established, and procedures implemented to audit of 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 Commission. Investigate and document any deviations compared to the mathematical expectations.

(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.

(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 Commission. Investigate and document any large and unusual fluctuations noted.

(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.

(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.

(5) Complimentary Services or Items. At least monthly, review the reports required in § 543.13(d). These reports must be made available to those entities authorized by the Commission or by Tribal law or ordinance.

(6) Patron Deposit Accounts.

(i) At least weekly, reconcile Patron Deposit Account liability (deposits±adjustments−withdrawals = total account balance) to the system record.

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

(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.

(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 Commission. 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 Commission. 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;

(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

(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.

(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.

(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.

(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.

Section 4.23 Internal Audit.

(a) The Commission shall maintain or cause to be maintained an Internal Audit function that shall report directly to the Commission's Executive Director, an audit committee established by the Executive Director subject to the approval of the Commissioners, or other entity designated by the Executive Director subject to the approval of the Commissioners. The Internal Audit function shall be responsible for, without limitation, the following:

(1) Performing audits of all major Gaming areas of the Gaming Operation, at least annually, to ensure compliance with the MICS, Regulations, and SICS (when applicable) which include at least the following areas:

(i) Bingo, including but not limited to, 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 but not limited to, supervision, Pull Tab inventory, Pull Tab sales, winning Pull Tabs, Pull Tab operating funds, statistical records, and revenue audit procedures;

(iii) Card Games, including but not limited to, supervision, exchange or transfers, playing cards, Shill funds, reconciliation of Card Room Bank, posted rules, and promotional progressive pots and pools;

(iv) 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 interface, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies;

(v) Gaming Promotions and player tracking procedures, including but not limited to, supervision, Gaming Promotion rules and player tracking;

(vi) Complimentary Services or Items, including but not limited to, procedures for issuing, authorizing, redeeming, auditing, and reporting;

(vii) Patron Deposit Accounts and Cashless Systems procedures, including but not limited to, supervision, Patron Deposit Accounts and Cashless Systems, as well as Patron deposits, withdrawals and adjustments;

(viii) Lines of Credit procedures, including but not limited to, establishment of lines of Credit policy;

(ix) Drop and Count standards, including but not limited to, supervision, Count Room access, Count Team, Card Game Drop standards, Player Interface and Financial Instrument Drop standards, Card Game Count standards, Player Interface Financial Instrument Count standards, and controlled keys;

(x) Cage, Vault, cash and Cash Equivalent procedures, including but not limited to, supervision, cash and Cash Equivalents, personal checks, cashier's checks, traveler's checks, payroll checks, and Counter Checks, Cage and Vault Accountability, reconciliation of physical instruments to the Cage/Vault Accountability on a sample basis, reconciliation of the Cage Accountability to the general ledger, Kiosks, Patron deposited funds, promotional Payouts, drawings, and giveaway programs, chip and token standards, and Cage and Vault access;

(xi) Information technology, including but not limited to supervision, class II and III Gaming systems' logical and physical controls, independence, physical security, logical security, user controls, installations and/or modifications, remote access, incident monitoring and reporting, data back-ups, software downloads, and verifying downloads;

(xii) Accounting standards, including but not limited to, accounting records, maintenance and preservation of financial records and relevant supporting documentation;

(xiii) Keno, including but not limited to, Game Write and Payout procedures, sensitive key location and control, and a review of Keno auditing;

(xiv) 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 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);

(xv) Pari-mutuel wagering, including but not limited to, Write and Payout procedures, and pari- mutuel auditing procedures; and

(xvi) Any other Internal Audits as required by the Commission.

(2) Reviewing and appraising the adequacy of internal controls;

(3) Ensuring compliance with internal controls through observations, interviews and review of accounting documentation;

(4) Reporting instances of non-compliance with the system of internal controls;

(5) Reporting of any material weaknesses in the system of internal controls; and

(6) Recommending improvements in the system of internal controls.

(b) The personnel of the Internal Audit function shall be Independent of the areas subject to audit.

(c) If maintained in-house, the Internal Audit Function shall be supervised by a Gaming Operations Key Employee having a License granted by the Gaming Commission.

(d) The Internal Audit function shall maintain its independence through an organizational reporting line that is outside the Management of the Gaming Operation. The director of the function shall report directly to the License holder, the general Manager of the property, or to an Independent audit committee or equivalent.

(e) The method by which the Gaming Operation fulfills its requirements with respect to the Internal Audit Function, if maintained in-house, shall be described in the Gaming Operation’s written table of organization.

(f) 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.

(g) The Internal Audit function shall operate with audit programs, which, at a minimum, address the Minimum Internal Control Standards. Additionally, the function shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. All such working papers and documentation shall be retained for a minimum of five (5) years.

(h) Reports documenting audits performed shall be maintained for a minimum of five (5) years and shall be provided to the Commission when issued. Such audit reports shall include the following information:

(1) Audit objectives;

(2) Audit procedures and scope;

(3) Findings and conclusions;

(4) Recommendations, if applicable; and

(5) Management's response.

(i) All material exceptions resulting from Internal Audit work shall be investigated and resolved with the results of such being documented and retained for a minimum of five (5) years.

(j) Internal Audit Findings shall be reported to Management.

(k) Management shall be required to respond to Internal Audit Findings stating corrective measures to be taken to avoid recurrence of the audit exception. Such Management responses shall be included in the Internal Audit report that will be delivered to Management, the audit committee, the Commission, or any other entity designated by the Gaming Operation.

(l) In addition to the observation and examinations performed under paragraph (i)(A) of this section, follow-up observations and examinations shall be performed to verify that corrective action has been taken regarding all instances of noncompliance cited by Internal Audit, the Independent accountant, and/or the Commission. The verification shall be performed within six (6) months following date of notification.

(m) 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 observation requirements and Independent accountant tests of controls as required by the American Institute of Certified Public Accountants guide.

(n) Internal Audit Guidelines. In connection with the Internal Audit testing pursuant to paragraph (a)(1) of this section, the Commission shall develop recommended Internal Audit Guidelines, which shall be available upon request.

Section 4.24 External Audit.

(a) 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 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 "SSAE's), 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 (NIGC) 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.

(b) Review of Internal Audit.

(1) The CPA must determine compliance by the Gaming Operation with the Internal Audit requirements in this paragraph by:

(i) Completing the Internal Audit checklist;

(ii) Ensuring that the Internal Auditor completed checklists for each Gaming department of the operation;

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

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

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

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

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

CHAPTER V. GAMING DEVICES

Section 5.01 Possession of Gaming Devices.

(a) Gaming Devices shall only be authorized to be in the possession of:

(1) The Gaming Operation at the Gaming Operation or at another location as authorized by the Commission;

(2) The Commission, for any purpose authorized by the Act or these Regulations; or

(3) A common carrier, for the purpose of transporting said Gaming Devices in accordance with Section 5.02 of these Regulations.

(b) The Gaming Operation shall provide the Commission with a Gaming Device Master List in accordance with Section 5.03, which shall include any Gaming Device referenced in subsection (a)(1) above, whether or not the Gaming Device is in use.

Section 5.02 Transportation and Movement of Gaming Devices.

(a) Before transporting or moving any Gaming Device into a Gaming Operation or other location as authorized by the Commission, the manufacturer, distributor, seller or any other person who causes such Gaming Device to be transported or moved shall, at least five (5) days prior to or unless otherwise approved by the Commission, any movement or transportation of any Gaming Device, notify the Commission in writing and submit the following information:

(1) The full name and address of the person transporting or moving said Gaming Device;

(2) The full name and address of the person who owns said Gaming Device, including the name of any new owner in the event that title is being transferred in conjunction with its transportation or movement;

(3) The method of shipment or movement and the name of the carrier or carriers;

(4) The full name and address of the person to whom the Gaming Device is being sent and the destination of said Gaming Device, if different from said address;

(5) The quantity of Gaming Devices being transported or moved and the serial number, denomination and description of each Gaming Device;

(6) The proposed date of delivery to or removal from any authorized location; and

(7) The reason for transporting the Gaming Device.

(b) The person who transports or moves any Gaming Device shall provide to the common carrier an invoice, and at least one copy of the same shall be kept with the Gaming Device at all times during the shipping process. Said invoice shall contain the following information:

(1) The serial number of the machine that is being transported;

(2) The full name and address of the person from whom the Gaming Device was obtained;

(3) The full name and address of the person to whom the machine is being sent; and

(4) The dates of shipment.

(c) Gaming Devices in the Gaming Operation shall be:

(1) Placed at an authorized location identified on the Gaming Operation's floor plan

approved by the Commission as part of the Gaming Facility License Application; and

(2) Identified on the Gaming Device Machine Master List required by subsection 5.3.

(d) Whenever a Gaming Device is transported to or from a Gaming Operation or moved to a different location within the Gaming Operation, the movement shall be recorded by a member of the Gaming Operation's slot department in a machine movement log which shall include the following:

(1) The manufacturer's serial number and the asset number of the Gaming Device;

(2) The date and time of movement of the Gaming Device;

(3) The location from which the Gaming Device was moved;

(4) The location to which the Gaming Device was moved; and

(5) The signatures of the Manager of the slot department and the technician verifying the movement of the Gaming Device.

(e) Prior to removing a Gaming Device from the Gaming floor:

(1) The Gaming Devices Bill Acceptor Drop Box shall be removed and transported to the Count Room; and

(2) All meters as required by Section 5.05 shall be read and recorded in conformity with the procedures set forth in Section 5.05.

(f) All movements shall be recorded on the Gaming Device Master List, an updated copy of which shall be filed with the Commission.

Section 5.03 Master List of Approved Gaming Devices.

(a) The Gaming Operation shall submit to the Commission twenty (20) days before commencement of operations a comprehensive list of the Gaming Devices and bill validators in its Gaming Operation (Master List of Approved Gaming Devices).

(b) The Gaming Operation shall assign consecutively a location number to each Gaming Device. On the Master List of Approved Gaming Devices, the Gaming Operation shall consecutively list each Gaming Device by location number, and, at a minimum, shall contain the following information:

(1) The date on which the list was prepared;

(2) A description of each Gaming Device by:

(i) Asset, model and serial number;

(ii) Computer program number;

(iii) Denomination; and

(iv) Manufacturer and machine type, particularly specifying if the machine has a bill validator and if it is a machine with a progressive system;

(v) Any other information the Commission may require.

Section 5.04 Official Seals or Asset Identifiers.

Each Gaming Device located within the Gaming Operation shall have a seal affixed to it by the Commission that shall be located on either side of the Gaming Device, or another identifier as approved by the Commission.

Section 5.05 Gaming Device Bill Acceptor Canister Drop and Count.

(a) The Bill Acceptor Canister Drop shall be performed by three Agents, who shall be Independent of the slot department. Supervision must be provided for Drop and Count as needed by an Agent(s) with authority equal to or greater than those being supervised. The setting out of empty Bill Acceptor Canisters and the Drop shall be a continuous process, however, the operator may place empty canister Drop Boxes in front of the Gaming Devices prior to the commencement of the Bill Acceptor Canister Drop process. Surveillance shall be notified when the Drop is to begin so that surveillance may monitor the activities.

(b) Each Gaming day or in accordance with a schedule approved by the Commission:

(1) Locked Bill Acceptor Canisters shall be removed and a separate Bill Acceptor Canister shall be placed in the Gaming device.

(2) Upon removal from the Gaming Device, Bill Acceptor Canisters shall be transported directly to the Count Room and locked in a secure manner until the Count takes place. Security shall be provided over the Bill Acceptor Canisters removed from the Gaming Machines and awaiting transport to the Count Room.

(3) When not in use, empty Bill Acceptor Canisters shall be stored in a locked trolley in the Count Room. The key to the trolley shall be maintained by the security department, and access to the key shall be restricted to the Persons authorized to remove Bill Acceptor Canisters during the Drop and Count. A log shall be maintained by the security department documenting the issuance and return of the trolley key.

(4) Access to stored Bill Acceptor Canisters, full or empty, shall be restricted to:

(i) Authorized members of the Drop and Count Teams; and

(ii) Personnel as authorized by the Commission in an emergency for the resolution of a problem.

(5) Persons authorized to obtain Bill Acceptor Canister release keys shall be precluded from having simultaneous access to Bill Acceptor Canister content keys with the exception of the Count Team.

(6) Persons authorized to obtain Bill Acceptor Canister storage rack keys shall be precluded from having simultaneous access to Bill Acceptor Canister content keys with the exception of the Count Team.

(7) All Bill Acceptor Canisters must be posted with a number corresponding to, or an electronic designation as approved by the Commission, a permanent number on the Gaming Machine and/or Player Interface.

(c) Procedures shall be developed and implemented to ensure that unauthorized access to empty Bill Acceptor Canisters shall not occur from the time the canisters leave the trolley until they are placed in the Gaming Devices.

(d) When Bill Acceptor Canisters are transported to and from the Count Room, they shall be transported in the trolley by the person(s) referenced in section (a) above. The requirement of transporting in the trolley may be waived when an emergency canister is transported to the Gaming Device in accordance with emergency canister procedures approved by the Commission.

(e) Meter readings shall be conducted in conjunction with the removal of the Bill Acceptor Canisters.

The Meter readings shall be conducted by accounting department employee(s) with no incompatible functions, who shall record the Meter readings on a Gaming Device Meter Reading Sheet, which will include the date the Meter readings are being conducted. At the completion of the Meter readings, the employee(s) who read the meters shall sign the Meter reading sheet attesting to the accuracy of the information. In lieu of manual Meter readings, the Gaming Operator may use a computer system approved by the Commission. The following meters shall be read and recorded:

(1) Coin-in Meter;

(2) Coin-out Meter;

(3) Cash box Meter or bill meters;

(4) Jackpot Meter;

(5) Ticket numerical and value-in meters;

(6) Ticket numerical and value-out meters;

(7) Coupon numerical and value-in meters (if applicable); and

(8) Electronic credits-in Meter.

(f) After preparation of the Gaming Device Meter Reading Sheet, the sheet shall be delivered to the Accounting Department for reconciliation with the Drop and calculation of the Gaming Device statistics.

(g) If a variance of more than three percent (3%) and more than twenty-five (25) dollars between the total value of cash, Gaming Vouchers, and Coupons removed from a bill canister acceptor and either the cash box or bill Meter reading and, if applicable, the value Coupon Meter, and the value ticket in Meter reading recorded on the Gaming Device Meter sheet pursuant to subsection (g) above or a reading from the computer system approved by the Commission to read meters, the Gaming Operation shall conduct an investigation of the cause of the variance and shall provide a report to the Commission upon request.

(h) Gaming Device Bill Acceptor Canister Count Procedures.

(1) Controls must be established, and procedures implemented to ensure security of the Count and the Count Room to prevent unauthorized access, misappropriation of funds, forgery, theft, or Fraud.

(2) The Gaming Device Bill Acceptor Canister Count shall be performed in a Soft Count room.

(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. A Commission representative may be present in the Count Room.

(4) The Gaming device Bill Acceptor Canister Count shall be conducted Independently to prevent the commingling of funds from different revenue centers.

(5) The Gaming device Bill Acceptor Canister Count shall be performed by a minimum of three employees. If the Count Team consists of only three employees, they 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. Functions performed by Count Team Agents must be rotated on a routine basis.

(6) 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 (3) 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. The Count Team policy, at a minimum, must address the transportation of extraneous items such as personal belongings, tool boxes, beverage container, etc., into or out of the Count Room.

(7) 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.

(8) 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.

(9) Count equipment and systems must be tested, and the results documented, before the first Count begins, to ensure the accuracy of the equipment.

(10) The Gaming Device Bill Acceptor Canisters 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.

(11) Gaming Device Bill Acceptor Canisters, when empty, shall be shown to another member of the Count Team, and surveillance.

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

(13) After counting the contents of each box, the funds shall be passed to an employee who did not perform the initial Count, who shall Count the funds a second time without having access to the value of the first Count.

(14) The second Count shall be compared to the first Count. If they do not agree, the difference shall be reconciled.

(15) 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.

(16) 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 currency. 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.

(17) The Count sheet shall be reconciled to the currency counter system report by a Count Team member who shall not function as the sole recorder. All members of the Count Team shall sign the Count document or a summary report to attest to their participation in the Count.

(18) 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.

(19) All Drop Proceeds that were counted shall be turned over to a Cage cashier who shall be Independent of the Count Team. Prior to having access to the value of the funds counted by the Soft Count Team, the Cage cashier shall conduct a bulk Count of the Soft Count Drop and compare the bulk Count to the Soft Count. All differences shall be reconciled prior to the Cage cashier and Count Team leaving the Count Room.

(20) After agreeing the counts, the Cage cashier shall sign the Count sheet and transport the funds to the cashier Cage.

(21) 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 canister to which only accounting personnel can gain access) until retrieved by the accounting department. The Count documentation and records must not be transferred to the Cage/Vault with the Drop Proceeds.

(22) 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 canceled daily by an authorized agent to prevent improper recirculation.

(23) 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.

(i) All Drop Boxes may be removed only at the time previously designated by the Gaming Operation and reported to the Commission. If an emergency Drop is required, surveillance must be notified before the Drop is conducted and the Commission must be informed within a timeframe approved by the Commission.

Section 5.06 Kiosks Drop and Count.

(a) 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 and the Commission 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 Pull Tabs (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.

(b) Kiosk Count standards.

(1) Controls must be established, and procedures implemented to ensure security of the Count and the Count Room to prevent unauthorized access, misappropriation of funds, forgery, theft, or Fraud.

(2) 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.

(3) The Kiosk Count must be performed in a secure area, such as the Cage or Count Room.

(4) 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.

(5) The Kiosk Financial Instrument storage components and Currency Cassettes must be individually emptied and counted so as to prevent the commingling of funds between Kiosks until the Count of the Kiosk contents has been recorded.

(i) The Count of must be recorded in ink or other permanent form of recordation.

(ii) Coupons or other promotional items not included in Gross Revenue (if any) may be recorded on a supplemental document. All single-use Coupons must be cancelled daily by an authorized Agent to prevent improper recirculation.

(6) 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.

(c) Controlled keys.

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

(d) Variances.

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

Section 5.07 Testing and Approval of Gaming Devices.

(a) No Gaming Device shall be used for Gaming purposes unless it is identical in all mechanical, electrical, electronic and other aspects to the model thereof that the Commission has approved and authorized for its use.

(b) All Gaming Devices purchased, leased or otherwise acquired by the Gaming Operation must meet the technical equipment standards set forth in subsection 6 (A) of the Compact and as may be prescribed in the Regulations and other applicable law. The compliance of a Gaming Device with the technical equipment standards applicable to such Gaming Device may be established by a certificate of compliance issued by an Independent testing laboratory or any State or State-authorized testing laboratory. The Commission shall maintain a complete list of all Gaming Devices (whether or not such devices are in use) located at any Gaming Operation or otherwise in the possession of the Gaming Operation.

Section 5.08 Gaming Device Operation in Conformity with Approved Model.

(a) The responsibility for assembly and initial operation of each Gaming Device in accordance with the manner approved by the Commission rests with the manufacturer or distributor together with the Gaming Operation. Changes in the manner of final assembly or initial operation of a Gaming Device which changes the outcome of the Game, will be deemed improper unless prior to the institution of the change the manufacturer or distributor obtains the approval of the Commission.

(1) Any manufacturer or distributor of a Gaming Device who holds a Gaming Supplier licenses as defined by these regulations, shall notify the Commission of any malfunction or abnormality affecting or altering the performance, integrity, outcome or operation of the affected component regardless of the gaming jurisdiction where the malfunction or abnormality occurred, discovered or is applicable to. The Commission shall be notified in a format approved by the Commission within forty-eight (48) hours of the Gaming Supplier being apprised of said malfunction or abnormality.

(b) Any changes to an approved Gaming Device which changes the outcome of the Game, shall not be permitted without a certificate of compliance to the technical equipment standards required by subsection 5.07 of these Regulations.

(c) Each Gaming Device shall, at all times, be operated and played in accordance with the representations made to the Commission and the public.

Section 5.09 Ticket-In Ticket-Out Controls.

(a) The Gaming Operation may issue Cash-out Tickets for the payment of a Patron's remaining credits on a Gaming Device. The Cash-out Ticket shall be printed at the Gaming Device by an internal document printer. Cash-out Tickets may be redeemed for payment or inserted in another Gaming Device and wagered, if applicable, during the specified time period.

(b) Each Cash-out Ticket generated shall have the following information printed on it:

(1) Name of the Gaming Operation;

(2) Gaming Device number from where the ticket was generated;

(3) Date and time of issuance;

(4) Alpha and numeric dollar value;

(5) Validation number;

(6) Second printing of validation number on the leading edge of the ticket;

(7) Sequence number;

(8) Expiration period or date when the ticket will expire, which shall be no less than sixty (60) days from the date of issuance;

(9) Unique identifier (e.g. bar code); and

(10) Transaction type or other method to differentiate ticket types if applicable.

(c) Cash-out Tickets shall be redeemed at a change booth or cashier's Cage. If the Gaming Operation utilizes a remote computer validation system, the Gaming Operation shall develop alternate standards for the maximum amount that can be redeemed, which shall not exceed $2,999.99 per cash- out transaction. The standards shall be approved by the Commission.

(d) Upon presentation of the Cash-out Ticket(s) for redemption, the following shall occur:

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

(2) Input the Cash-out Ticket validation number into the computer.

(e) The information contained in (d) above 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.

(f) If valid, the cashier (redeemer of the Cash-out Ticket) shall pay the appropriate amount to the Patron. The Cash-out Ticket shall be 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.

(g) 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 Patron and notify a supervisor of the invalid condition. The supervisor shall resolve the dispute.

(h) 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:
Serial number of the Cash-out Ticket;

(1) Date and time;

(2) Dollar amount;

(3) Issuing Gaming device number;

(4) Mark the Cash-out Ticket "paid"; and

(5) The ticket shall remain in cashier's bank for reconciliation purposes.

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

(j) If the host validation computer system is down for more than four (4) hours, the Gaming Operation shall promptly notify the Commission or its designated representative.

(k) Any Cash-out Ticket which appears to have been counterfeited, altered or tampered with shall be retained by the cashier after presentation by the Patron. The Cage shall immediately notify the

Security Department and the Commission representative on duty.

Section 5.10 Jackpot Verifications.

If a Patron wins a jackpot and upon inspection the EPROM seal is broken or otherwise tampered with, the Commission shall be notified and the payment to the Patron shall be withheld until such time as a determination can be made as to the legitimacy of the jackpot.

Section 5.11 Computerized Gaming Machine Systems.

(a) For all computerized Gaming Machine systems, a personnel access listing shall be maintained, which includes at a minimum:

(1) Employee name or employee identification number (or equivalent); and

(2) Listing of functions employee can perform or equivalent means of identifying same.

(b) 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 Commission, will be acceptable.

Section 5.12 Jackpot and Accumulated Credit Payouts.

(a) Whenever a Patron wins a jackpot that is not automatically paid by a Gaming ticket, or a Patron cashes out the remaining credits (Accumulated Credits) on a Gaming Device which is not paid by the generation of a ticket, a Payout Slip shall be prepared which shall include at a minimum on the original, duplicate and triplicate or in stored data, the following information:

(1) The date and time of the Payout;

(2) The asset number of the Gaming Device on which the jackpot or accumulated credits was registered;

(3) The Game outcome (including Reel Symbols, card values, suits, etc.) for jackpot Payouts. Game outcome is not required if a computerized jackpot system is used:

(4) The dollar amount of cash Payout (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;

(5) The method of payment requested by the Patron (cash, Gaming Operation check or, if available, Gaming Chips);

(6) Preprinted or concurrently printed sequential number; and

(7) The signature or identification code of the preparer.

(b) The original and duplicate shall contain the signatures of at least two employees verifying and witnessing the Payout except as otherwise provided in (c), (d) and (e) of this section.

(c) Jackpot Payouts over a predetermined amount authorized by management and approved by the Commission shall require that one of the signatures of section (b) above shall be of a supervisory or management employee Independent of the Gaming Machine department. 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. The predetermined amount shall be documented and maintained.

(d) If an on-line accounting system is utilized and the jackpot is less than $1,200, the signature of one employee is sufficient.

(e) On graveyard Shifts, which is defined as the period from 12:00 a.m. to 8:00 a.m., Payouts less than $100 can be made without the Payout being witnessed by a second person.

(f) Computerized jackpot systems shall be restricted so as to prevent unauthorized access and Fraudulent Payouts by one person as required by Section 4.11.

(g) If the Payout is manually prepared, the following procedures and requirements shall be observed:

(1) Each series of Payouts shall be a three-part form which shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser.

(2) Access to the triplicates shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of Payouts, placing Payouts in the dispensers, and removing from the dispensers, each, the triplicates remaining therein. These employees shall have no incompatible functions.

(h) For establishments in which Payouts are computer-prepared each series of Payouts shall be a two-part form that, at a minimum, shall produce: an original and a duplicate and store, in machine-readable form, all information printed on the original and duplicate. The stored data shall not be susceptible to change or removal by any personnel after preparation of a Payout.

(i) Upon obtaining the signatures(s) required in sections (b), (c), (d) and (e) above, the original Payout shall be returned to the preparer and the duplicate shall be placed in a locked accounting box located in an area approved by the Commission. The key to the box shall be controlled and maintained by the Accounting Department.

(j) The 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.

(k) If the Gaming operator offers promotional Payouts or awards that are not reflected on the Gaming Machine Pay Table, then the Payout form shall include:

(1) Date and time;

(2) Machine number and denomination;

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

(4) Type of promotion (e.g., double jackpots, four of a kind bonus, etc.);

(5) Signature or identification code of the preparer; and

(6) Signature of at least one employee authorizing and completing the transaction.

Section 5.13 In-House Progressive Gaming Device Standards.

(a) A Meter that shows the amount of the Progressive Jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.

(b) At least once each day, the Gaming Operation shall record the total amount of each Progressive

Jackpot offered on a Progressive Meter Reading Sheet. Such Progressive Meter Reading Sheet shall be maintained for each in-house progressive and shall contain the following information at a minimum:

(1) Unique identifier and base amount of the progressive jackpot offered;

(2) Date and time of the reading;

(3) The numeric dollar value of the Progressive Jackpot; and

(4) Signature and License number of the Gaming Operation representative who read and recorded the Meter value.

(c) Notwithstanding (b)(4), if the Progressive Meter Reading Sheet is generated and maintained in an unalterable electronic format, the Gaming Operation shall verify each progressive meter for all meters with amount of $1,200 or more. The individual who verified the meters shall record their signature and License number on the Progressive Meter Reading Sheet.

(d) 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 slip number on the documentation supporting the decrease.

(e) No progressive amount in excess of the base amount shall be transferred to other Gaming Devices without the written approval of the Commission. The Commission may authorize in writing, the distribution that has accrued to the benefit of the Gaming public via an award or prize. If the distribution is to be made via an award or prize, the Commission shall develop and maintain procedures and rules that will be applied for the distribution.

Section 5.14 Wide Area Progressive Gaming Device Standards.

(a) A Meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.

(b) As applicable to participating Gaming Operations, the Wide Area Progress 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.).

(c) The Commission shall approve procedures for the Wide Area Progress system that:

(1) Reconcile meters and jackpot Payouts;

(2) Collect/Drop Gaming Machine funds;

(3) Verify jackpot, payment, and billing to Gaming Operations on pro-rata basis;

(4) System maintenance;

(5) System accuracy; and

(6) System security.

(d) Reports, where applicable, adequately documenting the procedures required in paragraph (c) of this section shall be generated and retained.

Section 5.15 Standards for Evaluating Theoretical and Actual Hold Percentages

(a) Accurate and current theoretical hold worksheets shall be maintained for each gaming machine.

(b) For those gaming machines or groups of identical machines (excluding multi-game machines) with differences in theoretical payback percentage exceeding a 4% spread between the minimum and maximum theoretical payback, an employee or department independent from the gaming machine department shall perform a weighted average calculation to periodically adjust theoretical as follows:

(1) On a quarterly basis, record the meters that contain the number of plays by wager (i.e., one coin, two coins, etc.);

(2) On an annual basis, calculate the theoretical hold percentage based on the distribution of plays by wager type;

(3) On an annual basis, adjust the machine(s) theoretical hold percentage in the gaming machine statistical report to reflect this revised percentage; and

(4) The adjusted theoretical hold percentage shall be within the spread between the minimum and maximum theoretical payback percentages.

(c) 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:

(1) On at least an annual basis, calculate the actual hold percentage for each gaming machine;

(2) 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

(3) The adjusted theoretical hold percentage shall be within the spread between the minimum and maximum theoretical payback percentages.

(d) For multi-game machines with a four percent (4%) or greater spread between minimum and maximum theoretical payback percentages, an employee or department independent of the gaming machine department shall:

(1) Weekly, record the total coin-in meter;

(2) Quarterly, record the coin-in meters for each game contained in the machine; and

(3) On an annual basis, adjust the theoretical hold percentage in the gaming machine statistical report to a weighted average based upon the ratio of coin-in for each game.

(e) The adjusted theoretical hold percentage for multi-game machines may be combined for machines with exactly the same game mix throughout the year.

(f) The theoretical hold percentages used in the gaming machine analysis reports should be within the performance standards set by the manufacturer.

CHAPTER VI. GAMING EQUIPMENT

Section 6.01 Card Controls.

(a) Physical Characteristics.

(1) Card decks used to play authorized Card Games or Table Games shall be in decks with each card identical in size and shape to every other card in such deck. Notwithstanding the foregoing, decks of cards used to play the following Games shall be modified as follows:

(i) A Pai Gow Poker deck shall include one additional joker card, which shall be identical in size and shape to every other card in such deck.

(ii) Each deck shall be composed of four suits: diamonds, spades, clubs and hearts.

(2) Each suit shall consist of 13 cards: ace, king, queen, jack, 10, 9, 8, 7, 6, 5, 4, 3, 2. The face of the ace, king, queen, jack and 10 value cards may contain an additional marking, as approved by the Commission, which will permit a Dealer, prior to exposing his or her hole card at the Game of Black Jack, to determine the value of that hole card.

(3) The backs of each card in the deck shall be identical and no card shall contain any marking, symbol or design that will enable a person to know the identity of any element printed on the face of the card or that will in any way differentiate the back of that card from any other card in the deck.

(4) The backs of all cards in the deck shall be designed so as to diminish as far as possible the ability of any person to place concealed markings thereon.

(5) The design to be placed on the backs of cards used by the Gaming Operation shall contain the name or trade name of the Gaming Operation and shall be purchased from a Licensed and approved vendor prior to use of such cards in Gaming activity.

(6) Each deck of cards shall be packaged separately and shall contain a seal affixed to the opening of such package.

(7) Nothing in this Section shall prohibit a manufacturer from manufacturing decks of cards with one or more jokers contained therein; provided, however, such jokers shall not be used by the Gaming Operation in the play of any Games other than Pai Gow Poker.

(8) In addition to satisfying the requirements of this section, the cards used by a Gaming Operation at poker must be visually distinguishable from the cards used by that Gaming Operation to play any other table Game.

(9) Each Gaming Operation that chooses to offer the Game of poker shall be required to have and use on a daily basis at least two visually distinguishable card backings for the cards to be used at the Game of poker. These card backings may be distinguished, without limitation, by different logos, different colors or different design patterns. In addition, Gaming Operations shall have the option of using plastic or paper cards for the Game of poker.

(b) Receipt, Storage and Distribution of Cards.

(1) When decks of cards are received for use in the Gaming Operation from the manufacturer or distributor thereof, they shall be placed for storage in a locked primary or secondary storage area by at least two individuals, one of whom shall be from the Table Games

department and the other from the Gaming Operation security department or Gaming Operation accounting department. The primary storage area shall be located in the cashier's Cage or in another secure place, the location and physical characteristics of which shall provide effective security for the items housed therein. Once the cards have been verified, these shall be moved to a primary storage area that also offers effective security for items stored therein. Cards stored in the primary storage area are those to be distributed to the pits or table supervision departments and to the Gaming tables, however, no cards may be transferred to the tables unless verified and stored pursuant to the provisions contained herein. Secondary storage areas shall be used to store surplus cards.

(2) All primary and secondary storage areas shall have two separate locks. The Gaming Operation security department shall maintain one key and the Table Games department shall maintain the other key.

(3) All primary and secondary storage areas shall be equipped with Surveillance camera coverage.

(4) Immediately prior to the commencement of each Gaming day and at other times as may be necessary, a Table Games department supervisor or higher, in the presence of an officer from an area Independent from the Gaming tables, shall remove the appropriate number of decks of cards for that Gaming day from the primary storage area. Immediately thereafter, the Table Games department supervisor shall distribute the decks to the Dealer at each table or shall place the decks into a locked compartment in the pit stand for subsequent distribution to the tables or for use as reserve decks. The keys to the locked compartment in the pit stand shall be maintained by a Table Games supervisor or higher-ranking employee.

(5) Prior to their use at a table, all decks shall be inspected by the Dealer, and the inspection verified by a Table Games department supervisor. Card inspection at the Gaming table shall require that each deck placed in use be sorted into sequence and into suit to assure that all cards are in the deck. The Dealer shall also check the back of each card to assure that it is not flawed, scratched or marked in any way.

(i) If, after checking the cards, the Dealer finds that a card is unsuitable for use, a Table Games department supervisor shall bring a substitute card from the card reserve in the pit stand.

(ii) The unsuitable card shall be placed in a sealed envelope or container identified by table number, date, and time and shall be signed by the Dealer and floor supervisor assigned to that table. The envelope or container shall be kept in a secure place within the pit until collected by a Gaming Operation security officer.

(6) All envelopes and containers used to hold, or transport cards collected by security shall be transparent. The envelopes or containers and the method used to seal them shall be designed or constructed so that any tampering shall be evident.

(7) Any cards which have been opened and placed on a Gaming table shall be changed at least every 24 hours, except as otherwise provided for in these Regulations. Each Gaming Operation, at their discretion, may change cards more frequently during the Gaming day.

(8) Cards damaged during the course of play shall be replaced by the Dealer who shall ask a floor supervisor to bring substitute cards from the pit stand or table supervision area.

(i) The damaged cards shall be placed in a sealed envelope, identified by table number, date and time, and shall be signed by the Dealer and the individual who brought the replacement card to the table.

(ii) The floor supervisor shall maintain the envelopes or containers in a secure place within the pit until collected by a Gaming Operation security officer.

(c) Collection of Cards.

(1) At the end of each Gaming day or, in the alternative, at least once each Gaming day, and at such other times as may be necessary, a Table Games supervisor or higher- ranking employee shall collect all used cards.

(i) These cards shall be canceled by visibly marking with permanent ink and placed in a sealed transparent envelope or container. A label shall be attached to each envelope or container that shall identify the table number, date and time and shall be signed by the Dealer and floor supervisor assigned to the table.

(ii) The Table Games supervisor or higher-ranking employee shall maintain the envelopes or containers in a secure place within the pit until collection by a Gaming Operation security officer.

(2) The Gaming Operation shall remove any cards at any time during the day if there is any indication of tampering, flaws, scratches, marks or other defects that might affect the integrity or fairness of the Game, or at the request of the Commission.

(3) At the end of each Gaming day or, in the alternative, at least once each Gaming day, and at such other times as may be necessary, a Gaming Operation security officer shall collect and sign all envelopes or containers with damaged cards, cards used during the Gaming day, and all extra decks in card reserve with broken seals and shall return the envelopes or containers to the Gaming Operation security department.

(4) At the end of each Gaming day or, in the alternative, at least once each Gaming day, and at such other times as may be necessary, a Table Games supervisor may collect all unused replacement decks found at the card reserve. If the Gaming Operation has a separate storage area for poker cards, a poker Shift supervisor for that Shift may collect all replacement decks in card reserve for the Game of poker. All decks of cards so collected shall either be canceled or destroyed or returned to the storage area if unused.

(d) Inspection of Cards.

(1) When the envelopes or containers of used cards and reserve cards with broken seals are returned to the Gaming Operation security department, they shall be inspected for tampering, marks, alterations, missing or additional cards or anything that might indicate unfair play. The Gaming Operation shall have inspected either:

(i) All decks used during the day; or

(ii) A sample of decks selected at random or in accordance with a defined stratification plan;

(iii) The Gaming Operation shall also inspect any cards that the Commission requests the Gaming Operation to remove for the purpose of inspection, and any cards the Gaming Operation removed for having indications of tampering;

(2) The procedures for inspecting all decks required to be inspected under this subsection

shall, at a minimum, include:

(i) The sorting of cards sequentially by suit;

(ii) The inspection of the backs with an ultraviolet light;

(iii) The inspection of the sides of the cards for crimps, bends, cuts and shaving; and

(iv) The inspection of the front and back of all plastic cards for consistent shading and coloring.

(3) The Person who performs such inspection shall fill out a form that will detail the procedures carried out and list the tables from which the cards were removed and the results of the inspection. Said Person shall sign the form upon completion of the inspection procedures.

(4) The Gaming Operation shall provide for appropriate and effective training procedures for those employees performing card inspections.

(5) Evidence of tampering, marks, alterations, missing or additional cards or anything that might indicate unfair play discovered at this time, or at any other time, shall be documented by the completion of a Card Discrepancy Report. One copy of the report shall be provided to the Commission Inspector on duty at the property. The Gaming Operation's copy of the report along with the cards in question shall be retained and made available to the Commission upon request.

(e) Card Inventory Procedures.

(1) Each Gaming Operation shall implement a card inventory system that shall include, at a minimum, the recordation of the following:

(i) The balance of decks of cards on hand in the primary and secondary storage areas;

(ii) The number of decks of cards removed from storage;

(iii) The number of decks of cards returned to storage or received from the manufacturer;

(iv) The date of the transaction; and

(v) The signatures of the individuals involved.

(2) The card inventory procedures shall provide for reconciliation on a daily basis of the number of decks of cards distributed, the number of decks destroyed and canceled, and the number of decks returned to the storage area.

(3) A physical inventory of the decks of cards on hand in the primary and secondary storage areas shall be taken at least once every three (3) months. This inventory shall be performed by an individual with functions that are not incompatible and shall be verified to the balance of decks of cards on hand as recorded in subsection (d) 1(i) above. Any discrepancies shall be investigated by the Gaming Operation and reported to the Commission Inspector on duty.

(f) Destruction of Cards.

(1) Where cards in an envelope or container are inspected and found to be without any indication of tampering marks, alterations, missing or additional cards or anything that might indicate unfair play, those cards shall be destroyed. The Gaming Operation shall

establish a reasonable time period, which shall not exceed seven (7) days, within which to destroy cards.

(2) Destruction of cards shall be by:

(i) Shredding;

(ii) Drilling a circular hole of at least one fourth of an inch in diameter through the center of each card; or by

(iii) A diagonal cut at one corner of each card. The destruction and cancellation of cards shall occur in a secure place.

(3) The destruction of cards shall occur in a secure place approved by the Commission.

Section 6.02 Dice Controls.

(a) Receipt, storage, and distribution of dice.

(1) When dice for use in the Gaming Operation are received from the manufacturer or distributor thereof, they shall be inspected by at least two persons, one of which shall belong to the Table Games Department and the other one to the Security Department or the Gaming Operation Accounting Department. Once the dice have been verified, these are to be placed in storage in the cashier's Cage or a primary or secondary storage area that also provides effective safety for the articles stored therein. Dice kept in the primary storage area are those to be distributed to the pits or table supervision sections and to the Gaming tables, providing that dice that have not been verified and stored in accordance with the provisions contained herein may not be transferred to the tables. Secondary storage areas shall be used to store surplus dice.

(2) All primary and secondary storage areas shall have two separate locks. The Gaming Operation Security Department shall maintain one key and the Table Games Department shall maintain the other key.

(3) All primary and secondary storage areas shall be equipped with surveillance cameras to monitor the activities that occur in the dice storage areas.

(4) Immediately prior to the commencement of each Gaming day and at such other times as may be necessary, a Table Games Department supervisor or higher-ranking employee, in the presence of a Gaming Operation security officer shall remove the appropriate number of dice for that Gaming day from a primary storage area.

(5) All envelopes and containers used in this section for dice pre-inspected at the pit stand or in a primary storage area and for those collected by security shall be transparent. The envelopes or containers and the method used to seal them shall be designed or constructed so that any tampering shall be evident.

(6) All dice shall be inspected and distributed to the Gaming tables in in accordance with a method approved by the Commission.

(i) Alternative No. 1: Distribution to the inspection at Gaming Tables:

(A) The table Games supervisor and the Gaming Operation security officer who removed the dice from the primary storage area shall distribute sufficient dice directly to each table, or place them in a locked compartment in the pit stand, the keys to which shall be in the possession of the table Games section

supervisor or higher ranking employee;

(B) Immediately upon opening a table for Gaming, the table Games section supervisor shall distribute a set of dice to the table. At the time of receipt, a floor supervisor at each craps table, in order to ensure that the dice are in condition to assure fair play and otherwise conform to these Regulations and the rules of the Game, shall, in the presence of the dealer, inspect the dice given to him or her with a micrometer or any other approved instrument which performs the same function, a balancing caliper, a steel set square and a magnet, which instruments shall be kept in a compartment at each craps table or pit stand and shall be at all times readily available for use by the Commission Inspectors upon request;

(C) Following this inspection, the floor supervisor shall, in the presence of the dealer, place the dice in a cup on the table for use in Gaming a, and while the dice are at the table, they shall never be unattended;

(D) The table Games section supervisor shall place extra dice for dice reserve in the pit stand. Dice in the pit stand shall be placed in a locked compartment, the keys to which shall be in the possession of the table Games supervisor or higher-ranking employee. No dice taken from the reserve shall be used for actual Gaming until and unless inspected in accordance with the above procedures.

(ii) Alternative No. 2: Distribution to the pit stand or table supervision area and inspection therof:

(A) The table Games section supervisor and an officer from an area independent of the table Games that removed the dice from the primary storage area shall distribute the dice directly to the floor supervisor identified in item (B) below, who will perform the inspection in each pit or table supervision area.

(B) The inspection of the dice at the pit stand shall be preformed by a floor supervisor in the presence of another floor supervisor, both of who are assigned the responsibility of supervising the operation and conduct of a craps Game or a Pai Gow or Pai Gow Poker Game.

(C) To ensure that the dice are in a condition to assure fair play and otherwise conform to these regulations and the rules of the Games, the dice shall be inspected with micrometer or any other approved instrument which preforms the same function, and balancing caliper, a steal set square and a magnet, which instruments shall be kept at the pit stand and shall be at all times readily available for use by the Commission upon request. The inspection shall be performed on a flat surface which allows the dice inspection to be observed through closed circuit television cameras and by any persons in the immediate vicinity of the pit stand or table supervision area.

(D) After completion of the inspection, the dice shall be distributed to the Gaming tables by the floor supervisor who inspected the dice in the presence of the other floor supervisor who observed the inspection the floor supervisor shall, in the presence of the dealer, place the dice in a cup on the table for use in Gaming, and while the dice are at the table, they shall never be left

unattended. For Pai Gow or Pai Gow Poker, the dealer shall immediately place the dice in the Pai Gow or Pai Gow Poker shaker.

(E) The table Games section supervisor shall place extra dice for dice reserve in the pit stand. Dice in the pit stand shall be placed in a locked compartment, the keys to which shall be in the possession of the table Games supervisor or higher-ranking employee. No dice taken from the reserve shall be used for actual Gaming until and unless inspected in accordance with the above procedures

(iii) Alternative No. 3: Inspection in primary storage area and distribution to tables:

(A) Inspection of dice for all table Games in an approved primary storage area shall be preformed by a table Games section supervisor or higher-ranking employee, in the presence of an officer from a section independence of the table Games section.

(B) The dice shall be inspected with micrometer or any other approved instrument which preforms the same function, a balancing caliper, a steel set square and magnet to ensure that the dice are in a condition to assure fair play and otherwise conform to these regulations and the rules of the Games. These instruments shall be maintained in the storage area and shall be at all times readily available for use by the Commission Inspectors upon request.

(C) After completion of the inspection, the person preforming the inspection shall seal the dice as follows:

(1) For craps, after each set of at least five dice are inspected, they shall be placed in a sealed envelope or container; provided, however, that reserve dice may be placed in individual sealed envelopes or containers. A label that identifies the date of the inspection and contain the signatures of those responsible for the inspection shall be attached to each envelope or container;

(2) For Pai Gow or Pai Gow Poker, after each set of three dice is inspected, they shall be placed in a sealed envelope or container. A label that identifies the date of the inspection and contains the signatures of those responsible for the inspection shall be attached to each envelope or container.

(D) At the beginning of each Gaming day and at such other times as many be necessary, a table Games department supervisor and an officer from a section independent of the table Games section shall distribute the dice as follows:

(1) For craps, the sealed envelopes or containers of dice shall be distributed to a floor supervisor in each craps pit or placed in a locked compartment in the pit stand by the supervisor. When the sealed dice are distributed to the craps table, a floor supervisor at each craps table, after assuring the seals are intact and free from tampering, shall open the sealed envelope or container, in the presence of the dealer, and place the dice in a cup on the table for use in Gaming. While dice are on the table, they shall never be left unattended.

(2) For Pai Gow or Pai Gow Poker, the sealed envelope or container shall be distributed to a floor supervisor in each Pai Gow or Pai Gow Poker pit or placed in a locked compartment in the pit stand. When sealed dice are distributed to the Pai Gow or Pai Gow Poker table, a floor supervisor, after assuring the seal and envelopes or containers are intact and free from tampering, shall open the sealed envelope or container, in the presence of the dealer, and place the dice in the Pai Gow or Pai Gow Poker shaker.

(E) When the envelope or container or the seal is damaged, broken or shows indication of tampering, the dice shall not be used for Gaming activity unless the dice are re-inspected.

(F) The table Games section supervisor shall place extra sets of dice for dice reserved in the pit stand. Dice in the pit stand shall be placed in a locked compartment, keys to which shall be in the possession of the table Games supervisor or higher-ranking employee.

(G) A micrometer or any other approved instrument which preforms the same function, a balancing caliper, a steel set square and a magnet shall also be maintained in a locked compartment in each pit stand, and each such instrument shall be at all times readily available for use by the Commission request.

(H) Any primary storage area in which dice are inspected in accordance with alternative shall be equipped with closed-circuit television camera coverage capable of observing the entire inspection procedure.

(b) The Gaming Operation shall remove any dice at any time of the Gaming day if there is any indication of tampering, flaws or other defects that might affect the integrity or fairness of the Game, or at the request of the Commission.

(1) At the end of each Gaming day or at such other times as may be necessary, the Gaming Operation supervisor or higher-ranking employee, other than the individual who originally inspected each die shall visually inspect each die for evidence of tampering. Such evidence discovered at this time or at any other time shall be immediately reported to the Commission by the completion and delivery of an approved Dice Discrepancy Report. One copy of the report shall be provided to the Commission inspector on duty at the facility. The Gaming Operation's copy of the report along with the die (dice) in question shall be retained and made available to the Commission upon request.

(2) Any dice showing evidence of tampering shall be placed in a sealed envelope or container. A label shall be attached to each envelope or container which shall identify the table number, date and time and shall be signed by a person assigned to directly operate and conduct the Game at that table and a Table Games supervisor assigned the responsibility for supervising the operation and conduct of such Game.

(3) All other dice shall be canceled by gouging the surface of each die using a dice indent punch or equivalent tool and be placed into envelopes or containers at this time. A label shall be attached to each envelope or container that shall identify the table number, date and time, and it shall be signed by the appropriate persons identified above. The envelope or container shall be appropriately sealed and maintained in a secure place within the pit until collection by a Gaming Operation security officer.

(4) All extra dice in dice reserve that are to be destroyed or canceled shall be placed in a sealed envelope or container, with a label attached to each envelope or container which identifies the date and time and is signed by the Table Games supervisor.

(5) At the end of each Gaming day or, in the alternative, at least once each Gaming day, and at such other times as may be necessary, a Gaming Operation security officer shall collect and sign all envelopes or containers of used dice and any dice in dice reserve that are to be destroyed or canceled and shall transport them to the Gaming Operation security section for cancellation or destruction. The Gaming Operation security officer shall also collect all copies of dice discrepancy reports, if any. No dice that have been placed in a cup for use in Gaming shall remain on a table for more than 24 hours.

(6) At the end of each Gaming day or, in the alternative, at least once each Gaming day, and at such other times as may be necessary, a Table Games section supervisor may collect all extra dice in dice reserve. If collected, dice shall be returned to the primary storage area, if not collected, all dice in dice reserve must be re-inspected in accordance with one of the alternatives listed in paragraph (a) (6) above, before their use for Gaming.

(c) Dice Inventory Procedures.

(1) Each Franchise Licensee shall implement a dice inventory system that shall include, at a minimum, the recordation of the following:

(i) The balance of dice on hand;

(ii) The number of dice removed from storage;

(iii) The number of dice returned to storage or received from the manufacturer;

(iv) The date of the transaction; and

(v) The signatures of the individuals involved.

(2) The dice inventory procedures shall provide for reconciliation on a daily basis of the number of dice distributed, the number of dice destroyed and canceled, and the number of dice returned to the primary storage area.

(3) A physical inventory of the number of dice on hand shall be taken at least once every three (3) months. This inventory shall be performed by an individual with no incompatible functions and shall be verified to the balance of dice on hand as specified in subsection 1(i) above. Any discrepancies shall be investigated by the Gaming Operation and reported to the Commission inspector on duty.

(d) Destruction of Dice.

All destruction and cancellation of dice, other than those retained for Commission inspections, shall be completed as follows:

(1) Cancellation shall occur by drilling a circular hole of at least one-fourth inch in diameter through the center of each dice.

(2) Destruction shall occur by shredding.

(3) The destruction and cancellation of dice shall take place in a secure place approved by the Commission.

Section 6.03 Gaming Chips.

(a) Gaming Chips; physical characteristics.

(1) Each Gaming chip issued by a Gaming Operation shall be in the form of a disk and, shall have a uniform diameter. Each of the two surfaces of a Gaming chip across which the diameter of the chip can be measured shall be known as a "face." The surface of a Gaming chip across which its thickness can be measured in a perpendicular line from one face to the other shall be known as its "edge."

(2) With the exception of the opening series, no Gaming Chip shall be issued by a Gaming Operation or utilized in a Gaming Operation unless and until:

(i) The design specifications of the proposed Gaming chip are, prior to the manufacture of the Gaming chip, submitted to and approved by the Commission, which submission shall include a detailed schematic depicting the actual size and, as appropriate, location of the following:

(A) Each face, including any indentations or impressions;

(B) The edge; and

(C) Any colors, words, designs, graphics or security measures contained on the Gaming chip; and

(ii) A sample stack of twenty (20) Gaming Chips, manufactured in accordance with its approved design specifications, is submitted to, and approved by, the Commission.

(3) Each Gaming chip issued by a Gaming Operation shall be designed and manufactured with sufficient graphics or other security measures which include but are not limited to identifying characteristics that may appear in any location at least once on each face of the Gaming chip and are applied in a manner which ensures that each such characteristic shall be clearly visible and remain a permanent part of the Gaming chip. These characteristics shall, at a minimum, include:

(i) The denomination of the value chip expressed in numbers;

(ii) The name, trade name, or other approved identification of the Gaming Operation issuing the value chip, which shall be applied in such a manner so as to be visible to surveillance employees using the closed-circuit television system; and

(iii) Characteristics that to the greatest extent possible prevent the counterfeiting of the Gaming chip.

(4) No Gaming Operation shall issue, use or allow a Patron to use in its Gaming Operation any Gaming chip that it knows, or reasonably should know, is materially different from the sample of that Gaming chip approved by the Commission pursuant to this Section.

(5) A Gaming Operation may issue promotional Non-Gaming Chips that are prohibited from use in Gaming or simulcast wagering in any facility. The physical characteristics of such Chips shall be sufficiently distinguishable from approved design specifications of any Gaming chip issued by any Gaming Operation so as to reasonably ensure that they will not be confused with authorized Gaming Chips. At a minimum, such Chips shall:

(i) Be unique in terms of size or color;

(ii) Have no edge designs unique to Gaming Chips; and

(iii) Bear the name of the Gaming Operation issuing them and language on both faces stating that they have no redeemable value.

(b) Non-value Chips; physical characteristics

(1) Each Gaming chip which does not contain a denomination on either face thereof shall be known as a "non-value" chip.

(2) Each non-value chip utilized in a Gaming Operation facility shall be issued solely for the purpose of Gaming at roulette.

(3) Each non-value chip issued by a Gaming Operation shall contain certain identifying characteristics that may appear in any location at least once on each face of the Gaming chip and shall be applied in a manner which ensures that each such characteristic shall be clearly visible and remain a permanent part of the Gaming chip. The characteristics required by subsection (c) (1) and (2) below shall be applied in such a manner so as to be visible to surveillance employees using the closed-circuit television system. The identifying characteristics of a non-value chip, at a minimum, shall include:

(i) The name, trade name, or other approved identification of the Gaming Operation issuing the non-value chip;

(ii) A design insert or symbol that will permit a set of non-value Chips being used at a particular Gaming table to be distinguished from the non-value Chips being used at every other Gaming table in the Gaming Operation;

(iii) The word "Roulette"; and

(iv) Such color and/or design combinations as the Commission may approve so as to readily distinguish the non-value Chips of each player at a particular Gaming table from:

(A) The non-value Chips of every other player at the same Gaming table; and

(B) The value Chips issued by any Gaming Operation.

(4) Each non-value chip issued by a Gaming Operation shall contain an identifying characteristic, to be known as an "edge spot," which shall:

(i) Be applied in a manner which ensures that the edge spot shall:

(A) Be clearly visible on the edge and, to the extent required by the Commission, on each face of the non-value chip; and

(B) Remain a permanent part of the non-value chip;

(ii) Be created by using the colors approved for the face of the particular non-value chip pursuant to subsection (3)(iv) above in combination with one or more other colors that provide a contrast with the color on the face of the chip and that enable it to be distinguished from the non-value Chips issued by any other Gaming Operation; and

(iii) Include a design, pattern or other feature approved by the Commission that a person with adequate training could readily use to identify, when viewing the non-value chip through the closed- circuit television system of the Gaming Operation,

the player to whom the non-value chip has been assigned when the non-value chip is placed in a stack of Gaming Chips or in any other location where only the edge of the non-value chip is visible; provided, however, that the design, pattern or feature created by the colors required by (a)2 above shall be sufficient by itself to satisfy the requirements of this paragraph if approved for that purpose by the Commission.

(c) Nature, exchange and redemption of Gaming Chips; Match Play Coupons.

(1) All wagering on authorized Games, other than Gaming Devices or Keno, in a Gaming Operation facility shall be conducted with Gaming Chips or plaques; provided, however, that match play Coupons shall be permitted for use in wagering at authorized Games in accordance with approved procedures. A Gaming Operation shall submit for approval to the Commission a sample of its match play Coupon. Value Chips previously issued by a Gaming Operation which are not in active use by that Gaming Operation shall not be used for wagering at authorized Table Games and Keno and shall not be accepted nor exchanged for any purpose at Gaming table, or Keno work station. Such Chips shall only be redeemed at the cashier's Cage.

(2) Gaming Chips or plaques shall be issued to a Patron only at the request of such Patron and shall not be given as change in any other but a Gaming transaction. Gaming Chips and plaques shall be issued only by Dealers to Gaming Operation Patrons at Gaming tables. Gaming Chips may be issued by chip Persons to Patrons seated at a poker table at which a Game is in progress or by general cashiers. Gaming value Chips shall only be redeemed by Gaming Operation Patrons at the cashier's Cage; provided, however, that value Chips may be:

(i) Issued to a Patron in payment of a winning Keno wager and as part of a Keno wagering transaction in which value Chips are tendered for wager;

(ii) Issued to a Patron in payment of a hand-paid Gaming Device jackpot;

(iii) Exchanged by a Patron at the slot booths or with change persons for currency, Coin or slot Tokens to play the Gaming Devices;

(iv) Used by a Patron for Keno wagering, including Keno wagers in public Keno areas; and

(v) Used by a Patron as a Cash Equivalent when purchasing any beverage, including those containing alcoholic liquor, on the Gaming floor.

(3) Except as provided in subsections (7) and (10) below and as otherwise may be specifically approved by the Commission, each Gaming Operation shall redeem its Gaming Chips and plaques only from its Patrons and shall not knowingly redeem its Gaming Chips and plaques from any non-Patron source.

(4) Non-value Chips shall be presented for redemption only at the Gaming table from which they were issued and shall not be redeemed or exchanged at any other location within the Gaming Operation. When non-value Chips are presented for redemption, the Dealer shall accept them in exchange for an equivalent amount of value Chips which may then be used by the Patron in Gaming or redeemed in the same manner as any other value chip.

(5) The Gaming Operation shall have the discretion to permit, limit or prohibit the use of

value Chips in Gaming at roulette, provided however, that:

(i) No person shall be permitted to wager a value chip with a match play Coupon at any roulette table at which match play Coupons are permitted to be used; and

(ii) When value Chips are in use, it shall be the responsibility of the Gaming Operation and its employees to keep accurate account of the wagers being made at roulette with value Chips so that the wagers made by one player are not confused with those made by another player at the table.

(6) Each Gaming chip is solely evidence of a debt that the issuing Gaming Operation owes to the person legally in possession of the Gaming chip or plaque and shall remain the property of the issuing Gaming Operation. Each Gaming Operation shall have the right at any time to demand that the Person in possession of the Gaming chip or plaque surrender the item for redemption in accordance with paragraph (7) below.

(7) The Gaming Operation shall redeem promptly its own genuine Gaming Chips presented by a Patron in person, except when the Gaming Chips or plaques were obtained or being used unlawfully. A Gaming Operation shall redeem its value Chips by accepting them in exchange for an equivalent amount of cash, except as otherwise expressly permitted in this Section.

(8) Notwithstanding paragraph (7) above, if a Patron requests by mail to redeem value Chips in any amount, a Gaming Operation may effectuate such redemption, however, only in accordance with internal controls approved by the Commission.

(9) The Gaming Operation shall accept, exchange, use or redeem only Gaming Chips or plaques that it has issued and shall not knowingly accept, exchange, use or redeem Gaming Chips or plaques, or objects purporting to be Gaming Chips or plaques, that have been issued by any other person.

(10) Employees of a Gaming Operation who are authorized to receive Gaming Chips as personal gratuities may redeem the Gaming Chips at the cashier's Cage or at another secure location in the Gaming Operation as approved by the Commission.

(11) The Gaming Operation shall cause to be posted and remain posted in a prominent place on the front of the cashier's Cage, any satellite Cage, the Keno booth and any satellite Keno booth a sign that reads as follows: "By law, gaming chips or plaques issued by another casino may not be used, exchanged or redeemed in this casino facility."

(d) Receipt of Gaming Chips from manufacturer or distributor; inventory, security, storage and destruction of Chips and plaques.

(1) When Gaming Chips are received from the manufacturer or distributor thereof, they shall be opened and checked by at least three people, one of whom shall be from the accounting or auditing department of the Gaming Operation. Any deviation between the invoice\packing list accompanying the Chips and plaques and the actual Chips or plaques received or any defects found in such Chips or plaques shall be reported promptly to the Commission.

(2) After checking the Gaming Chips or plaques received, the Gaming Operation shall cause to be recorded in a chip inventory ledger the assigned alphabetical designation, the denomination of the value Chips received, the number of each denomination of value chip received, the number and description of all non-value Chips received, the date of any

such receipt and the signatures of the individuals who checked any such Chips and plaques. If the Gaming Chips will not be put into active use, the ledger shall also identify the storage location.

(3) Any Gaming Chips not in active use shall be stored in:

(i) An approved Gaming Operation Vault;

(ii) The cashier's Cage; or

(iii) A comparable secure area, approved by the Commission, which is adjacent to and accessible exclusively from the Gaming Operation.

(4) Whenever any Gaming Chips are taken from or returned to an approved storage area, at least two individuals shall be present, and the following information shall be recorded in the chip inventory ledger together with the date and signatures of the individuals involved:

(i) The alphabetical designation and if applicable, any numeric designation;

(ii) The number and dollar amount for each denomination of value chip removed or returned;

(iii) The number and description of the non-value Chips removed or returned;

(iv) The specific storage area being entered; and

(v) The reason for the entry into the storage area.

(5) At the end of each Gaming day, a Gaming Operation shall compute and record the unredeemed liability for each denomination of value Chips. At least once every 30 days, at a minimum, each Gaming Operation shall inventory all sets of value Chips in its possession and shall record the result of such inventory in the chip inventory ledger. The procedures to be utilized to compute the unredeemed liability and to inventory value Chips shall be submitted to the Commission for approval. A physical inventory of value Chips not in active use shall only be required annually if the inventory procedures incorporate the sealing of the locked compartment.

(6) Prior to the destruction of Gaming Chips, the Gaming Operation shall notify the Commission, in writing, of the date and the location at which the destruction will be performed, the denomination, number and amount of value Chips and plaques to be destroyed, the description and number of non- value Chips to be destroyed and a detailed explanation of the method of destruction. Unless otherwise authorized by the Commission, the destruction of Gaming Chips shall be carried out in the presence of at least two employees of the Gaming Operation, one of whom shall be from the accounting or auditing department of the Gaming Operation and one of whom shall be from any other mandatory department of the Gaming Operation. The denomination, number and amount of value Chips or, in the case of non- value Chips, the description and number so destroyed shall be recorded in the chip inventory ledger together with the signatures of the individuals carrying out such destruction, and the date on which said destruction took place. The Gaming Operation shall also maintain a written log of the names and License numbers of all Gaming Operation personnel involved in each such destruction, as well as the names and addresses of all non-Gaming Operation personnel involved.

(7) A Gaming Operation shall ensure that at all times there is adequate security, as approved by the Commission, for all Gaming Chips in its possession.

Section 6.04 Gaming Equipment - Table Games Controls.

(a) General Approvals.

(1) No Gaming Equipment and materials or any other related accessory may be used in a Gaming Operation if the Gaming Equipment and materials have not been previously approved by the Commission or if the equipment and materials were obtained from a person not authorized by the Commission.

(2) The Gaming Operation shall make available to the Commission, or at the request of the Commission, shall submit for its review, inspection and approval, any Gaming Equipment and materials, and any other related accessories, including, but not limited to, the Gaming tables, roulette wheels, roulette balls, Drop Boxes, big six wheels, Pai Gow shakers, scales, Count Room equipment and counting machines, card dealing shoes, dice, cards, Pai Gow tiles, card reading devices, Gaming Devices, prior to its initial use or after the same has been modified, replaced or moved, in a Gaming Operation.

(3) The Commission may, at its discretion, require from every manufacturer a prototype or sample of any model of Gaming Equipment or of any other device used in a Gaming Operation, to remain in its custody as a control for comparison purposes.

(4) The Gaming Operation or their employees or Agents shall be required to immediately notify a Commission representative about, and submit any evidence of, any Gaming Equipment or other device used in a Gaming Operation, including, but not limited to, the Gaming tables, roulette wheels, roulette balls, Drop Boxes, big six wheels, Pai Gow shakers, scales, counting room equipment and counting machines, card dealing shoes, dice, cards, Pai Gow tiles, card reading devices, Gaming Devices, which has been, or there is reasonable suspicion that it may have been, tampered with or altered in such a way that the integrity or conformity of the Gaming Equipment or the device may have affected its use in a Gaming Operation.

(5) Each Gaming Operation shall be responsible for ensuring that all Gaming Equipment or other devices found in its Gaming Operation have been authorized by the Commission.

(6) The Commission inspector may, at any time, demand that any Gaming Equipment or device be changed, or prohibit its use, if in the opinion of the Commission the same does not provide the appropriate guarantees to the public.

(7) The Gaming Operation, or their authorized employees or Agents, who have retained any Gaming Equipment or any other article in accordance with the provisions of paragraph (4) above under a reasonable suspicion that said Gaming Equipment or article was tampered with or altered, or who has retained any Device of those provided in Section 6.04(b) of these Regulations under a reasonable suspicion that said Device was introduced or used in the Gaming Operation in violation of the Law or these Regulations, shall keep said Equipment or article in the state in which it was found when it was retained, and shall deliver said Equipment or article to a representative of the Commission as soon as possible. A representative of the Commission shall proceed to prepare a report.

(8) The Gaming Operation shall be responsible for ensuring that any Gaming Equipment or any other Device and any evidence related to the same which should be submitted to a Commission representative in accordance with paragraphs (4) or (7) above is maintained in a secure manner until the arrival of the inspector or other authorized representative of

the Commission.

(9) Gaming Equipment to be placed into service shall be acquired from a Licensed and Commission approved vendor. Such vendors shall have demonstrated the experience and knowledge to provide the requested Gaming Equipment which meets the needs of the Gaming Operator from an operational and security perspective.

(b) Prohibited Electronic or Electrical Devices.No person in a Gaming Operation shall possess, with the intent to use, or in any way use, in any Game, by himself or in concert with others, any electronic, electrical or mechanical equipment to assist in projecting the outcome of any Game or in keeping track of or analyzing the cards that have been dealt, the probabilities of change in any Game, or the playing strategies to be used, except with written authorization from the Commission specifically authorizing said person to use any of the above mentioned devices.

(c) Dealing Shoes; Automated Shuffling Devices.

(1) The following words and terms when used in this Section shall have the following meanings: "Base plate" means the interior shelf of the dealing shoe on which the cards rest. "Face plate" means the front wall of the dealing shoe against which the next card to be dealt rests and which typically contains a cutout.

(2) Cards used in Card Games or Table Games approved by the Commission shall be dealt from a manual or automated dealing shoe which shall be secured to the Gaming table when the table is open for Gaming activity and secured in a locked compartment when the table is not open for Gaming activity.

(3) A device which automatically shuffles cards may be utilized at Card Games or Table Games approved by the Commission in addition to a manual or automated dealing shoe, provided that:

(i) The automated card shuffling device and the procedures for shuffling and dealing the cards through the use of the Device are submitted to and approved by the Commission; and

(ii) The security of an automated card shuffling Device conforms to the security of any dealing shoe used at the Gaming table pursuant to subsection (2) above.

(4) Each manual or automated dealing shoe shall be designed and constructed with such features as the Commission may require to maintain the integrity of the Game at which such shoe is used. Such features shall include, at a minimum, the following:

(i) At least the first four inches of the base plate shall be opaque;

(ii) The sides of the shoe below the base plate shall be transparent or have a transparent sealed cutout unless the dealing shoe is otherwise constructed to any object from being placed into or removed from the portion of the dealing shoe below the base plate and to permit the inspection of this portion of the shoe; and

(iii) A stop underneath the top of the face plate shall preclude the next card to be dealt from being moved upwards for more than one-eighth inch distance; and

(iv) Each dealing shoe used in Blackjack and Spanish 21 shall have a mark on the side of the shoe that enables the Dealer, after aligning the stack of cards against the shoe to insert the cutting card in such stack so that approximately one quarter of the stack is behind the cutting card.

(5) A baccarat dealing shoe, in addition to meeting the applicable requirements of subsection (4)(i-iv) above, shall also adhere to the following specifications:

(i) A removable lid shall be opaque from the point where it meets the face plate to a point at least four inches from the face plate;

(ii) The sides and back above the base plate shall be opaque; and

(iii) A device within the shoe shall, when engaged, prevent the cards from moving backward in the shoe.

(6) A Pai Gow poker dealing shoe, in addition to meeting the applicable requirements of (4) above, may, in the discretion of the Gaming Operation, also contain a Device approved by the Commission on the front of the face plate so as to preclude the players from viewing the next card to be dealt.

(7) All dealing shoes and shuffling Devices in the Gaming Operation shall be inspected at the beginning of each Gaming day by a Table Game supervisor assigned to the table prior to cards being placed in them. The purpose of this inspection shall be to assure that there has been no tampering with the shoe or shuffling Device.

(8) For Gaming tables at which a manual dealing shoe is utilized, the shoe shall be located on the side of the Gaming table to the left of the Dealer, and the discard rack shall be located on the side of the Gaming table to the right of the Dealer. For Gaming tables at which either an automated card shuffling device, or an automated dealing shoe is utilized, the location of the automated device or shoe shall be approved by the Commission.

CHAPTER VII. RULES OF THE GAMES

Section 7.01 General Rules of the Games.

(a) All basic rules to regulate the different Games prescribed by the Commission, including those adopted for experimental periods as well as the odds paid by the different authorized Games which are conducted in the Gaming Operation, shall be available for all players in a Gaming Operation, as approved by the Commission.

(b) The maximum and minimum wagers that are accepted for the different Games which are conducted in the Gaming Operation shall be prominently displayed with signs placed at the Gaming table to which said maximum and minimum correspond. The Gaming Operation shall provide notice to Gaming Patrons when Gaming table limits are modified.

(c) All Games offered to be played in the Gaming Operation and their associated rules shall be submitted to and authorized by the Commission prior to implementation of play of the Game. Changes to rules of previously authorized Games shall be submitted to the Commission for review and approval prior to implementation of the rules change.

Section 7.02 New Games; Requirements and Procedures for Application.

(a) The Gaming Operation may Petition the Commission for approval of a proposed Game.

(b) A Petition for approval of a proposed new Game must be in writing.

(c) A proposed new Game may be a variation of an authorized Game, a composite of authorized Games, or any other Game compatible with the public interest and suitable for use in a Gaming Operation.

(d) A Petition for a proposed new Game shall be in writing, signed by the petitioner, and shall include the following information:

(1) The name of the petitioner;

(2) Whether the Game is a variation of an authorized Game, a composite of authorized Games, or another Game which is compatible with the public interest and is suitable for use in a Gaming Operation;

(3) A complete and detailed description of the Game for which approval is sought, including:

(i) A summary of the Game, including the objectives of the Game, the method of play and the wagers offered;

(ii) The draft of proposed rules describing the equipment used to play the Game, and the proposed rules of the Game;

(iii) The true odds, the Payout odds, and the house advantage for each wager;

(iv) A sketch or picture of the Game layout, if any; and

(4) Whether the Game, its name, or any of the equipment used to play it is covered by any copyrights, trademarks or patents, either issued or pending;

(5) Any other pertinent information or material requested by the Commission.

(e) In making a determination whether a proposed new Game is an acceptable variation of an authorized Game or a composite of authorized Games, or is compatible with the public interest,

the Commission may consider rules and method of play; true and Payout odds; wagers offered; layout; equipment used to play the Game; personnel requirements; Game security and integrity; similarity to other authorized Games or other Games of chance; other variations or composites of the Game previously approved as authorized Games; as well as any other relevant factors. Any such determination may be subject to a condition that the Game must undergo a successful test for suitability of use in a Gaming Operation.

(f) No proposed Game may be implemented for Gaming Operation play until it has been approved by the Commission.

CHAPTER VIII. BANK SECRECY ACT / TITLE 31

Section 8.01 Currency Transaction Reporting.

(a) Currency Transaction Reporting Standards.
Each Gaming Operation with annual Gross Gaming Revenues in excess of $1,000,000 shall establish, and the Gaming Operation shall comply with, procedures for the reporting of currency transactions in excess of $10,000 as required by the Bank Secrecy Act known as Title 31 (31 CFR, Chapter X).

(b) Definitions for purposes of this Section:

"Affiliate(s)" are business companies, organizations, or individuals who are affiliates of each other if, directly or indirectly, either one has the power to control the other, or a third-party controls or has the power to control both.

"Casino(s)" A Gaming Operation, defined as a financial institution under 31 CFR 1010.100(t)(5) and 31 CFR 1010.100(t)(6), that is subject to the requirements of the Bank Secrecy Act, known as Title 31.

"Currency" is the Coin and paper money of the United States or of any other country that is designated as legal tender.

"Customer" includes every person that is involved in a transaction with a casino, whether or not that person participates, or intends to participate, in the Gaming activities offered by that Gaming Operation.

"Established customer" is a person with an account with the Gaming Operation, including an authorized Credit or customer deposit account where the Gaming Operation has obtained and maintains on file the person's name and address, as well as taxpayer identification number or social security or employer identification number or, if none, alien identification number or passport number.

"Gaming day" is the normal business day of a Gaming Operation. For a casino that offers 24-hour Gaming, the term means that twenty-four (24) hour period by which the Gaming Operation keeps its books and records for business, accounting, and tax purposes.

"Gaming Operation" is a gambling establishment that is duly Licensed or authorized to do business as such in the United States, or territory or possession of the United States, and has gross annual Gaming Revenue in excess of $1 million.

"Monetary instruments" are:

(a) Currency;

(b) Traveler's checks in any form;

(c) All negotiable instruments including personal checks, business checks, official bank checks, cashier's checks, third-party checks, promissory notes and money orders that are either in bearer form, endorsed without restriction, or otherwise in such form that title thereto passes upon delivery;

(d) Securities or stock in bearer form or otherwise in such form that title thereto passes upon delivery.

"Person" is an individual, a corporation, a partnership, a trust or estate, a joint stock Person, an association, a syndicate, joint venture, or other unincorporated organization or group, and all entities recognized as legal personalities.

"Structure" or "Structuring" is the process of a person engaging in a transaction or transactions, whether

acting alone or in conjunction with others or on behalf of others, who conducts or attempts to conduct one or more transactions in currency, in any amount, at one or more Gaming Operations on one or more days, in any manner, for the purpose of evading the reporting requirements under this Section.

"Transactions" include, but are not limited to, deposit, withdrawal, transfer between accounts, exchange of currency, loan, extension of Credit, purchase or redemption of Gaming Operation Chips or Tokens, or other Gaming instruments or any other payment, transfer, or delivery, by through, or to a Gaming Operation, by whatever means effected.

(a) Currency Transactions.

Each Gaming Operation shall file a report with the US Treasury of each currency transaction or multiple currency transactions, involving cash-in or cash-out in the same Gaming day, of more than $10,000. Cash-in transactions shall not be combined with Cash-out transactions but shall be aggregated separately in order to determine that the reporting threshold is met.

(1) Cash-in transactions include, but are not limited to, the following:

(i) Purchases of Chips, Tokens, and plaques;

(ii) Front money deposits;

(iii) Safekeeping deposits;

(iv) Payments on any form of Credit, including Markers;

(v) Bets of currency;

(vi) Currency received by a Gaming Operation for transmittal of funds through wire transfer for a customer;

(vii) Purchases of a Gaming Operation check; and

(viii) Exchanges of currency for currency, including foreign currency.

(2) Cash-out transactions include, but are not limited to, the following:

(i) Redemptions of Chips, Tokens, and plaques;

(ii) Front money withdrawals;

(iii) Safekeeping withdrawals;

(iv) Advances on any form of Credit, including Markers;

(v) Payments by a Gaming Operation to a Patron for winning bets;

(vi) Payments by a Gaming Operation to a Patron based on receipt of funds through wire transfer for Credit to a Patron;

(vii) Cashing of checks or other negotiable instruments;

(viii) Exchanges of currency for currency, including foreign currency; and

(ix) Reimbursements for Patron's travel and entertainment expenses by the Gaming Operation.

(b) Multiple Transactions and Multiple Transactions Logs.

(1) For currency transaction reporting (CTR) purposes, multiple currency transactions shall be

treated as a single transaction if the casino has knowledge that they are by or on behalf of any Person and result in either cash in or cash out totaling more than $10,000 during any Gaming day.

(2) For purposes of this subsection (d), a Gaming Operation shall be deemed to have the knowledge, if: any sole proprietor, partner, officer, director, or employee of the casino, acting within the scope of his or her employment, has knowledge that such multiple currency transactions have occurred, including knowledge from examining the books, records, logs, information retained on magnetic disk, tape or other machine-readable media, or in any manual system, and similar documents and information, which the casino maintains pursuant to any law or regulation or within the ordinary course of its business, and which contain information that such multiple currency transactions have occurred.

(3) The Gaming Operation shall log monetary transactions for each patron occurring in excess of $3,000, during a Gaming Day, by establishing multiple transaction logs at:

(i) Cage(s);

(ii) Gaming pit(s); or

(iii) Other monitoring areas as specified in the Gaming Operation's system of internal controls.

(4) Before completing a cash transaction with a customer that, when aggregated with others, shall exceed the $10,000 reporting threshold, the Gaming Operation shall complete the identification and record keeping requirements described in subsection (e) below and comply with subsection (c) above.

(e) Report Filing Requirements.

A report required by subsection (c) above shall be filed by the Gaming Operation as required by Federal law.

(1) Before concluding any transaction wherein, a report is required to be filed, the Gaming Operation shall;

(i) Obtain the Patron's name, address, social security or employer identification number;

(ii) Make reasonable attempts to obtain identification credentials such as:

(A) Driver's License;

(B) Passport;

(C) Non-resident alien identification card;

(D) Other reliable Government Issue identification credentials; or

(E) Other identification credentials normally acceptable when cashing checks.

(2) Examine identification credentials specified in subsection 1 above, and record on the report the specific identifying information.

(f) Records to be maintained by Gaming Operations.

Each Gaming Operation shall record and maintain the name, address and social security number

of a customer who opens an account, deposits funds or receives a line of Credit. At the time the account is opened, funds deposited, or line of Credit is approved, the name and address shall be verified by the examination of credentials described in subsection (e)(1). Other records to be maintained include:

(1) Receipt of funds from Patrons;

(2) Bookkeeping entries of debit or credits to the Patron's account;

(3) Statement or ledger card showing deposits, withdrawals, transfers or other activity to the Patron's account;

(4) Record of extension of Credit;

(5) Record of advice, request or instruction received or given by a Gaming Operation for itself or another person with respect to a transaction outside the United States;

(6) Records prepared or received by the Gaming Operation in the ordinary course of its business needed to reconstruct a Patron's account activity;

(7) All records, documents or manuals required to be maintained by Federal laws or Regulations and the Commission;

(8) All records prepared by the Gaming Operation to monitor a Patrons Gaming activity;

(9) A separate record (monetary instrument log) containing a list of each transaction between the Gaming Operation and its Patrons involving the following types of instruments with a value of $3,000 or more:

(i) Personal checks;

(ii) Business checks;

(iii) Official bank checks;

(iv) Cashier's checks;

(v) Third party checks;

(vi) Promissory notes;

(vii) Travelers checks; and

(viii) Money orders.

(10) The record in subsection (f)(9) above shall contain the following;

(i) Date;

(ii) Time;

(iii) Amount;

(iv) Patron's name;

(v) Patron's address;

(vi) Name of drawee or issuer;

(vii) All reference numbers on the instrument; and

(viii) Name or License number of the Gaming Operation employee who conducted the

transaction.

(11) Records required by this subsection shall be retained for a period of five(s) years.

(12) Wherever an original or a microfilm or other copy or reproduction of a check, draft, monetary instrument, investment security, or other similar instrument, is required to be maintained, a copy of both front and back of each such instrument or document shall be maintained.

(13) All such records shall be filed or stored in such a way as to be accessible within a reasonable period of time.

Section 8.02 Suspicious Activity Reporting.

(a) The Gaming Operation shall file, with the US Treasury, to the extent and in the manner required by this Section, a Suspicious Activity Report (SAR) of any suspicious transaction or transactions relevant to a possible violation of law or regulation.

(b) SAR Reporting Requirements.

A transaction requires reporting under the terms of this Section if it is conducted or attempted, by, at, or through a Gaming Operation, and involves or aggregates to any amount in funds or other assets, and the Gaming Operation knows, suspects, or has reason to suspect that the transaction or a pattern of transactions of which the transaction is a part:

(1) Involves funds derived from illegal activity or is intended or conducted in order to hide or disguise funds or assets derived from illegal activity (including, without limitation, the ownership, nature, source, location, or control of such funds or assets) as part of a plan to violate or evade any Federal law or regulation or to avoid any transaction reporting requirement under Federal law or regulation or of the Commission.

(2) Is designed, whether through structuring or other means, to evade any requirements of this part or of any other regulations promulgated under the Bank Secrecy Act;

(3) Has no business or apparent lawful purpose or is not the sort in which the particular Patron would normally be expected to engage, and the Gaming Operation knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction; or

(4) Involves use of the Gaming Operation to facilitate criminal activity.

(c) Filing Procedures.

(1) A suspicious transaction shall be reported by completing a Suspicious Activity Report (FinCEN Form 111), and collecting and maintaining supporting documentation as required by subsection (e) of this Section;

(2) The SAR shall be filed with FinCEN in a manner to be determined by FinCEN, as indicated in the instructions to the SAR;

(3) A SAR shall be filed no later than thirty (30) calendar days after the date of the initial detection by the Gaming Operation of facts that may constitute a basis for filing a SAR under this Section. If no suspect is identified on the date of such initial detection, a Gaming Operation may delay filing a SARfor an additional thirty (30) calendar days to identify a suspect, but in no case shall reporting be delayed more than sixty (60) calendar days after the date of such initial detection. In situations involving violations that require

immediate attention, such as ongoing money laundering schemes, the casino shall immediately notify an appropriate law enforcement authority in addition to filing timely a SAR. Gaming Operations wishing voluntarily to report suspicious transactions that may relate to terrorist activity may call FinCEN's Resource Center in addition to filing timely a SAR if required by this Section.

(d) Exceptions to Filing a SAR.

A Gaming Operation is not required to file a SAR for a robbery or burglary committed or attempted against the Gaming Operation, when it is reported to appropriate law enforcement authorities.

(e) Records to be retained by Gaming Operations.

A Gaming Operation shall maintain a copy of any SAR filed and the original or business record equivalent of any supporting documentation for a period of five years from the date of filing the SAR. Supporting documentation shall be identified as such and maintained by the Gaming Operation and shall be deemed to have been filed with the SAR. A Gaming Operation shall make all supporting documentation available to FinCEN, any other appropriate law enforcement agencies or Federal, State, local or Commission upon request.

(f) Confidentiality of Reports; Limitation of Liability.

No Gaming Operation, and no director, officer, employee, or Agent of any Gaming Operation, who reports a suspicious transaction under this part, may notify any person involved in the transaction that the transaction has been reported. Any person subpoenaed or otherwise requested to disclose a SAR, or the information contained in a SAR, except where such disclosure is requested by FinCEN or another appropriate law enforcement or regulatory agency, shall decline to produce the SAR or to provide any information that would disclose that a SAR has been prepared or filed, citing the requirements of Title 31 U.S.C. and shall notify FinCEN of any such request and its response thereto. A Gaming Operation, and any director, officer, employee, or Agent of such casino, that makes a report pursuant to this Section, whether such report is required by this section or made voluntarily, shall be protected from liability for any disclosure contained in, or for failure to disclose the fact of, such report, or both, to the extent provided by Title 31 U.S.C.

(g) Currency Transactions and Suspicious Transactions Compliance Programs.

(1) To comply with FinCEN requirements for prevention and detection of money laundering and terrorist financing, the Gaming Operation shall develop and implement a written program reasonably designed to assure and monitor compliance with the requirements set forth in this Section.

(2) At a minimum, each compliance program shall provide for:

(i) A system of internal controls to assure ongoing compliance;

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

(iii) Training of Gaming Operation personnel, including training in the identification of unusual or suspicious transactions, Title 31, BSA and AML compliance to the extent that the reporting of such transactions is required by applicable law or regulation,

or by the Gaming Operation's own administrative and compliance policies;

(iv) An individual or individuals to assure day-to-day compliance;

(v) Procedures for using all available information (software programs, reports, and data) to determine:

(A) When required by this Section, the name, address, social security number, and other information, and verification of the same, of a person;

(B) When required by this section, the occurrence of unusual or suspicious transactions or patterns of transactions; and

(C) Whether any record must be made and retained;

(vi) For Gaming Operations that have automated data processing systems, the use of automated programs to aid in assuring compliance; and

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

Section 8.03 CTR and Suspicious Activity Report Filings by the Commission.

(a) The Commission shall at its discretion, subsequent to an investigation or audit, direct that the casino operator files a Suspicious Activity Report for a transaction in the event the Gaming Operation has not prepared a CTR or SAR.

(b) The circumstances and relevant facts resulting in the Commission directive to the Gaming Operation to file a CTR or SAR shall be discussed with the Gaming Operation.

Section 8.04 Title 31 Risk Assessment and Controls.

(a) The Gaming Operation shall conduct, or have conducted, a Risk Assessment which assesses the Gaming Operation's BSA (bank secrecy act), anti-money laundering (AML) program (31 CFR 1010.210). The Risk Assessment shall address, but not be limited to, the risks posed by its:

(1) Products offered;

(2) Services offered;

(3) Customer base; and

(4) Geographical location.

(b) To comply with FinCEN requirements for prevention and detection of money laundering and terrorist financing, the casino must establish controls and implement procedures to ensure ongoing compliance with the BSA, which must provide for:

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

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

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

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

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

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

(7) Job specific training for identification of unusual or suspicious transactions, Title 31, BSA and AML compliance; and

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

CHAPTER IX. EXCLUSIONS

Section 9.01 Exclusion for Cause.

(a) Exclusion List; Creation; Effect. Subject to the requirements of this Section, the Commission shall establish and maintain an Exclusion List. The Exclusion List shall include the names of all persons that the Commission has determined will not under any circumstances be allowed to enter any Gaming Operation or participate in any Class II or Class III Gaming.

(b) Information to be included on the Exclusion List. The following information, to the extent known, shall be provided for each Excluded Person:

(1) Full name; date of birth; and all aliases;

(2) A physical description;

(3) The effective date the Excluded Person's name was placed on the list;

(4) A photograph, if available;

(5) The Excluded Person's occupation and his current home and business address;

(6) The specific reason for exclusion;

(7) The date, if any, the exclusion will expire; and

(8) Such other information as may be deemed necessary by the Commission.

(c) Criteria for Exclusion or Ejection and Placement on an Exclusion List. The Commission may, based upon the recommendation of the management of the Gaming Operation or on its own initiative, subject to the hearing procedures described in Chapter 11, place a person on the Exclusion List if:

(1) Such Person has been convicted of, or pled guilty or no contest to, any felony, any Gaming related crime, or any other crime involving dishonesty or moral turpitude, including without limitation, theft, robbery, burglary, embezzlement, or a conspiracy to commit or be an accessory to any such crime;

(2) Such Person has violated or conspired to violate any provisions of the Act, the IGRA, these Regulations, the Compact or other applicable law;

(3) Such person has a notorious or unsavory reputation or engaged in actions that would likely undermine public confidence and trust in the integrity of Gaming. Descriptions or examples of the types of conduct, habits, and associations that would produce such a reputation are, but not limited to:

(i) Unethical conduct or association with Persons who have an unethical reputation;

(ii) Impeding or undermining official enforcement or investigative efforts from organizations such as but not limited to:

(A) Casino Security;

(B) Casino Surveillance;

(C) The Commission;

(D) Federal, State, Local, and Tribal law enforcement;

(E) The FBI;

(F) The CIA;

(4) Such person has been recognized by the observation of one or more reliable witnesses as a person who counts cards or engages in other forms of cheating or manipulation of Games; or

(5) The person's name appears on any valid and current Exclusion List from another jurisdiction and the reason for such person's exclusion in the other jurisdiction would also be likely to result in exclusion from Gaming Operations located within the Commission's jurisdiction.

(d) Procedure for Entry of Names.

(1) Meets Criteria.
It shall be the duty of the management of the Gaming Operation to inform the Commission in writing of the name of each person that the Management reasonably believes meets the criteria for placement on the Exclusion List, as established by paragraph (c) above. The Commission shall notify the management in writing, following the investigation and hearing described in this subsection whether or not the Commission concurs with the management's recommendation to place a person's name on the Exclusion List.

(2) Investigation.
Upon receipt of a recommendation from the management of the Gaming Operation, the Executive Director of the Commission shall conduct or cause to be conducted an investigation regarding every person whose name is recommended to be placed on the Exclusion List. Upon a determination by the Executive Director that there are adequate grounds to add a person's name to the Exclusion List under the criteria listed in subsection (c) above, the Executive Director shall prepare and submit to the Commission an investigative report and recommendation regarding whether or not the person's name should be added to the Exclusion List. The investigative report shall include all identifying information concerning the person and shall fully describe the grounds upon which the recommendation is based. Pursuant to Chapter 11, written notice of the recommendation shall be given to the person who is the subject of the recommendation and that person must be informed of the opportunity to present evidence and testimony to the Commission concerning the recommendation.

(3) Determination.
If the Commission determines that the person's name should not be added to the Exclusion List, the person's name shall not be added to the Exclusion List and such person shall not be denied access to the Gaming Operation. If the Commission determines that the person's name should be added to the Exclusion List, or such person fails to appear at the hearing or fails to present any relevant evidence or testimony to rebut the investigative report and recommendation from the Executive Director, such person's name shall be promptly added to the Exclusion List. The Commission shall promptly notify the person in writing of the Commission's determination to add or not to add the person's name to the Exclusion List. The Commission may place a person's name on the Exclusion List either permanently or temporarily. If a person's name is placed on the Exclusion List by the Commission temporarily, the Commission shall inform the person in the notice of the Commission's decision and the period of time that person's name will be on the Exclusion List. Once placed in the Exclusion List, a person shall remain on the Exclusion List for a

minimum period of two (2) years.

(e) Removal from the Exclusion List. Any Excluded Person may Petition the Commission in writing at any time, but not more frequently than annually, to have their name removed from the Exclusion List.

(f) Duty to Exclude. It shall be the duty of the Management of the Gaming Operation to exclude or eject from the Gaming Operation any Excluded Person. Any Primary Management Official or Key Employee of a Gaming Operation who knows or has reason to know that an Excluded Person has entered or is attempting to enter a Gaming Operation shall be responsible for notifying appropriate security and surveillance staff and taking other action within the scope of the employee's authority and responsibility.

(g) Distribution and Availability of Exclusion Lists. The Exclusion List shall be regularly updated and shall be distributed to the Gaming Operation. The Exclusion List shall be made available to law enforcement agencies by subpoena or upon official written request to the extent the law enforcement agency can establish a legitimate need for the list. The request must be approved in writing by the Executive Director or his designee.

Section 9.02 Compulsive Gambling and Voluntary Exclusion.

(a) Compulsive Gambling Training.

As approved by the Commission, the Gaming Operation shall establish a training program and identify a person to be responsible for training, or coordination of training to ensure that regulatory requirements of this section are implemented, administered and monitored to maintain the minimum standards.

(b) Comprehensive Employee Training Plan.

The employee training plan established by the Gaming Operation shall include training manuals and other materials necessary to educate employees about compulsive gambling issues. The training plan shall include, but not be limited to, instruction in the psychology of the compulsive gambler, methods of recognizing compulsive gambling behavior, intervention techniques and other relevant subjects.

(1) The plan should include specific, detailed procedures to determine appropriate intervention techniques and Management of the Gaming Operation policy concerning carrying out the intervention techniques in a given circumstance;

(2) Intervention techniques to be employed where a compulsive gambling problem is identified or suspected;

(i) Assistance and referral programs, including specific resources and training on how to discuss compulsive gambling with a Patron and give advice concerning access to available services; and

(ii) Printed materials to educate Patrons about compulsive gambling shall be conspicuously displayed and available to the public. The materials may include signs and posters located inside the Gaming Operation premises, brochures discussing compulsive gambling issues and sources of treatment and information.

(c) Employees Who Must Successfully Complete Compulsive Gambling Training.

(1) All Gaming supervisory employees whose primary responsibilities require that they be

present on the Gaming floor; all security personnel whose primary duties require that they perform their services on the Gaming floor; persons employed as hosts; persons employed in player development; and any other person(s) that the Gaming Operation may designate shall attend training sessions.

(2) A record of all persons having successfully completed the required Compulsive Gambling training shall be maintained by the person designated by Management of the Gaming Operation as the trainer or coordinator of training and a copy of that record shall be supplied to the Human Resources Department, and to the Commission, upon request.

(3) Compulsive Gambling training shall be completed:

(i) Within 90 days of date of hire or promotion; and

(ii) Not less than annually thereafter for refresher training.

(d) Voluntary Exclusion of Patrons.

The Commission may accept requests from Patrons to voluntarily exclude themselves from the Gaming Operation in accordance with the requirements of this Section.

(1) Request for Voluntary Exclusion. Any person who requests to be placed on the Exclusion List shall submit a request in person to the Commission, or an Agent. The requestor shall complete and sign the form in the presence of the Commission or Agent, who shall photograph the person requesting exclusion. The completed and signed request form along with the requestor's photograph shall be maintained by the Commission. A copy of the request form and photograph of the requestor shall be made available to the Gaming Operation upon request. Once the requestor has been photographed and completed the request form, the requestor shall be placed on the Exclusion List.

(2) A voluntary exclusion request form shall be in a form prescribed by the Commission, which shall include the following identifying information concerning the person submitting the request:

(i) Name, including any aliases or nicknames;

(ii) Date of birth;

(iii) Address of current residence;

(iv) Telephone number of current residence;

(v) Social security number, which information is voluntarily provided in accordance with Section 7 of the Privacy Act, 5 U.S.C. 552a; and

(vi) A physical description of the person, including height, weight, gender, hair color, eye color and any other physical characteristic that may assist in the identification of the person.

(3) A Patron who voluntarily requests to be placed on the Excluded List shall be advised that they are, thereafter, not permitted to gamble at the Gaming Operation and are not permitted to enter the Gaming Operation.

(4) Any voluntarily Excluded Person, located in the Gaming Operation, shall be asked to leave the premises and the voluntary status may be changed to involuntary if requested by Gaming Operation Management and approved by the Commission.

(e) Duties of the Gaming Operation.

Once a Patron has been placed on the Excluded List, the Gaming Operation shall establish procedures that are designed, to the greatest extent practicable, to:

(1) Permit appropriate employees of the Gaming Operation to identify an Excluded Person when present in a Gaming Operation and, upon such identification, notify:

(i) Those employees of the Gaming Operation designated to monitor the presence of any Excluded Person; and

(ii) Designated representatives of the Commission;

(2) Refuse wagers from and deny any Gaming privileges to any Excluded Person;

(3) Deny casino Credit, check cashing privileges, player club membership, Complimentary Services and goods, junket participation and other similar privileges and benefits to any Excluded Person;

(4) Ensure that any Excluded Person does not receive, either from the Gaming Operation or any Agent thereof, junket solicitations, targeted mailings, telemarketing promotions, player club materials or other promotional materials relating to Gaming activities from the Gaming Operation; and

(5) Notwithstanding the above, a Gaming Operation shall not be responsible for permitting an Excluded Person to participate in Gaming activity if that person presents a false identification or otherwise attempts in deceiving the Gaming Operation as to his identity.

(6) Any Excluded Person who has engaged in Gaming in the Gaming facility prior to detection and whose Gaming has resulted in Patron Win by the Excluded Person shall forfeit all winnings immediately upon detection of the Excluded Person by either the Gaming Operation or Commission. A Gaming Operation shall not reimburse any losses incurred by an Excluded Person.

(7) Enforce the provisions of this Section.

(f) Patrons placed on the voluntary Exclusion List may not return to the Gaming Operation until their written request for the exclusion to be rescinded is made to the Commission and the Commission has provided that person with written permission to return. The Excluded Person's name will then be removed from the Exclusion List and their privileges shall be restored.

(g) Length of Exclusions and Requests for Reinstatements.

(1) On the first request to be voluntarily excluded, the Patron shall wait a minimum of two (2) years before requesting to be removed from the Exclusion List; and

(2) On the second request to be voluntarily excluded, the Patron is excluded for life. The Patron's name will be placed on the Exclusion List.

(h) Official Exclusion List. The Commission shall maintain the official Exclusion List and shall notify the Gaming Operation of any additions to or deletions from the list.

(i) The Gaming Operation shall maintain its own copy of the Exclusion List and shall establish procedures to ensure that its copy of the Exclusion List is updated immediately upon receipt of additions and deletions from the Commission; and that all appropriate Agents are notified of the changes received. The notice provided by the Commission shall include the name and date of birth of any person whose name shall be removed from the Exclusion List and the following

information concerning any person whose name shall be added to the Exclusion List:

(1) Name, including any aliases or nicknames;

(2) Date of birth;

(3) Address of current residence;

(4) Telephone number of current residence;

(5) Social security number, if voluntarily provided by the person requesting Self- Exclusion;

(6) A physical description of the person, including height, weight, gender, hair color, eye color and any other physical characteristic that may assist in the identification of the person; and

(7) A copy of the photograph taken by the Gaming Commission or Agent.

(j) Information furnished to or obtained by the Commission shall be deemed confidential and not be disclosed except in accordance with this Section.

(k) An Agent shall not disclose any information about any person who has requested Voluntary Exclusion to anyone other than another Agent whose duties and functions require access to such information. Notwithstanding the foregoing, the Gaming Operation may disclose the name of and information about a Self-Excluded Person to other Gaming regulatory agencies.

(l) The Gaming Operation shall submit a copy of its procedures established pursuant to the requirements of this Section to the Commission. Any amendments to said procedures shall be submitted to the Commission prior to their implementation.

CHAPTER X. MISCELLANEOUS PROVISIONS

Section 10.01 Sanctions.

(a) The Commission may initiate regulatory enforcement actions, including fines and/or other penalties, against any Person Licensed under the Act and these Regulations.

(b) Any Person who willfully fails to report, pay or truthfully account for and pay any License Application, investigative or fees imposed by the provisions of the Act and these Regulations, or willfully attempts in any manner to evade or defeat any such fee, or payment thereof shall be subject to regulatory sanctions and shall be liable for the imposition of a sanction of three times the amount of the License fee evaded and not paid, collected or paid over to the Commission.

(c) Any Person who, without obtaining the requisite License as provided for by these Regulations works or is employed in a position whose duties would require Licensing under the provision of these Regulations shall be liable for the imposition of sanctions and subject to a fine of not more than $1,000 and/or suspension or revocation of Licensure.

(d) In addition to any monetary sanction, the Commission shall, after appropriate hearing and factual determinations, have the authority to impose the following sanctions upon any Person Licensed pursuant to the Act and these Regulations:

(1) Revoke the License of any person convicted of any criminal offense for which disqualification would result.

(2) Suspend the License of any person pending a hearing and determination in any case in which License revocation could result.

(3) Suspend or revoke the ability of any Gaming Operation for violation of any provisions of the Act or these Regulations relating to Gaming Operations.

(4) Assess civil penalties as may be necessary to punish misconduct and to deter future violations, which such penalties may not exceed $5,000 in the case of any employee Licensee and, in the case of the Gaming Operation, the penalty may not exceed $10,000 for each violation. The Commission may, as it deems necessary, assess civil fines against a Gaming or Non-Gaming Supplier greater than those prescribed for Licensees or the Gaming Operation.

(5) Issue warning letters, letters of reprimand or censure, which letters shall be made a permanent part of the file of each Licensee so sanctioned.

(e) In considering appropriate sanctions in a particular case the Commission shall consider:

(1) The risk to the public and to the integrity of Gaming operations created by the conduct of the person facing sanctions;

(2) The seriousness of the conduct and whether the conduct was purposeful and with knowledge that it was in contravention of the Act and these Regulations;

(3) Any justification or excuse for such conduct;

(4) The prior history of the Licensee with respect to compliance with the Act and these Regulations;

(5) The corrective action taken by the Licensee to prevent future misconduct of a like nature from occurring;

(6) In the case of a monetary penalty, the amount of the penalty in relation to the severity of the misconduct and the financial means of the Licensee. The Commission may impose any schedule or terms of payment of such penalty, as they may deem appropriate; and

(7) It shall be no defense to any regulatory enforcement or disciplinary action before the Commission that the Applicant or Licensee inadvertently, unintentionally, or unknowingly violated a provision of this Act or Regulations. Such factors shall only go to the degree of the sanction to be imposed by the Commission.

(f) A violation of any provision of these Regulations, which is an offense of a continuing nature, shall be deemed to be a separate offense on each day during which it occurs. Nothing herein shall be deemed to preclude the Commission from finding multiple violations within a day of those provisions of these Regulations which establish offenses consisting of separate and distinct acts.

(g) Reconsideration, Reduction or Waiver of Fine or Penalty, and Settlement.

(1) The Commission may reduce or waive a fine and/or penalty proposed in order to achieve a settlement of the fine and/or penalty with the recipient and avoid the final imposition; provided, the Commission receives a written request by the penalty recipient stating why exceptional factors may be present in a particular case and/or why the proposed fine and/or penalty is unjust.

(2) A Petition for reconsideration and reduction or waiver of fine or penalty shall contain a detailed description of the facts supporting a finding that the proposed fine and/or other penalty is unjust.

(3) In the event an agreement is reached between the Commission and penalty recipient, the penalty recipient waives all rights to further review and all terms and conditions of the agreement must be met as outlined in the settlement agreement.

(4) In the absence of a settlement, the penalty recipient may contest the proposed fine and/or other penalty before the Commission in accordance with the hearing procedures of the Commission.

(h) Fine and/or Penalty Hearings.

(1) A fine and/or penalty Recipient has thirty (30) calendar days from receipt of penalty to request a hearing before the Commission.

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

(i) Criminal Prosecution.

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

(j) A fine and/or penalty assessment shall become final and subject to execution by the Commission upon:

(1) Recipient failing to request a hearing;

(2) The execution of a settlement agreement between the Commission and the recipient of the fine and/or other penalty; or

(3) The service of an order of the Commission imposing a fine and/or penalty assessment after a hearing.

Section 10.02 Patron Complaints.

(a) A Patron who makes a complaint to personnel of the Gaming Operation over the play or operation of any Game within seventy-two (72) hours of the disputed play or operation shall be advised in writing by the Gaming Operation of his or her right to request resolution of the complaint by the Commission, and if dissatisfied with that resolution, to timely proceed to a resolution by a Commission Hearing.

(b) Upon written request by the Patron to the Commission for a resolution of his or her complaint using a form provided by the Commission, the Commission shall conduct a complete investigation, shall provide to the Patron a copy of its Regulations concerning Patron complaints, and shall render a decision. The decision shall be issued within thirty (30) days of the Patron's request, shall be in writing, shall be based on the facts surrounding the dispute, and shall set forth the reasons for the decision.

(c) The Commission or the Hearing Examiner may at its sole discretion decline to resolve the Patron's complaint if:

(1) The Commission determines that the Patron did not first give the Gaming Operation reasonable opportunity to resolve the complaint prior to requesting a resolution by the Commission;

(2) The disputed amount is less than $500.00 USD;

(3) The Commission determines that the nature of the complaint is not sufficiently Gaming-related;

(4) The written request by the Patron to the Commission is not on the form provided by the Commission;

(5) The Patron did not fill out the form provided by the Commission with sufficient detail to conduct an investigation; or

(6) The written request by the Patron to the Commission was submitted to the Commission or was postmarked more than seventy-two (72) hours after the disputed play or operation.

(d) If the Patron is dissatisfied with the decision of the Commission, or no decision is issued by the Commission within the thirty (30) day period, the Patron may request that the complaint be settled by a Commission Hearing in accordance with Rules of Procedure for Hearings contained in Chapter 11 of these Regulations. The hearing shall take place in a location determined by the Commission.

Section 10.03 Patron Complaint Hearing Review.

(a) The Commission or the Hearing Examiner may at its sole discretion, upon written request made by the Patron within 7 days after the hearing decision is served on all parties, order a hearing review upon such terms and conditions as it may deem just and proper.

(b) A request for a hearing review shall not be granted except upon a showing that:

(1) The Commission or the Hearing Examiner has clearly misconstrued applicable law; or

(2) There exists additional evidence which is material and reasonably calculated to change the hearing decision, and sufficient reason existed for the party's failure to present such additional evidence at the hearing.

(c) Rebuttal evidence to the additional evidence may be admitted and considered by the Commission or hearing officer.

(d) The Commission or the Hearing Examiner shall determine whether to modify or let stand the original hearing decision and shall notify all parties in writing of that determination within 30 days of the request for a hearing review.

Section 10.04 Insurance Coverage.

The Tribal Gaming Operation(s) shall carry at a minimum the following liability limits "limit of liability":

(a) Two Hundred Fifty Thousand ($250,000) for any one individual;

(b) Two Million Dollars ($2,000,000) for any one occurrence for individual injury; and

(c) One Million Dollars ($1,000,000) for any one occurrence for property damage. Section 10.05 Commission Equipment. There shall be no tampering with the Commission equipment used in the regulation of Tribal Gaming without proper authorization from the Commission.

CHAPTER XI. RULES OF PROCEDURE FOR HEARINGS

Section 11.01 Scope of Rules of Procedure.

For purposes of this Chapter, the term "Petitioner" refers to an Applicant, Licensee, Excluded Person, Patron, or other Person who is challenging a Commission decision as described in the Act. The term "Respondent" refers to any Person who is the subject of an enforcement proceeding initiated by the Commission. The terms "Petitioner" and "Respondents" are collectively referred to herein as "Petitioner/Respondent".

Section 11.02 Notice of Hearing.

Except as provided otherwise in this Act or the Regulations, the Commission shall make a good faith attempt to provide written notice to the Petitioner/Respondent of the hearing at least seven (7) days prior to the date set for the hearing. The day the Petitioner/Respondent receives the notice shall be considered a full day's notice under this Section. The notice shall be sent by a mail carrier/courier using services that document an attempted delivery or may be personally served upon the Petitioner/Respondent by a member of the Commission Staff. The notice shall state the date, time and place of the hearing. The notice shall also contain an indication of the action(s) being considered by the Commission, including, but not limited to:

(a) Whether the Commission is holding the hearing for the purpose of obtaining further information from the Petitioner/Respondent;

(b) Whether the Commission will be considering the grant or denial of the License Application;

(c) Whether the Commission will be examining any alleged violations of the Act, the Compact, IGRA, the conditions of any License issued by the Commission, any Commission order, these Regulations or any other applicable laws, regulations or agreements;

(d) Whether any other sanctions or penalties will be considered; or

(e) Whether the Commission will be considering overturning or upholding a decision made by an Agent of the Commission. The notice shall also contain a short, plain statement of the reasons the Commission determines the hearing is necessary.

Section 11.03 Ex Parte Communications.

(a) Prohibited.
No ex parte communication relative to the action(s) being considered by the Commission, or a threat or offer of reward shall be made, before a decision is rendered, to any member of the Commission by or on behalf of the Petitioner/Respondent or the Petitioner/Respondent's attorney.

(b) Attorney Communication.
Nothing in this Section shall prohibit the Petitioner/Respondent or the Petitioner/Respondent's attorney from communicating with the Commission's legal counsel, the Executive Director, or the Executive Director's designee.

(c) Report.
Any member of the Commission who receives an ex parte communication shall immediately report such communication to the Commission's legal counsel and turn it over to the Commission's legal counsel.

(d) Matters Prohibited.
For purposes of this Section only, the action(s) being considered by the Commissioners shall be those matters identified in the written notice regarding the hearing as well as any other matters that are actually considered by the Commissioners during a hearing. All matters identified in the written notice shall be subject to the prohibition against ex parte communications. All matters not identified in the written notice that are considered by the Commissioners during a hearing become subject to the prohibition against ex parte communications as soon as they are discussed during the hearing.

(e) Sanction.
The Commissioners shall have the power to impose any sanction authorized under the Gaming Regulatory Act upon its determination that a Petitioner/Respondent has made an ex parte communication in violation of this Section.

Section 11.04 Appearance through Counsel.

(a) Personal Attendance.
Petitioner/Respondent(s) to all hearings governed by this Chapter may appear personally or through an attorney, except that a party to the action must personally attend any hearing on the merits unless his or her attendance has been waived, in writing, by the Commissioners.

(b) Service.
When a Petitioner/Respondent has appeared through an attorney, service of all notices, motions, orders, decisions and other papers thereafter shall be made upon the attorney, unless the Petitioner/Respondent requests otherwise in writing.

(c) Attorney Empowered.
When a Petitioner/Respondent is represented by an attorney, the attorney shall sign all motions, notices, requests, and other papers on behalf of the Petitioner/Respondent, including a request for subpoenas.

(d) Attorney Admission Requirements.
Any attorney appearing before the Commissioners must be duly admitted and authorized to practice before the Pokagon Tribal Court. Notwithstanding the above, the Commissioners may permit, for good cause shown by written application to the Commissioners, attorneys duly Licensed to practice law in any other jurisdiction to appear before the Commission on a case by case basis.

Section 11.05 Discovery Procedures for Enforcement Hearings.

(a) The Commission's legal counsel and the Petitioners/Respondent(s) shall exchange a list of persons that each party intends to call as witnesses no later than five (5) business days before a scheduled hearing. The day the list is received shall be considered a full day's notice under this Section. Each witness shall be identified by name, if known, position and business address. If no business address is available, a home address for the witness shall be provided. Any witness not identified in accordance with this Section may be prohibited from testifying at a hearing in the Commissioners', presiding officer's, or hearing officer's discretion.

(b) The Commission's legal counsel and the Petitioner/Respondent(s) shall exchange a copy of all documents or exhibits that they intend to offer as evidence in support of their case in chief, subject to the provisions of Section 11.06 Confidential Materials. This exchange shall be made to the opposing party no later than five (5) business days before a scheduled hearing. The day the

documents or exhibits are received shall be considered a full day's notice under this Section. Failure to make available any document or exhibit in accordance with this section may, in the Commissioners', presiding officer's, or hearing officer's discretion, be grounds to deny the admission into evidence of such document or exhibit.

Section 11.06 Confidential Materials.

(a) Document Designation.

(1) Prior to submitting any documents or exhibits to the Commission, the Commission's legal counsel or the Petitioner/Respondent(s) may designate any document it reasonably believes to contain confidential information as "Subject to a Confidentiality Claim" by so marking the document in a prominent and evident manner.

(2) Any documents designated as "Subject to a Confidentiality Claim" by the Commission's legal counsel shall not be exchanged with the opposing party but shall be made available for inspection at the Gaming Commission's office.

(b) Commission Ruling.
Documents marked in accordance with subsection (a) above, and any non-public information contained within the document, shall not be made a part of the public record of the Commission proceedings otherwise disclosed by the Commission to any Person (except as may be required under any applicable law, rule, regulation, court or administrative order, or the Compact), without first providing the Commission's legal counsel or the Petitioner/Respondent with the opportunity to seek a ruling by the Commissioners that the document or non- public information contained therein should not be made public. The request for such a ruling and any discussions relating to the document shall be heard and ruled upon by the Commissioners. If the request for such a ruling is made during a public hearing, the hearing shall be adjourned, and the Commissioners shall conduct a closed session in order to hear and rule upon the request of the Commission's legal counsel or the Petitioner/Respondent. The Commissioner's legal counsel or the Petitioner/Respondent may present to the Commissioners in a closed meeting written and oral argument regarding the confidentiality claim, along with any facts the Commission's legal counsel or the Petitioner/Respondent believes to be relevant to such argument.

(c) Commission Decision.
In determining whether a document marked in accordance with subsection (a) above should be made part of the public record of the Commission proceedings, the Commissioners will balance the claim for confidentiality against the materiality of the information to the related regulatory procedure or subject of the hearing, the public's right to be made aware of the information, and the Commission's need to make the information part of the public record in order to remain fully accountable for the Commissioners' decision. In making this determination, the Commissioners shall consider all facts and circumstances relevant to making a proper ruling.

(d) Withdrawal Request.
In the event that the Commissioners rule during a closed meeting that the document in question or information contained therein should be made part of the public record of the Commission's proceedings, the document or information will be made part of the public record unless the Commission's legal counsel or the Petitioner/Respondent requests that the Commissioners withdraw the document from the proceeding and the Commission's possession. In the event the Commission's legal counsel or the Petitioner/Respondent requests that the document be withdrawn from the Commission's possession, the Commissioners will then consider the

withdrawal request when it weighs the other evidence in the proceeding. A withdrawal of documents from the proceeding shall be looked upon by the Commissioners with disfavor, and, depending on the facts and circumstances, the Commissioners may deem the withdrawal of any document to be sufficient cause in and of itself to deny the relief requested by the Petitioner/Respondent.

(e) Closed Session Designation.
In the event that the Commissioners rule during a closed session that the document or information contained therein should not be made part of the public record, the document shall be designated "Confidential" and will not be made part of the public record. The Commissioners may consider the document and information contained therein in camera in making its determination.

(f) Return Documents.
At the conclusion of the Commission proceedings, the Commission will return to the Petitioner/Respondent all documents marked as "Subject to a Confidentiality Claim" pursuant to subsection (a) above that were not (i) made part of the public record of the proceeding or (ii) that were designated as "Confidential" and considered by the Commissioners in camera.

Section 11.07 Hearing Procedures.

(a) The Chairperson of the Commission shall preside over all hearings conducted before the full Commission, and shall call the proceedings to order, control the presentation of evidence, the appearance of witnesses, and the order of the proceedings. In certain circumstances and solely within the discretion of the Commissioners, the Commissioners may designate one or more of the Commission members or retain Administrative Law Judge(s) to serve as hearing officers with regard to such hearings as the Commissioners may determine can be properly handled by a single hearing officer and such hearing officers shall have authority to render decisions and issue findings of fact and conclusions of law.

(b) The Commission may require, upon proper notice, any Person, including, but not limited to, any Applicant, Licensee, Excluded Person or any Agent, employee or representative of such Person, to appear and testify before it with regard to any matter within its jurisdiction at such time and place as it may designate. Such testimony shall be under oath and may include any matters which the Commission deems relevant to the discharge of the Commission's official duties. Testimony at all hearings shall be recorded by a duly certified court reporter or be recorded through a tape recorder and may be used by the Commission as evidence in any proceeding or matter before the Commission. Failure to appear and testify fully at the time and place designated shall result in sanctions. Failure to appear may constitute grounds for:

(1) The refusal to grant a License to the person noticed, and/or that person's principal, or employer;

(2) The revocation or suspension of a License held by the person noticed, and/or that person's principal, or employer; or

(3) The inference that the testimony of the person noticed would have been adverse to that person and/or that person's principal or employer.

(c) Any party to the hearing may call and examine witnesses. The Commissioners, presiding officer, or hearing officer shall exercise their discretion to limit the testimony of witnesses where that testimony is argumentative or repetitive.

(d) The Commissioners, presiding officer, or hearing officer shall have the authority to caution or to

eject from the hearings any person who is disruptive, disorderly, or who shows a lack of proper respect for the Commission or the proceedings.

(e) Persons shall be permitted to speak only when recognized by the Chairperson, presiding officer or hearing officer.

(f) Any Commissioner may ask questions of witnesses and may request or allow additional evidence at any time.

(g) Any party to the hearing may conduct cross-examinations reasonably required for a full and true disclosure of the facts.

(h) Except as otherwise provided in this Act or other Tribal law, all hearings held under this Act shall be open to the public.

(i) The Commission, in its discretion, has the power to sequester witnesses.

Section 11.08 Evidence.

(a) In hearings governed by this Chapter, the Commissioners or the Hearing Officer shall not be bound by the usual Court rules relating to the admission of evidence and calling and questioning of witnesses. The Commissioners or Hearing Officer shall admit all testimony having reasonable probative value, but shall exclude immaterial, irrelevant or unduly repetitious testimony. The Commissioners shall give effect to the rules of privilege unless such privilege is waived. Basic principles of relevancy, materiality and probative force shall govern the proof of all questions of fact. Objections to evidentiary offers and offers of proof of evidence not admitted may be made and shall be noted in the record.

(b) Any evidence, including records and documents in the possession of the Commission which the Commission desires to avail itself, shall be duly offered and made a part of the record in the case. Every party shall be afforded adequate opportunity to rebut or offer countervailing evidence.

(c) The Commission or Hearing Officer may take official notice of any generally recognized fact or any established technical or scientific fact; but parties shall be notified either before or during the hearing or by full reference in preliminary reports or otherwise, of the facts so noticed, and they shall be afforded an opportunity to contest the validity of the official notice.

(d) Documentary evidence may be received in the form of copies or excerpts, if the original is not readily available. Upon request, the Commission, Hearing Officer or the parties shall be given an opportunity to compare the copy to the original.

(e) The record in a hearing governed by these rules shall include:

(1) All Applications, intermediate rulings and exhibits and appendices thereto.

(2) Evidence received or considered, stipulations and admissions, including but not limited to confidential evidence received pursuant to Section 11.07 of these Regulations.

(3) A statement of matters officially noticed.

(4) Questions and offers of proof, objections, and rulings thereon.

(5) Any decision, opinion, findings or report by the Commission.

(6) The transcript prepared by a duly certified court reporter. The Commission may waive the need for a transcript prepared by a duly certified court reporter.

Section 11.09 Burden of Proof.

(a) The Commission shall have the affirmative obligation to establish by a preponderance of the evidence violations of the Act or these Regulations.

(b) A Petitioner/Respondent shall have the affirmative obligation to establish by clear and convincing evidence affirmative qualification for Licensure.

(c) A Patron shall have the affirmative obligation to establish by clear and convincing evidence that the decision made by an Agent of the Commission should be modified or reversed.

Section 11.10 Commission Decisions.

(a) All decisions to be made by the Commission or Hearing Officer under this Act or the Regulations shall, when necessary to support the decision, include findings of fact and determinations of law. The Commission may, at its discretion, include with its decision a statement that the Commission's decision is a "final decision subject to appeal", which shall preclude any rehearing of the decision before the Commission. The Commission's resolution of a Patron complaint shall be final and shall not be subject to further appeal. All such decisions, findings, and determinations shall be made on the record in an open meeting, except as may be otherwise authorized by Tribal law. All Commission decisions shall be made by majority vote, except when this Act expressly authorizes the Commission to delegate authority for specific decisions or actions to a single Commissioner. In the event a Hearing Officer is utilized by the Commission, the Commission shall consider the decision of the Hearing Officer. The Commission shall have authority to accept, amend or reject the findings of the Hearing Examiner.

(b) A good faith attempt to serve a copy of any Commission decision directly affecting an Applicant, Licensee, Excluded Person, other Person directly affected by a Commission decision, as described in this Section, shall be by a mail carrier/courier using services that document the attempted delivery.

Section 11.11 Sanctions.

If any party or its attorney fails to comply with any Commission Determination Order, or any other applicable laws, Regulations or agreements, including, but not limited to any agreement, regarding any matter, including, but not limited to, discovery matters and the failure to appear at a hearing at the scheduled time, the Commission or Hearing Officer, upon motion or upon its own initiative, may in its discretion impose upon such party or attorney, or both, appropriate sanctions in regard to the failure(s) as are just, including, but not limited to, the following:

(a) An order prohibiting the use of any witness, document or tangible thing which should have been disclosed, produced, exhibited or exchanged pursuant to these Rules or any Commission order;

(b) A determination order that designated facts shall be taken to be established;

(c) A determination order that the noncompliant party may not support or oppose designated claims or defenses;

(d) An order striking any pleadings or parts thereof, or staying further proceedings or dismissing the proceeding or any part thereof, or entering a judgment by default against the noncompliant party; or

(e) A finding against the noncompliant party.

CHAPTER XII. LABOR ORGANIZATIONS LICENSING

Section 12.01 General Provisions.

(a) Rights of Collective Bargaining and Concerted Action Not Impaired if Representative not disqualified. These Regulations do not deny or limit in any way the legitimate rights of employees of any Employer to bargain collectively or otherwise to engage in concerted activity for their mutual aid and protection through representatives of their own choosing, if such representatives are not disqualified pursuant to the provisions of these Regulations.

(b) Definitions.
The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise:

"Band" means the Pokagon Band of Potawatomi Indians, a federally-recognized Indian Tribe, whose federally-recognized status was reaffirmed by Congress through enactment of the Pokagon Restoration Act, 25 U.S.C. §§ 1300j- 1300j-8. The term Band includes every department, agency, or organizational entity of the Band engaged in the Governmental Operations of the Band, as that term is defined in the Code.

"Code" shall mean the Band's Labor Organizations and Collective Bargaining Code, as amended.
"Commission" means the Pokagon Band Gaming Commission established pursuant to the Pokagon Band Gaming Regulatory Act, as amended and approved by the National Indian Gaming Commission on June 1, 2007.

"Employer" means the Band and any person, firm, association, corporation or other business entity chartered, organized or otherwise established, which is located within, and employs any person within, the Territorial Jurisdiction of the Band. The term Employer shall not include any person, firm, association, corporation or other business entity chartered, organized or otherwise established, which has its principal place of business outside of the Territorial Jurisdiction of the Band and operates within the Territorial Jurisdiction of the Band to perform construction-related activities.

"Labor Organization" means any labor union or other organization or association of employees whose purpose includes, in whole or in part: negotiating or administering on behalf of employees any collective bargaining agreement or labor disputes; adjusting or seeking to adjust grievances; or negotiating, bargaining, or administering wages, rates of pay, hours of employment, working conditions, or other terms or conditions of employment. The term Labor Organization shall also include an "Affiliate" of any Labor Organization that is chartered by the same parent body, or governed by the same constitution and bylaws, or Labor Organizations having the relation of parent and subordinate or subsidiary.

"Labor Organization Agent" or "Agent" means any person, other than persons whose sole involvement relates exclusively to benefit programs, whether such person is compensated or not, who is authorized or allowed to represent a Labor Organization in any employment matter relating to employees who are employed by any Employer, or who undertake on behalf of the Labor Organization to promote, facilitate or otherwise influence the relations between the Labor Organization and the Employer. The term Labor Organization Agent shall also mean and person that solicits, collects, or receives, or seek to solicit, collect, or receive any dues, assessments, levies, fines, contributions or other charges for or on behalf of a Labor Organization.

"Labor Organization Officer" or "Officer" means any person designated as an officer under the organizational documents of a Labor Organization or pursuant to the decisions of the Labor Organizations governing body, any person authorized to perform the functions of president, vice president, chairman,

vice-chairman, secretary, treasurer or other executive functions of a Labor Organization and any member of its executive Commission or similar governing body.

"Labor Organization Principal Employee" or "Principal Employee" means any employee of a Labor Organization who, by reason of remuneration or of a management, supervisory or policy making position exercises any authority, discretion or influence with regard to any matter relating to employees who are employed by an Employer.

"Organizing Activity" means any manner of soliciting membership in a Labor Organization directed at an employee working for any Employer, including without limitation solicitation by direct personal contact; distributing cards regarding interests or representation; distributing or posting a flyer, poster, or advertisement or any other form of communication.

"Secretary" means the Secretary of the United States Department of Labor. "Territorial Jurisdiction of the Band" means all lands taken into trust for the benefit of the Band by the Secretary of the Interior or otherwise pursuant to federal law.

Section 12.02 Licensing Requirements.

(a) License Requirement.
Prior to commencing any Organizing Activities, a Labor Organization shall file with the Commission a Labor Organization Business License Application on forms prescribed by the Commission, in accordance with the rules of the Commission.

(b) Application for Initial and Renewal of Labor Organization Business License.
An Application for initial or renewal Labor Organization Business License Application shall consist of the annual fee in the amount of $500.00 and a completed original and one copy of the following:

(1) A Labor Organization Business License Application as prescribed and made available by the Commission; and

(2) The information required by these Regulations for each Officer, Agent and Principal Employee of the Labor Organization.

(3) The Business License Application shall require, as a condition of being granted a Business License, that the Labor Organization agrees on behalf of itself and its Officers, Agents, and Principal Employees that it:

(i) Will comply with all rules, Regulations, and laws of the Band; and

(ii) Consents to be subject to the jurisdiction of the Tribal Court, this Commission, and all other jurisdictional authority of the Band.

(c) Information Required as Part of the Business License Application.
Each Labor Organization required under the Code and these rules to obtain and maintain a Business License shall provide the following information with its Business License Application:

(1) Name, address and telephone number of the Labor Organization;

(2) Name and address of any international Labor Organization with which the Labor Organization directly or indirectly maintains an affiliation or relationship;

(3) Copies of all articles of incorporation, articles of organization, or other organizational documents and all by-laws of the Labor Organization;

(4) A list of all Officers, Agents, and Principal Employees of the Labor Organization; and

(5) A written certification under oath in a form prescribed by the Commission, signed by the local Labor Organization president and secretary-treasurer, and chief official of the local Labor Organization if his title is other than president or secretary-treasurer, that the information contained on the list is complete and accurate.

(d) Duration of Labor Organization Business License; Renewal.
The duration of an initial Labor Organization Business License shall be for a period of one year from the date on which the initial Labor Organization Business License Application is accepted for filing by the Commission. Subsequent Applications to renew a Labor Organization Business License shall be filed annually pursuant to the rules of the Commission no later than the first Monday in January that is not designated as a national or Band holiday or sixty (60) days prior to the expiration of the current Business License, whichever occurs first.

(e) Continuing Duty to Disclose.
Every Labor Organization licensed by the Commission under these rules shall be under a continuing duty to promptly disclose any change in the information contained in the Labor Organization Business License Application set forth in accordance with the rules of the Commission and any information otherwise requested by the Commission.

(f) Federal Reports Exception.
Notwithstanding the reporting requirements imposed by the rules of the Commission, no Labor Organization shall be required to furnish any information that is included in a report filed by the Labor Organization with the Secretary of Labor pursuant to 29 U.S.C. Section 431, or 29 U.S.C Section 1001 et seq. if a copy of such report, or if the portion thereof containing such information, is furnished to the Commission pursuant to the aforesaid Federal provisions.

Section 12.03 Individual Disclosure Requirements.

(a) Officers, Agents and Principal Employees; Initial and Renewal Filing Requirements.

(1) Every Officer, Agent and Principal Employee of a Labor Organization required to obtain a Business License from the Commission pursuant to the rules of the Commission shall file with the Commission a completed original and one copy of a Labor Organization Individual Disclosure Form as prescribed by the Commission, which shall contain, at a minimum, the following information:

(i) Full name, including any aliases or nicknames by which he has been or is known;

(ii) Business address and telephone number;

(iii) Home address and telephone number;

(iv) Date and place of birth;

(v) Social Security number;

(vi) Title, designation, or position held with the Labor Organization;

(vii) Date of hire by the Labor Organization, or date of first consultation or advice;

(viii) A detailed description of his:

(A) Labor Organization activities;

(B) Prior performance of the same or similar functions on behalf of a Labor

Organization; and

(C) Previous employment or occupational history.

(ix) Annual compensation including salary, allowances, and other direct or indirect disbursements (including reimbursed expenses) of such person.

(x) Excluding minor traffic offenses, a detailed description of the following areas of criminal conduct if any, for the previous ten years, whether the crime involved is denominated a felony, gross misdemeanor, or misdemeanor:

(A) Any convictions;

(B) Any criminal offenses for which he was charged, indicted or summoned to answer, but for which he was not convicted;

(C) Any criminal offenses for which he received a pardon; and

(D) Any criminal offenses for which the record was expunged or sealed by court order.

(xi) Whether he has ever been denied a business, liquor, Gaming, or professional license, or has had such License revoked;

(xii) Whether he has ever been found by any court or governmental agency to be unsuitable to be affiliated with a Labor Organization and if so, all details relating thereto;

(xiii) Whether he has ever been subpoenaed as a witness before any grand jury, legislative body, administrative body or crime commission and if so, all details relating thereto;

(xiv) A complete set of fingerprints;

(xv) A photograph taken within the last 60 days; and

(xvi) Such other information or documents as the Commission may require.

(2) Notwithstanding the requirements of subsection (1) above, a Labor Organization Individual Disclosure Form need not be filed by an Officer of a national or international Labor Organization who exercises no authority, discretion or influence over the operation of such Labor Organization with regard to any employment matter relating to employees who are employed by an Employer, provided that the Commission may direct such Officer to file such form or to provide any other information in the same manner and to the same extent as may be required of any other Officer of a Labor Organization.

(3) Each Officer, Agent or Principal Employee that is required to file a Labor Organization Individual Disclosure Form shall initially file such form at the time the Labor Organization with whom the individual is associated applies or should apply for a Business License, or within 30 days of the date on which the individual is elected, appointed, or hired, whichever date is later. Upon a showing of good cause, the Commission may extend the time for filing the form.

(4) Each individual who has filed an initial Labor Organization Individual Disclosure Form shall annually file the following with the Commission at the time the pertinent Labor Organization files for renewal of its Business License pursuant to the rules of the Commission:

(i) An original and one copy of a Labor Organization Individual Disclosure Update Form; and

(ii) A certification by the Commission's Licensing Division that the individual has been fingerprinted.

(b) Other Persons Required to File.
Notwithstanding any other provision or exemption contained in these rules, the Executive Director of the Commission may determine at any time that the public interest and purposes of the Code require that, other than Officers, Agents, or Principal Employees of Labor Organizations, any individual who has a material relationship to, or material involvement with a Labor Organization should file a Labor Organization Individual Disclosure Form. A person may be deemed to have a material relationship to, or material involvement with a Labor Organization if he, with or without compensation, as an Agent, consultant, advisor or otherwise, exercises a significant influence upon the management or affairs of a Labor Organization with respect to employees employed by any employer. The foregoing powers of the Commission are not limited to individuals having a formal and direct involvement or relationship with a Labor Organization.

(c) Grounds for Disqualification of Personnel of Labor Organization.
The Commission may individually disqualify any person required under these Regulations to file a Labor Organization Individual Disclosure Form from performing any one or more of the functions of their position with the Labor Organization, if the Commission finds that:

(1) He has been convicted in any jurisdiction of any crime involving moral turpitude or indicating a lack of business integrity or honesty, whether denominated a felony or misdemeanor;

(2) He has made or caused to be made any statement in a document provided to the Commission or its Agents or orally to a Commission member or Agent in connection with the filings required under these Regulations or in an investigation which was, at the time and in the light of the circumstances under which it was made, false or misleading;

(3) He is a member of or an associate of organized criminal elements. Identification as such a member or associate by any law enforcement agency, legislative body or crime commission constitutes evidence which may be considered by the Gaming Commission; or

(4) His moral character and integrity, as evidenced by his prior conduct, are such as to create a reasonable belief that his performance of the specified function would not be consistent with Band policy that Gaming be conducted honestly and free from unlawful conduct and corruptive elements.

(d) Investigation of Personnel of Labor Organization: Powers of Commission; Costs; Consultants; Recommendations.

(1) To determine suitability under and compliance with the Code and these Regulations, the Commission may investigate any person that is required under these Regulations to file a Labor Organization Individual Disclosure Form and any other person whose name is listed by a Labor Organization as an Officer, Agent, or Principal Employee of the Labor Organization, or who it believes is performing or seeking to perform one or more Organizing Activities for the Labor Organization. For this purpose, the Commission is vested with all of the powers which it possesses for the investigation of an Applicant for or holder of a Gaming Employee License under the Code and may further make such

examination as it reasonably deems necessary of the financial records of any Labor Organization for whom such a person is performing or seeking to perform such a function.

(2) The cost of any investigation required by this subsection (d) shall be paid by the Commission from money appropriated or authorized to be used for this purpose, provided that if the cost of the investigation will exceed $10,000, the Commission may require that such excess cost be paid by the Labor Organization.

(3) Whenever the Commission undertakes an investigation pursuant to this subsection (d), the Commission shall employ or consult with some person who has a professional background in the field of labor relations. The same services may be retained to assist the Commission upon any subsequent hearing of the matter.

(e) Disqualification of Personnel of Labor Organization: Notice of Recommendation and Reasons; Notice of Defense.

(1) If the Executive Director of the Commission recommends that a person be disqualified, the Commission shall serve upon the person and the Labor Organization for which the person is performing his function or seeking to perform that function:

(i) A notice;

(ii) A statement of the reasons for the recommendation; and

(iii) Three copies of a form entitled "Notice of Defense."

(2) The notice of defense must read substantially as follows:

NOTICE OF DEFENSE		
Instructions to Respondents: Two copies of this form should be filed with the Pokagon Band Gaming Commission, New Buffalo, Michigan, within fifteen (15) days after service upon you of the enclosed		
complaint. The form must be signed by you or on your behalf. You will note that blanks are provided for any information you wish to supply.		
Question	Yes	No
Do you request a hearing?		
Do you admit the facts stated in the complaint?		
If you admit some of the facts stated in the complaint, but deny others, please specify:		
Are there any defenses or explanations which you believe the Commission should consider?		
If so, please specify:		
Do you wish to state any legal objections to the complaint?		
If so, please specify:		
Note: If you fail to file two copies of this form as specified, the Commission may proceed upon the complaint without a hearing.		

(f) Notice of Defense: Time for Filing; Contents.

(1) Within fifteen (15) days after service upon him of the notice, the respondent may file with the Commission a notice of defense in which he may:

(i) Request a hearing;

(ii) Admit the accusation in whole or in part;

(iii) Present new matter or explanations by way of defense; and

(iv) State any legal objections to the complaint.

(2) Within the time specified, respondent may file one or more notices of defense upon any or all of the above grounds, but all such notices shall be filed within the period specified above unless the Commission authorizes the filing of a later notice.

(g) Right to Hearing; Waiver.
The respondent is entitled to a hearing on the merits if he files a notice of defense within the time allowed and any such notice shall be deemed a specific denial of all parts of the complaint not expressly admitted. Failure to file a notice of defense within the time allowed constitutes a waiver of the respondent's right to a hearing, but the Commission may order a hearing. All affirmative defenses must be specifically stated and unless objection is stated in a notice of defense, all objections to the form of the notice and statement of reasons are waived.

(h) Notice of Hearing.

(1) The Executive Director of the Commission shall determine the time and place of the hearing as soon as is reasonably practical after receiving the respondent's notice of defense. The Executive Director of the Commission shall deliver or send a notice of hearing by registered or certified mail to all parties at least ten (10) days prior to the hearing. Unless the respondent consents, the hearing shall not be held prior to the expiration of the time within which the respondent is entitled to file a notice of defense.

(2) The notice of hearing shall be substantially in the following form, but may include other information:

(i) Subpoenas; Witness Fees; Depositions; Affidavits.

(1) Prior to a hearing before the Commission, and during a hearing upon reasonable cause shown, the Commission shall issue subpoenas and subpoenas duces tecum at the request of a party.

(2) All witnesses appearing pursuant to subpoena, other than parties, officers or employees of the Band or any political subdivision thereof, are entitled to fees and mileage in the same amounts and under the same circumstances as provided by law for witnesses in civil actions in the Pokagon Band Tribal Court. Witnesses entitled to fees or mileage who attend hearings at points so far removed from their residences as to prohibit return thereto from day to day are entitled, in addition to witness fees and in lieu of mileage, to the per diem compensation for subsistence and transportation authorized for Band officers and employees for each day of actual attendance and for each day necessarily occupied in traveling to and from the hearings.

(3) Fees, subsistence and transportation expenses must be paid by the party at whose request the witness is subpoenaed.

(4) The Commission may, in its discretion, award as costs the amount of all such expenses to the prevailing party.

(5) The testimony of any material witness residing within or without the Territorial Jurisdiction of the Band may be taken by deposition in the manner provided by the Rules of Civil Procedure applicable in the Pokagon Band Tribal Court.

(6) Affidavits may be received in evidence at any hearing of the Commission in accordance

with the following:

(i) The party wishing to use an affidavit shall, not less than ten (10) days prior to the day set for hearing, serve upon the opposing party or counsel, either personally or by registered or certified mail, a copy of the affidavit which he proposes to introduce in evidence together with a notice as provided in paragraph (3).

(ii) Unless the opposing party, within seven (7) days after such service, mails or delivers to the proponent a request to cross-examine affiant his right to cross-examine the affiant is waived and the affidavit, if introduced in evidence, must be given the same effect as if the affiant had testified orally. If an opportunity to cross-examine an affiant is not afforded after request therefore is made in accordance herewith, the affidavit may be introduced in evidence, but must be given only the same effect as other hearsay evidence.

(iii) The notice referred to in paragraph (f) must be substantially in the following form:

(j) Hearing: Procedures.

(1) The proceedings at the hearing shall be reported using either stenography or by other reliable means approved by the Commission.

(2) Oral evidence shall be taken only upon oath or affirmation administered by the Commission.

(3) Every party to a hearing is entitled:

(i) To call and examine witnesses;

(ii) To introduce exhibits relevant to the issues of the case, including the transcript of testimony at any investigative hearing conducted by or on behalf of the Commission;

(iii) To cross-examine opposing witnesses on any matters relevant to the issues of the case, even though the matter was not covered in a direct examination;

(iv) To impeach any witness regardless of which party first called him to testify; and

(v) To offer rebuttal evidence.

(4) If the respondent does not testify in his own behalf, he may be called and examined as if under cross-examination.

(5) The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence may be admitted and is sufficient in itself to support a finding if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common-law or statutory rule which might make improper the admission of such evidence over objection in a civil action.

(6) The parties or their counsel may by written stipulation agree that certain specified evidence may be admitted even though such evidence might otherwise be subject to objection.

(k) Hearing: Official Notice.
The Commission may take official notice of any generally accepted information or technical or scientific matter within the field of Gaming, and of any other fact which may be judicially noticed

by the Pokagon Band Tribal Court or the courts of the State of Michigan. The parties shall be informed of any information, matters or facts so noticed, and shall be given a reasonable opportunity, on request, to refute such information, matters or facts by evidence or by written or oral presentation of authorities, the manner of such refutation to be determined by the Commission.

(l) Hearing: Amended and Supplemental Notices and Statements.
The Commission may, before submission of the matter for decision, permit the filing of amended or supplemental notices or statements, and shall notify all parties thereof and provide a reasonable opportunity for objections thereto.

(m) Hearing: Contempt.
If any person in proceedings before the Commission disobeys or resists any lawful order or refuses to respond to a subpoena, or refuses to take the oath or affirmation as a witness or thereafter refuses to be examined, or is guilty of misconduct during the hearing or so near the place thereof as to obstruct the proceeding, the Commission may issue an order directing the person to appear before the Commission and show cause why he should not be punished as for contempt. The Commission order shall be served on the person cited to appear. Thereafter the person charged may purge himself of the contempt in the same way as in the case of a person who has committed a contempt in the trial of a civil action before the Pokagon Band Tribal Court.

(n) Failure to File Notice of Defense or Appear.
Failure of a respondent to file a notice of defense or to request or appear at the hearing constitutes an admission of all matters and facts contained in the complaint filed with respect to such respondent. In such cases the Commission may take action based upon such admission or upon any other evidence, including affidavits, and without any further notices whatever to respondent. In such cases the Commission shall prepare and file a record containing the evidence upon which its action was based.

(o) Disqualification: Written Decision; Notice.
If a person is disqualified after a hearing, the Commission shall prepare and file a written decision setting forth the reasons on which its order is based. Whenever a person is disqualified, the Commission shall in writing notify that person and the Labor Organization, stating what functions the person is disqualified from performing.

(p) Hearing Review.
The Commission may, upon motion therefore made within ten (10) days after service of a decision and order, order a Hearing Review before the Commission upon such terms and conditions as it may deem just and proper. Such motion shall not be granted except upon a showing that there is additional evidence which is material and necessary and reasonably calculated to change the decision of the Commission, and that sufficient reason existed for failure to present such evidence at the hearing of the Commission. The motion shall be supported by an affidavit of the moving party or his counsel showing with particularity the materiality and necessity of the additional evidence and the reason why it was not introduced at the hearing. Upon the Hearing Review, rebuttal evidence to the additional evidence shall be permitted. After the Hearing Review, the Commission may modify its decision and order as the additional evidence may warrant.

Section 12.04 Enforcement.

(a) Injunction; Fine.

(1) If, ten (10) days or more after notice of disqualification is given, a person performs any function for which he is disqualified, the Commission may request that the Band bring an action in the Pokagon Band Tribal Court for an injunction restraining:

(i) The disqualified person from performing any function for which he is disqualified;

(ii) The Labor Organization, after the expiration of the 10-day period, if it has permitted the disqualified person to perform such function, from collecting any dues, assessments, levies, fines or other charges from a disqualified employee; or

(iii) Both the disqualified person and the Labor Organization from these activities respectively.

(2) The Commission may, in addition to requesting injunctive remedies, seek such other remedies as may be available under the Code or other applicable law.

(b) Failure to Comply; Consequences.
The Commission may impose any sanction permitted by the Code including the imposition of fines not exceeding $5,000 per violation or the revocation at any time, with or without a hearing, of a Business License if:

(1) A Labor Organization fails to properly obtain or maintain a valid Business License with the Commission pursuant to the rules of the Commission and or fails to provide all information requested by the Commission in accordance with the provisions of the Code or the Rules of the Commission;

(2) Any Officer, Agent or Principal Employee of such Labor Organization has been found disqualified by the Commission in accordance with the provisions of the Code or the rules of the Commission;

(3) The Labor Organization or any Officer, Agent, or Principal Employee thereof fails to fully comply with the laws of the Band and its regulatory authority, including the Code and the rules of the Commission;

(4) An Officer, Agent, or Principal Employee of a Labor Organization fails to properly file a Labor Organization Individual Disclosure Form with the Commission pursuant to the rules of the Commission or fails to provide all information requested by the Commission in accordance with the provisions of the Code or the rules of the Commission;

(5) The Labor Organization fails to:

(i) Register with the Office of General Counsel for the Band by filing a report, as required in subsection 6(c) of the Code,

(ii) To file with the Office of General Counsel a notice of any changes to the information required by subsection 6(c) of the Code within ten (10) days after the changes are made, or

(iii) To provide any additional information requested by the Office of General Counsel;

(6) The Labor Organization is found to have made false statements on any Application for a Business License or any report required to be filed pursuant to subsection 6(c) of the Code.

CHAPTER XIII. SPORTS WAGERING

Section 13.01 Sanctions.

To ensure the integrity and security of sports wagering operations in Gaming Operations, the requirements of this Chapter apply to all sports wagering operators offering sports wagering to patrons in the Tribe's Gaming Establishments. The requirements outlined in this Chapter supplement and are intended to be interpreted and applied in harmony with, existing Gaming Commission regulations Chapter IV Minimum Internal Control Standards (relating to slot machine, table game and associated equipment testing and control).

Section 13.02 Authorized Sports Wagering Activities.

(a) The following are sports wagering activities authorized by these regulations within the Gaming Operations:

(1) Professional athletic events.

(2) Collegiate athletic events.

(3) Professional motor race events.

(4) International team and international individual athletic events including, but not limited to, those events governed by the International Olympic Committee and the International Federation of Association Football.

(b) The following wagers on activities outlined in Section 13.02(a) are authorized by these regulations within the Gaming Operations:

(1) *Exchange wagering* - A marketplace which permits patrons to bet with or against each other through a gaming platform operated and managed by a sports wagering operator.

(2) *In-game wagers* – Wagers placed on the outcome of an athletic event after the athletic event has started and can continue during the course of live play of the athletic event.

(3) *Parlay wagers* - A wager on two or more outcomes in which all outcome wagers must win or cover for the patron to win or, a series of three or more teams in 2-team parlays. For the patron to win all of the teams must cover/win.

(4) *Proposition wagering* – Wagers placed on the occurrence or non-occurrence of a specific outcome of events within a game not directly involving the game's final outcome.

(5) *Straight wagers* - A wager on a single game or single event that will be determined by a point spread, money line or total score.

(6) Other types of wagers as approved by the Gaming Commission.

(c) The gaming operation shall make available to patrons a clear explanation of all types of wagers permitted by the Gaming Commission and events on which those wagers are permitted.

(d) Sports wagering is considered Class III gaming activity and is therefore limited to the Tribe's Class III Gaming Operations and regulated by the Pokagon Band Gaming Commission.

Section 13.03 Prohibited and Restricted Sports Wagering Activities.

(a) The following sports wagering activity is prohibited:

(1) Wagering on high school athletic events governed by the Michigan Interscholastic Athletic Association or a similar governing body.

(2) Wagering on amateur athletic events, other than collegiate athletic events, unless otherwise specifically approved by the Gaming Commission.

(3) Any other sports wagering activity as prohibited by the Gaming Commission.

(b) A sports wagering operator is prohibited from:

(1) Knowingly accepting wagers from athletes on athletic events of the type in which the athlete participates as well as athletic events governed by the same governing body under which the athlete competes.

(2) Knowingly accepting wagers from a person who holds a position of authority or influence sufficient to exert influence over the participants in an athletic event, or a person connected to an athletic event or governing body including, but not limited to, referees, officials, coaches, managers, handlers, athletic trainers, or a person with access to certain types of exclusive information on any athletic event overseen by the governing body.

(3) Knowingly accepting wagers from an individual the sports wagering operator has reason to believe or suspect is placing the wager on behalf of or for the benefit of another individual that is prohibited from participating in sports wagering under these regulations or other applicable state or federal law.

(4) Encouraging or instructing a patron to attempt to or to structure wagers in any manner that is an attempt to evade or circumvent these regulations or other applicable Pokagon Band, state, or federal law.

(5) Knowingly accept or hold cash or cash equivalents with the understanding that the monies will be used to place a wager upon the occurrence of a specified future contingency unless a sports wagering ticket/voucher detailing the wager is immediately issued upon the sports wagering operator's acceptance of the monies.

(6) Knowingly accept any wagers other than those permitted by the Gaming Commission and shall only accept wagers on events and odds posted by the sports wagering operator.

(c) An athlete or person who holds a position of authority or influence sufficient to exert influence over the participants in an athletic event, or a person connected to an athletic event or governing body including, but not limited to, coaches, managers, handlers, athletic trainers, team physicians or other physicians providing medical consultation or treatment of an athletic participant or a person with access to certain types of exclusive information on any athletic event overseen by the governing body is prohibited from having any ownership interest in or control of a sports wagering operator.

(d) Sports wagering operators are prohibited from having any ownership interest in or control of an athletic team, organization or governing body of an athletic team or organization upon which the sports wagering operator accepts wagers

Section 13.04 Persons Prohibited from Engaging in Sports Wagering Activities.

(a) No person under the age of twenty-on (21) years may engage in sports wagering with a sports wagering operator.

(b) No collegiate or professional athlete, referee, official, coach, manager, handler or athletic trainer or employee or contractor of a team or athletic organization who has access to non-public information concerning an athlete or team may engage in sports wagering on an athletic event or the performance of an individual in such athletic event in which the person is participating or otherwise has access to non-public or exclusive information.

(c) No collegiate or professional athlete, referee, official, coach, manager, handler, athletic trainer, or employee of a team or athletic organization who has access to non-public information concerning an athlete or team may engage in sports wagering on an athletic event or the performance of an individual in such athletic events in the sport or league in which the person is involved.

(d) No person identified in (a) through (c) of this subsection may collect any winnings or recoup any losses from a sports wagering operator as a result of engaging in sports wagering in violation of this section.

(e) The disposition of winnings of a person prohibited from engaging in sports wagering shall be consistent with the disposition of winnings under Section 9.02(e)(6) of these Regulations

Section 13.05 Sports Wagering Definitions.

The following words and terms, when used in this section, have the following meanings unless the context clearly indicates otherwise:

"*Affiliate*" means an individual or entity that promotes sport wagering websites in exchange for a commission or fee.

"*Age, identity, and location verification*" means a method, system, or device used by a sports wagering operator to verify the validity of a patron's age, the patron's identity, and the patron's location.

"Authentication process" means a method used by a system to verify the validity of software. Such method requires calculation of an output digest, which is compared to a secure embedded value. The minimum output digest shall be of 128-bit complexity. Software shall be deemed to have been authenticated if the calculated digest equals the secure embedded value.

"*Cancelled wager*" means a wager that has been cancelled by the sports wagering system due to an issue with an event that prevents the wager's completion.

"Communication technology" means the methods used and the components employed to facilitate the transmission of information including, but not limited to, transmission and reception systems based on wire, cable, radio, microwave, light, optics, or computer data networks.

"*Dormant account*" means a sports wagering account that has had no login or wagering activity for a period of three (3) years.

"Integrity monitoring" means monitoring of sports wagering to identify unusual betting or suspicious sports wagering activities from a match-fixing and sporting corruption standpoint to then report such activities to required parties.

"*Layoff wager*" is a wager placed by a sports wagering operator with another sports wagering operator for the purpose of offsetting patron wagers.

"Onsite sportsbook" means sports wagering activities conducted via self-service kiosks or point of sale system in the sports wagering areas of a Gaming Operation.

"*Patron*" means an individual authorized to participate in sports wagering activities conducted pursuant to these regulations.

"Personal identifiable information" means any data or information that can be used, on its own or with other data or information, to identify, contact or otherwise locate a registered patron, including a registered patron's name, address, date of birth and social security number.

"Point of sale system" means all the hardware, software and communications that comprises a stand-alone or integrated system capable of accepting sports wagers via terminals attended to by a cashier and is located at a Gaming Operation.

"Risk management" means processes and tools that sports wagering operators use to manage the risk and liabilities associated with sports wagering.

"Self-service kiosks" means automated self-service booths or other structures with touch-screen computers, or other devices at which a patron can place sports wagers, redeem sports wagering tickets, process sports wagering vouchers, and for such other functions as may be approved by the Gaming Commission.

"*Sports betting*" means to operate, conduct, or offer for play wagering conducted under these regulations on athletic events and other events approved by the Gaming Commission. Sports betting includes, but is not limited to, single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange betting, in-game betting, proposition bets, and straight bets. Sports betting does not include a fantasy contest.

"*Sports betting wagering device*" means a mechanical, electrical, or computerized terminal, device, apparatus, or piece of equipment used to place an internet sports betting wager. Sports betting wagering device does not include a personal computer, mobile phone, or other device owned and used by an individual to place an internet sports betting wager.

"*Sports governing body*" means an organization that prescribes final rules and enforces codes of conduct with respect to a sporting event, member clubs and participants therein.

"Sports wagering account" means an electronic account that may be established by a patron at a Gaming Operation for the purpose of sports wagering.

"Sports wagering communication" means the transmission of a wager between a point of origin and a point of reception by aid of a communications technology.

"Sports wagering device and associated equipment" means a self- service kiosk, point of sale system or other device, including associated equipment, used to accept sports wagering as permitted for use in Gaming Operations by the Gaming Commission.

"Sports wagering operations" means the business of accepting wagers at a licensed facility on sports events or on the individual performance of athletes in a sporting event or combination of sporting events by any system or method of wagering, including over the internet, mobile applications and onsite sports wagering systems pursuant to these regulations.

"*Sports wagering lounge*" means a designated area in a licensed facility where sports wagering is conducted.

"*Sports wagering operator*" means a certificate holder or vendor licensed to conduct sports wagering.

"*Sports wagering patron funds*" means the cash or cash equivalents that are owned by the sports wagering patrons, are maintained in segregated patron accounts, and are not commingled with the sports wagering operator's operational funds.

"*Sports wagering system*" means all equipment and software used in conjunction with the sports wagering operation, approved by the Gaming Commission to conduct sports wagering in Gaming Operations, including but not limited to, the following: (1) all hardware, software and associated equipment that comprise the sports wagering platform for the purpose of authorizing sports wagering; (2) self-service sports wagering kiosks; (3) ticket/voucher redemption devices; and (4) any other device, service or system that the Gaming Commission determines to be related to the sports wagering system.

"*Sports wagering ticket*" means a printed record issued or an electronic record maintained by the sports wagering system that evidences a sports wager.

"*Sports wagering voucher*" means a printed record, or digital representation thereof, issued by a sports wagering system that may be used to fund a wager or may be redeemable for cash.

"*Suspicious wagering*" means unusual wagering activity, such as the size of a patron's wager or increased wagering volume on a particular event or wager type, which may be indicative of match-fixing, the manipulation of an event, misuse of inside information, or other prohibited activity.

"*Winnings*" means the total cash value of all property or sums including currency or instruments of monetary value paid to an authorized participant by a sports betting operator as a direct result of a winning sports betting wager.

Section 13.06 Testing and Approval.

Prior to operating an onsite sportsbook, all sports wagering devices and associated equipment used in conjunction with such operations must be submitted to the Gaming Commission for review and testing and approval by the Gaming Commission. A Gaming Commission approved independent testing laboratory shall certify that all self-service kiosks and other sports wagering devices and associated equipment meets or exceeds the most current version of Gaming Laboratories International's GLI-20, Standards for Kiosks, or equivalent standard as approved by the Gaming Commission. For purposes of this section, sports wagering devices and associated equipment that shall be submitted for testing and approval include:

(a) Self-service kiosks.

(b) Point of sale systems.

(c) Other related devices or systems as required by the Gaming Commission.

(d) The technical security standards (controls) must meet or exceed the standards prescribed in Gaming Laboratories International, LLC Standard GLI-33: Standards for Event Wagering Systems, version 1.1, released May 14, 2019

Section 13.07 Wagering Device Requirements.

(a) All wagering device programs shall contain sufficient information to identify the software and revision level of the information stored on the wagering device.

(b) All wagering devices shall have the ability to authenticate that all critical components being utilized are valid upon installation of the software, each time the software is loaded for use and

on demand as required by the Gaming Commission. Critical components may include, but are not limited to, wagering information, elements that control the communications with the sports wagering system or other components that are needed to ensure proper operation of the wagering device. In the event of a failed authentication (i.e., program mismatch or authentication failure), the wagering device shall cease all wagering operations and display an appropriate error message. The sports wagering system shall have the ability to disable the wagering device upon any unsuccessful verification.

(c) All wagering devices shall be capable of recording the following information for each wager made:

(1) Description of event.

(2) Event number.

(3) Wager selection.

(4) Type of wager.

(5) Amount of wager.

(6) Date and time of wager.

(7) Unique wager identifier.

(8) An indication of when the ticket expires.

Section 13.08 Self-Service Kiosks and Point of Sale System Requirements.

(a) All self-service kiosks and point sale devices shall have an identification badge affixed to the exterior of the device by the manufacturer. The identification badge shall not be removable without leaving evidence of tampering. This badge shall include the following minimum information:

(1) The complete name of the manufacturer or some appropriate abbreviation for same.

(2) A unique serial number.

(3) The self-service kiosk or point of sale device model number.

(4) The date of manufacture.

(b) All self-service kiosks and point of sale devices shall meet the following basic hardware requirements:

(1) Identification for any printed circuit board ("PCB") that impacts the integrity of the self-service kiosk or point of sale device shall include the following:

(i) Each PCB shall be clearly identifiable by an alphanumeric identification and, when applicable, a revision number.

(ii) If track cuts, patch wires, or other circuit alterations are introduced to the PCB, then a new revision number shall be assigned.

(2) If the self-service kiosk or point of sale device contains switches and/or jumpers, they shall be fully documented for evaluation by the Gaming Commission.

(3) The self-service kiosk or point of sale device shall be designed so that power and data cables into and out of the self-service kiosk or point of sale device can be routed so that they are not accessible to the general public.

(4) Wired communication ports shall be clearly labeled and must be securely housed within the self-service kiosk or point of sale device to prevent unauthorized access to the ports or their associated cable connectors.

(c) All self-service kiosks and point of sale devices shall meet the following basic power requirements:

(1) The self-service kiosk and point of sale device shall not be adversely affected, other than resets, by surges or dips of ± 20% of the supply voltage. It is acceptable for the self-service kiosk or point of sale device to reset provided no damage to the equipment or loss or corruption of data is experienced.

(2) The power supply used in a self-service kiosk or point of sale device must be appropriately fused or protected by circuit breakers. The amperage rating of all fuses and circuit breakers must be clearly stated on or near the fuse or the breaker.

(3) An on/off switch that controls the electrical current supplied to the self-service kiosk or point of sale device shall be located in a place which is readily accessible within the interior of the self-service kiosk or point of sale device. The on/off positions of the switch shall be clearly labeled.

(d) All self-service kiosks and point of sale device shall meet the following basic security requirements:

(1) A self-service kiosk or point of sale device shall be robust enough to resist forced entry into any secured doors, areas, or compartments. In the event that extreme force is applied to the cabinet materials causing a potential breach in self-service kiosk or point of sale device security, evidence of tampering must be conspicuous. “Secured areas” or “secured compartments” shall include the external doors such as the main door, cash compartment doors such as a drop box door, peripheral device access area(s), and/or other sensitive access areas of the self-service kiosk or point of sale device.

(2) The following requirements apply to the self- service kiosk’s or point of sale device’s external doors:

(i) External doors shall be manufactured of materials that are suitable for allowing only legitimate access to the inside of the self-service kiosk cabinet or point of sale device. Doors and their associated hinges shall be capable of withstanding determined and unauthorized efforts to gain access to the interior of the self-service kiosk or point of sale device and shall leave conspicuous evidence of tampering if such an attempt is made.

(ii) The seal between the self-service kiosk cabinet or point of sale device and the door of a locked area shall be designed to resist the entry of objects. It shall not be possible to insert an object into the self-service kiosk or point of sale device that disables a door open sensor when the self-service kiosk’s or point of sale device’s door is fully closed, without leaving conspicuous evidence of tampering.

(iii) All external doors shall be secure and support the installation of locks.

(iv) All doors that provide access to secure areas of the self-service kiosk or point of sale device shall be monitored by a door access detection system.

(A) The detection system shall register a door as being open when the door is moved from its fully closed and locked position, provided power is supplied to the self- service kiosk or point of sale device.

(B) When any door that provides access to a secured area or secured compartment registers as open, the self-service kiosk or point of sale device shall cease all wagering operations and display an appropriate error message.

(e) All self-service kiosks and point of sale devices shall meet the following basic critical non-volatile memory requirements:

(1) Critical non-volatile memory shall be used to store all data elements that are considered vital to the continued operation of the self-service kiosk or point of sale device, including, but are not limited to self-service kiosk configuration and point of sale device data and state of operations.

(2) Critical non-volatile memory shall not store sensitive information outside of self-service kiosk and point of sale device operations; however, critical non-volatile memory may be maintained by any component(s) of the sports wagering system.

(3) The self-service kiosk or point of sale device must have a backup or archive capability, which allows the recovery of critical non-volatile memory should a failure occur.

(4) Critical non-volatile memory storage shall be maintained by a methodology that enables errors to be identified. This methodology may involve signatures, check sums, redundant copies, database error checks, and/or other method(s) approved by the Gaming Commission.

(5) Comprehensive checks of critical non-volatile memory data elements shall be made on startup. Non-volatile memory that is not critical to self-service kiosk or point of sale device integrity is not required to be checked.

(6) An unrecoverable corruption of critical non- volatile memory shall result in an error. Upon detection, the self-service kiosk and point of sale device software shall cease to function. Additionally, the critical non-volatile memory error shall cause any communication external to the self-service kiosk to cease.

(f) All self-service kiosk and point of sale device software, after a program interruption, shall recover to the state it was in immediately prior to the interruption occurring. Any communications to an external device shall not begin until the program resumption routine, including any self-test, is completed successfully.

(g) Reconciliation. The Gaming Operation's accounting department shall reconcile the sports wagering kiosks on a daily basis pursuant to internal controls. Any variance of $500.00 or more shall be documented by Revenue Audit and reported in writing to the Gaming Commission's Audit Department within seventy-two (72) hours of the end of the gaming day during which the variance was discovered. The report shall indicate the cause of the variance and shall contain any documentation required to support the stated explanation.

Section 13.09 Ticket/Voucher Requirements.

(a) All tickets/vouchers generated by a self-service kiosk or by a point of sale system shall include the following general information:

(1) Name and address of the party issuing the ticket/voucher.

(2) A barcode or similar symbol or marking, as approved by the Gaming Commission, corresponding to a unique wager identifier.

(3) Method of redeeming a winning ticket/voucher via mail.

(4) Identification of the self-service kiosk or cashier at the point of sale device that generated the ticket/voucher.

(5) Amount of ticket/voucher.

(6) Date, time and location of issuance.

(7) Unique voucher identifier.

(8) Expiration date of the ticket/voucher.

(9) Date, time and location of redemption, if applicable

(b) All self-service kiosks and point of sale system generating tickets/vouchers shall be capable of processing lost, destroyed or expired wagering tickets/vouchers.

(c) All tickets/vouchers generated by a self-service kiosk or by a point of sale system shall be capable of clearly indicating that a ticket/voucher is voided or cancelled and rendered nonredeemable.

Section 13.10 Ticket/Voucher Redemption.

(a) Winning sports wagering tickets/vouchers shall be redeemed by a point of sale cashier or a self-service kiosk after verifying the validity of the wagering ticket through the sports wagering system. The point of sale cashier or a self-service kiosk shall cause the sports wagering system to electronically redeem and cancel the wagering ticket upon redemption.

(b) A patron may redeem by mail a winning sports wagering ticket/voucher to the address provided thereon in accordance with the sports wagering operator's internal controls as approved by the Gaming Commission.

(c) Self-service kiosks shall be capable of recognizing payment limitations or payment errors such as bill out jams and insufficient funds. When a payment limitation or error occurs, the self-service kiosk shall be designed to electronically record the payout limitation or error and perform the following:

(1) Reject the transaction.

(2) Issue an error receipt.

(3) Issue a replacement sports wagering ticket/voucher.

(d) When an error receipt is issued from a self-service kiosk, the self-service kiosk or receipt shall advise the patron or employee to see a point of sale cashier for payment. Error receipts shall be designed to include the following, at a minimum:

(1) The time and date.

(2) Identification of the issuing self-service kiosks.

(3) The amount of money that the self-service kiosks failed to dispense.

(e) When used to redeem sports wagering tickets/vouchers, self-service kiosks shall work in conjunction with an approved sports wagering system and shall be designed to:

(1) Accurately obtain the unique identification number of the item presented for redemption and cause such information to be accurately and securely relayed to the sports wagering system for the purpose of redemption.

(2) Issue currency and/or a sports wagering voucher in exchange for the item presented only if the sports wagering system has authorized and recorded the transaction.

(3) Return a sports wagering ticket/voucher to the patron when it cannot be validated by the sports wagering system or is otherwise unredeemable.

(f) When used to redeem sports wagering tickets/vouchers, the self-service kiosk or kiosk computer system shall be capable of generating a "Sports Pool Ticket/Voucher Redemption Machine Report" for each gaming day. The report shall include the ticket/voucher's unique identifier, the date and time of redemption and the value of the voucher.

Section 13.11 Sports Wagering System General Requirements.

(a) Reserve requirement. A sports wagering operator shall maintain a reserve in the form of cash, cash equivalents, payment processors reserves, payment processor receivables, an irrevocable letter of credit, a bond, or combination thereof, of not less than the greater of $500,000 or the amount necessary to ensure the ability to cover the outstanding sports wagering liability.

(b) A sports wagering system shall, at least once every twenty-four (24) hours, perform a self-authentication process on all software used to offer, record and process wagers to ensure there have been no unauthorized modifications. In the event of an authentication failure, at a minimum, the sports wagering system shall immediately notify the operator's sports wagering manager and the Gaming Commission within 24 hours. The results of all self-authentication attempts shall be recorded by the system and maintained for a period of not less than ninety (90) days.

(c) System assessment. Each sports wagering operator shall, within ninety (90) days of commencing operations, and annually thereafter, perform a system integrity and security assessment of sports wagering systems conducted by the Gaming Operation's Information Security Team, the Gaming Commission, or an independent professional selected by the Gaming Operation and subject to approval of the Gaming Commission. The Gaming Operation's Information Security Team or independent professional's report on the assessment shall be submitted to the Gaming Commission and shall include:

(1) Scope of review;

(2) Name and company affiliation of the individual(s) who conducted the assessment;

(3) Date of assessment;

(4) Findings;

(5) Recommended corrective action, if applicable; and

(6) The operator's response to the findings and recommended corrective action.

(d) The sports wagering operator operating the sports wagering system shall provide access to wagering transaction and related data as deemed necessary by the Gaming Commission in a manner approved by the Gaming Commission.

(e) A sports wagering system shall be capable of preventing any sports wager in excess of $10,000 or making a payout in excess of $10,000 until authorized by a sports wagering supervisory authority designated with such authority by internal controls approved by the Gaming Commission.

(f) Layoff wagers are prohibited pursuant to these regulations.

Section 13.12 Sports Wagering Accounting and Internal Controls.

(a) To ensure the integrity and security of sports wagering operations in Gaming Operations, the requirements of this chapter apply to all sports wagering operators seeking to offer sports wagering to patrons in Gaming Operations. The requirements in this chapter supplement, and are intended to be interpreted and applied in harmony with, existing Gaming Commission regulations in Chapter IV Minimum Internal Control Standards (relating to Slot Machine, Table Game and Associated Equipment Testing and Control; Accounting and Internal Controls).

(b) Handling of Sports Wagering revenues shall be conducted in the same manner and with the same controls as delineated in in § 5.05 "Gaming Device Bill Acceptor Canister Drop and Count."

(c) Keys which provide access to Sport wagering funds shall be considered sensitive and shall be subject to the requirements of § 4.12 "Key Controls," including but not limited to:

(1) Sport Wagering Canister Release Key (for kiosks)

(2) Sport Wagering Canister Contents Key

(3) Sport Wagering Canister Trolley Keys

(4) Sport Wagering Point of Sale Key *(assuming a drop box would be used here and not a register with a till)*

(5) Storage cabinets or trolleys for unattached Sport Wagering Canisters

(6) Locations housing a computer that controls a Sports betting wagering device

Section 13.13 Sports Wagering Internal Controls.

(a) At least thirty (30) calendar days prior to commencing sports wagering under these regulations, a sports wagering operator shall submit to the Gaming Commission for approval internal controls for all aspects of sports wagering (i.e. onsite sportsbook operations and non-primary location sportsbook operations) prior to implementation and any time a change is made thereafter. The internal controls shall include detailed procedures for system security, operations, accounting, reporting of compulsive and problem gamblers and other information as required by the Gaming Commission.

(b) Notwithstanding subsection (a), the procedures and controls may be implemented by a sports wagering operator upon the filing of the procedures and controls with the Gaming Commission and written approval to commence operations by the Executive Director. Each procedure or control submission shall contain both narrative and, where relevant, diagrammatic representations of the system(s) to be utilized and shall include, but need not be limited to:

(1) Reliable accounting controls, including the standardization of forms and definition of terms to be utilized in the sports wagering operations.

(2) Procedures, forms and, where appropriate, formulas to govern the following:

(i) Calculation of hold percentages.

(ii) Revenue drops.

(iii) Expense and overhead schedules.

(iv) Complimentary services.

(v) Cash-equivalent transactions.

(3) Job descriptions and the system of personnel and chain of command, establishing a diversity of responsibility among employees engaged in sports wagering operations, including employees of a sports wagering operator and identifying primary and secondary management and supervisory positions for areas of responsibility.

(4) Should the Gaming Operations establish sports wagering accounts for patrons, procedures for the registration of patrons and establishment of sports wagering accounts, including a procedure for authenticating the age, identity and physical address of an applicant for a sports wagering account and whether the applicant is a person prohibited from establishing or maintaining an account under applicable laws or regulations.

(5) Should the Gaming Operations establish sports wagering accounts for patrons, procedures for terminating a registered patron's sports wagering account and the return of any funds remaining in the sports wagering account to the registered patron.

(6) Should the Gaming Operations establish sports wagering accounts for patrons, procedures for suspending or terminating a dormant sports wagering account and the return of any funds remaining in the dormant sports wagering account to the registered patron.

(7) Procedures for the logging in and authentication of a registered patron in order to enable the patron to commence sports wagering and the logging off of the registered patron when the patron has completed play, including a procedure to automatically log a registered patron out of the patron's sports wagering account after a specified period of inactivity.

(8) Procedures for the crediting and debiting of a registered patron's sports wagering account.

(9) Procedures for cashing checks, receiving electronic negotiable instruments and for redeeming cash equivalents.

(10) Procedures for withdrawing funds from a sports wagering account by the registered patron.

(11) Procedures for the protection of a registered patron's funds, including the segregation of a registered patron's funds from operating funds of the sports wagering operator.

(12) Procedures for recording transactions pertaining to sports wagering.

(13) Procedures for the security and sharing of personal identifiable information of a registered patron, funds in a sports wagering account and other information as required by the Gaming Commission. The procedures shall include the means by which a sports wagering operator will provide notice to a registered patron related to the sharing of personal identifiable information.

(14) Procedures and security for the calculation and recordation of revenue.

(15) Procedures for the security of sports wagering devices and associated equipment.

(16) Procedures and security standards as to receipt, handling and storage of sports wagering devices and associated equipment.

(17) Procedures and security standards to protect and respond to suspected or actual hacking or tampering by any person with the sports wagering operator's sports wagering devices and associated equipment.

(18) Procedures to verify each registered patron's physical location each time a registered patron logs into his or her sports wagering account and at appropriate intervals thereafter as determined by the Gaming Commission.

(19) Procedures and appropriate measures implemented to deter, detect and, to the extent possible, to prevent cheating, including collusion, and use of cheating devices, including the use of software programs that make wagers according to algorithms.

(20) Procedures to govern emergencies, including or actual cyber-attacks, hacking or tampering with the suspected sports wagering operator's sports wagering devices and associated equipment. The procedures shall include the process for the reconciliation or repayment of a registered patron's sports wagering account.

(c) The submission required under subsections (a) and (b) shall include a detailed description of the sports wagering operator's administrative and accounting procedures related to sports wagering, including its written system of internal controls. Each written system of internal controls shall include:

(1) An organizational chart depicting appropriate functions and responsibilities of employees involved in sports wagering.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) The record retention policy of the sports wagering operator.

(4) The procedure to be utilized to ensure that money generated from the conduct of sports wagering is safeguarded and accounted for.

(5) Procedures to ensure that recorded accountability for assets is compared with actual assets at intervals required by the Gaming Commission and appropriate action is taken with respect to discrepancies.

(6) Procedures to be utilized by an employee of a sports wagering operator in the event of a malfunction of sports wagering operator's sports wagering devices and associated equipment used in the conduct of sports wagering.

(7) Procedures to be utilized by the sports wagering operator to prevent persons under the age of twenty-one (21) years, self-excluded or involuntary excluded individuals, and otherwise unauthorized individuals from engaging in sports wagering.

(8) Other items the Gaming Commission may request in writing to be included in the internal controls.

(d) Prior to authorizing a sports wagering operator to commence the conduct of sport wagering, the Gaming Commission shall review and approve the system of internal controls, security protocols and audit protocols submitted under this section to determine whether they conform to the requirements of this section and whether they provide adequate and effective controls for the conduct of sports wagering.

(e) If a sports wagering operator intends to make a change or amendment to its system of internal controls applicable to the sports wagering operation, it shall submit the change or amendment

electronically to the Gaming Commission, in a manner prescribed by the Gaming Commission. The sports wagering operator may implement the change or amendment on the 30th calendar day following the filing of a complete submission unless the sports wagering operator receives written notice tolling the change or amendment in accordance with this section or written notice from the Gaming Commission's Executive Director rejecting the change or amendment.

(f) If during the 30-day review period in this chapter, the Gaming Commission preliminarily determines that a procedure in a submission contains an insufficiency likely to negatively affect the integrity of sports waging or the control of revenue generated from sports wagering, the Gaming Commission, by written notice to the sports wagering operator, will:

(1) Specify the nature of the insufficiency and, when possible, an acceptable alternative procedure.

(2) Direct that the 30-calendar day review period in this chapter to be tolled and that any internal controls at issue not be implemented until approved under this chapter.

(g) Examples of submissions that may contain an insufficiency likely to negatively affect the integrity of sports wagering may include, but are not limited to, the following:

(1) Submissions that fail to provide information sufficient to permit the review of sports wagering activities by the Gaming Commission.

(2) Submissions that fail to provide for the segregation of incompatible functions so that no employee is in a position to both commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) Submissions that do not include forms or other materials referenced in the submission or required under the act or this part.

(4) Submissions that would implement operations or accounting procedures not authorized by these regulations.

(h) Whenever a change or amendment has been tolled under this chapter, the sports wagering operator may submit a revised change or amendment within 30 days of receipt of the written notice from the Gaming Commission. The sports wagering operator may implement the revised change or amendment upon receipt of written notice of approval from the Gaming Commission's Executive Director or on the 30th calendar day following the filing of the revision unless the sports wagering operator receives written notice tolling the change or amendment in accordance with this section or written notice from the Gaming Commission's Executive Director rejecting the change or amendment.

(i) A sports wagering operator shall submit to the Gaming Commission a catalog of the type of events that it intends to accept wagers on as well as the type of wagers it intends to accept. A sports wagering operator shall notify the Gaming Commission of any changes to the catalogue at least seventy-two (72) hours in advance of implementation of such changes. A sports wagering operator must maintain a catalogue of all prior and current events and the types of wagers it offered on such events.

Section 13.14 Surveillance System.

(a) Sports wagering operations and their associated devices, equipment, and kiosks shall be monitored by the Gaming Operation's surveillance system to the same standards as outlined in Chapter IV, Section 4.02(b)(3)(vi).

(b) Areas within the Gaming Operation dedicated to sports wagering will contain camera coverage with Sufficient Clarity to identify and monitor Patron and employee activity within this area.

(c) Self-Service Kiosks. The Surveillance System must monitor and record general overview of activities occurring at each sports wagering kiosk with Sufficient Clarity to identify the activity and the individuals performing it, including maintenance, wagering, and the redemption of wagering.

(d) Sports Wagering Cage and Counter Area. The Surveillance System shall monitor and record a general overview of activities occurring at each Sports Wagering Cage, Vault area and Counter area with Sufficient Clarity to identify employees within the Cage and Patrons and employees at the Counter areas.

(1) Each cashier station shall be equipped with one (1) dedicated overhead camera covering the transaction area.

(2) The Surveillance System shall provide an overview of cash transactions. The overview should include the Patron, the employee, and the surrounding area.

(3) The Cage or Vault area in which exchange and transfer transactions occur must be monitored and recorded by a Dedicated Camera or motion activated Dedicated Camera that provides Sufficient Clarity to identify:

(i) The amounts on the exchange and transfer documentation

(ii) All areas where cash or Cash Equivalents may be stored or counted

(iii) The Count equipment to view any attempted manipulation of the recorded data

Section 13.15 House Rules.

(a) A sports wagering operator shall adopt comprehensive house rules, which shall be approved by the Gaming Commission that include, at a minimum, the following:

(1) Method for calculation and payment of winning wagers;

(2) Effect of schedule changes;

(3) Method of notifying patrons of odds or proposition changes;

(4) Acceptance of wagers at other than posted terms;

(5) Expiration of any winning ticket one year after the date of the event;

(6) Lost ticket policy;

(7) Method of contacting the sports wagering operator for questions and complaints;

(8) Description of prohibited sports wagering participants;

(9) Method of funding a sports wager;

(10) If the sports wagering operator permits a patron to redeem a winning wagering ticket by mail, patron instructions on how to do so; and

(11) Maximum payouts; however, such limits shall only be established through limiting the amount wagered and cannot be applied to reduce a winning wager amount.

(12) A policy by which the sports wagering operator can cancel wagers, including defining “obvious error.”

(13) Minimum and maximum internet sports betting wagers

(14) Description of the process for handling incorrectly posted events, odds, internet sports betting wagers, or results

(b) The house rules, together with any other information the Gaming Commission deems appropriate, shall be conspicuously displayed in the sports wagering lounge, posted on the operator's Internet website, and included in the terms and conditions of the sports wagering account and copies shall be made readily available to patrons.

(c) Amendments to the house rules must be approved by the Gaming Commission.

Section 13.16 Terms and Conditions.

(a) A sports wagering operator shall develop terms and conditions for sports wagering which shall be included in the internal controls. The terms and conditions and any changes thereto must be acknowledged by the patron and the acknowledgment must be date and time-stamped by the sports wagering system at either the sports wagering kiosk or POS system.

(b) The terms and conditions must address all aspects of the sports wagering operation, including but not limited to, the following:

(1) Name of the party or parties with whom the patron is entering into a contractual relationship, including any sports wagering operator.

(2) Patron's consent to have the sports wagering operator confirm the patron's age and identity.

(3) Rules and obligations applicable to the patron other than rules of sports wagering including, but not limited to:

(i) Prohibition from allowing any other person to access or use his or her sports wagering account.

(ii) Prohibition from engaging in sports wagering activity, unless the patron is physically located on Pokagon Band "Indian Lands", as that term is defined in the Indian Gaming Regulatory Act.

(iii) Consent to the monitoring and recording by the sports wagering operator and/or the Gaming Commission of any wagering communications and geographic location information.

(iv) Consent to the jurisdiction of the Pokagon Band of Potawatomi Indians to resolve any disputes arising out of sports wagering.

(v) Consent to access records in possession of the sports wagering operator as may be reasonably necessary to assist in dispute resolution.

(vi) Prohibition against utilizing automated computerized software or other equivalent mechanism to engage in sports wagering.

(4) Full explanation of all fees and charges imposed upon a patron related to sports wagering transactions.

(5) Availability of account statements detailing patron account activity.

(6) Privacy policies, including information access and use of patron data.

(7) Legal age policy, including a statement that it is a criminal offense to allow a person who is under the age of twenty-one (21) years to participate in sports wagering and a patron who does so shall be prohibited from participating in sports wagering.

(8) Notification that if the patron's sports wagering account remains dormant for a period of three years any funds remaining on deposit and any pending wagers may be forfeited pursuant to applicable Pokagon Band laws.

(9) Patron's right to set responsible gaming limits and self-exclude through mobile access portal.

(10) Patron's right to suspend his or her sports wagering account for a period of no less than seventy-two (72) hours.

(11) Actions that will be taken in the event a patron becomes disconnected from the sports wagering system during active betting.

(12) Notice that a malfunction voids all transactions.

(13) Estimated time-period for withdrawal of funds from the sports wagering account.

(14) Detailed information regarding compulsive and problem gaming and self-exclusion to be displayed on a patron protection page.

(15) Method for changing or retrieving a password or other approved access security feature and the ability to choose "strong authentication" login protection.

(16) Method for filing a complaint with the sports wagering operator and method for filing with the Gaming Commission an unresolved complaint after the time period to resolve the complaint with the sports wagering operator has been exhausted.

(17) Method for obtaining a copy of the terms and conditions agreed to when establishing a sports wagering account.

(18) Method for the patron to obtain account and wagering history from the sports wagering operator.

(19) Notification of Federal prohibitions and restrictions regarding sports wagering activity, specifically, any limitations upon sports wagering activity as set forth in 18 U.S.C. §§ 1084 et seq. (The Wire Act) and 31 U.S.C. §§ 3163 through 3167 (UIEGA). The notice shall explicitly state that it is a Federal offense for persons physically located outside of Indian lands within Michigan to engage in sports wagering activity through a sports wagering operator, unless explicitly authorized by Pokagon Band law.

(20) Any other information as required by the Gaming Commission.

Section 13.17 Information to Be Displayed or Provided.

A sports wagering operator shall provide for the prominent display of the following information at the operator's onsite sportsbook and on a page which, by virtue of the construction of the website, authorized patrons must access before beginning a mobile/online sports wagering session:

(a) The full name of the sports wagering operator and, as applicable, the sports wagering operator's address from which it carries on business.

(b) A logo, to be provided by the Gaming Commission for display on the sports wagering operator's online sportsbook, indicating that the sports wagering operator is authorized to operate sports wagering at the Gaming Operation.

(c) A statement that persons under the age of twenty-one (21) years are not permitted to engage in sports wagering.

(d) Readily available information at the sports wagering operator's onsite sportsbook or active links on the sports wagering operator's sports wagering website that contains the following:

(1) Information explaining how disputes are resolved.

(2) Problem gaming information that is designed to offer information pertaining to responsible gaming.

(3) Contact information for the Pokagon Band Gaming Commission.

(4) Information that allows for a patron to choose to be excluded from Four Winds Casino Resort properties.

Section 13.18 Sports Wagering Organizational Structure.

(a) A sports wagering operator's systems of internal controls must include organization charts depicting segregation of functions and responsibilities and descriptions of the duties and responsibilities for each position shown on each organization chart. The sports wagering operator shall be permitted, except as otherwise provided in this section, to tailor organizational structures to meet the needs or policies of a particular management philosophy. A sports wagering operator's organization charts must provide for:

(1) A system of personnel and chain of command which permits management and supervisory personnel to be held accountable for actions or omissions within their areas of responsibility.

(2) The segregation of incompatible functions, duties and responsibilities so that no employee is in a position to both commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) The performance of all functions, duties and responsibilities in accordance with sound financial practices by qualified personnel.

(4) The areas of responsibility which are not so extensive as to be impractical for an individual to monitor.

(b) In addition to other positions required as part of a sports wagering operator's internal controls, a sports wagering operator must maintain an information technology department supervised by an individual and licensed as a key employee who functions, for regulatory purposes, as the information technology director. In addition, the Gaming Operation must employ an information technology security officer.

(c) The information technology director, or his/her designee, shall be responsible for the integrity of all data, the quality, reliability, and accuracy of all computer systems and software used by the sports wagering operator in the conduct of sports wagering activities, whether such data and software are located within or outside the Gaming Operation, including, without limitation, specification of appropriate computer software, hardware, and procedures for security, physical integrity, audit, and maintenance of:

(1) Access codes and other computer security controls used to insure appropriately limited access to computer software and data.

(2) Monitoring logs of user access, security incidents and suspicious wagering activity.

(3) Logs used to document and maintain the details of any hardware and software modifications.

(4) Computer tapes, disks, or other electronic storage media containing data relevant to sports wagering operations.

(5) Computer hardware, communications equipment and software used in the conduct of sports wagering.

(d) The information technology security officer, or his/her designee, shall report to the information technology director, or his/her designee, and be responsible for:

(1) Maintaining access codes and other computer security controls used to insure appropriately limited access to computer software and data.

(2) Reviewing logs of user access, security incidents, and suspicious wagering activity.

(3) Coordinating the development of the sports wagering operator's information security policies, standards, and procedures.

(4) Coordinating the development of an education and training program on information security and privacy matters for employees and other authorized users.

(5) Ensuring compliance with all Pokagon Band, State, and Federal information security policies and rules.

(6) Preparing and maintaining security-related reports and data.

(7) Working with internal and external audit personnel to ensure all findings are addressed in a timely and effective manner.

(8) Developing and implementing an Incident Reporting and Response System to address security breaches, policy violations, and complaints from external parties.

(9) Serving as the official contact for information security and data privacy issues, including reporting to the Gaming Commission and law enforcement.

(10) Developing and implementing an ongoing risk assessment program that targets information security and privacy matters by identifying methods for vulnerability detection and remediation and overseeing the testing of those methods.

(11) Remaining current with the latest information technology security and privacy legislation, rules, advisories, alerts, and vulnerabilities to ensure the sports wagering security program and security software is effective.

Section 13.19 Risk Management.

(a) A sports wagering operator must implement risk management procedures. Such procedures may be provided in-house or by an independent third party.

(b) A sports wagering operator's internal controls must contain a description of its risk management framework, including but not limited to:

(1) Automated and manual risk management procedures.

(2) User access controls for all sportsbook personnel.

(3) Information regarding segregation of duties.

(4) Information regarding fraud detection.

(5) Controls ensuring regulatory compliance.

(6) Description of anti-money laundering compliance standards.

(7) Description of all software applications that comprise the sports wagering system.

(8) Description of all types of wagers available to be offered by the sports wagering system.

(9) Description of all integrated third-party systems.

(10) Any other information required by the Gaming Commission.

Section 13.20 Integrity Monitoring.

(a) A sports wagering operator must implement integrity monitoring procedures. Such procedures may be provided in-house or by an independent third party.

(b) A sports wagering operator or third-party integrity monitoring service provider must share information, other than Suspicious Activity Report (SAR) information provided to authorized individuals and agencies, in a timely manner regarding suspicious wagering activity in the Gaming Operation with:

(1) Other sports wagering operators.

(2) The Gaming Commission.

(3) Applicable sports governing bodies/leagues.

(c) A sports wagering operator must submit a yearly report to the Gaming Commission detailing its integrity monitoring services and summarizing any suspicious wagering activity notifications issued during that time period.

(d) A sports wagering operator receiving a report of suspicious wagering activity is permitted to suspend wagering on events related to the report and may only cancel related wagers pursuant to procedures previously approved by the Gaming Commission.

(e) A sports wagering operator or third-party integrity monitoring service provider must provide the Gaming Commission with remote access to its integrity monitoring system which shall provide at a minimum:

(1) All reports of suspicious wagering activity.

(2) The actions taken by the sports wagering operator.

Section 13.21 Records/Data Retention Requirement.

A sports wagering operator's sports wagering system must comply with the record/data retention requirements in Gaming Commission regulation Chapter IV Minimum Internal Control Standards (relating to Associated Equipment Testing and Control; Accounting and Internal Controls).

Section 13.22 Required Reports.

(a) A sports wagering operator must generate reports specific to its sports wagering operations as specified by the Gaming Commission that shall include, at a minimum:

(1) The report title.

(2) The date or time period of activity, or description "as of" a point in time.

(3) The date and time the report was generated.

(4) Page numbering, indicating the current page and total number of pages.

(5) Subtotals and grand totals as required by the Gaming Commission.

(6) A description of any filters applied to the data presented in the document.

(7) Column and row titles, if applicable.

(8) The name of the sports wagering operator.

(b) All required reports shall be generated by the sports wagering operator, even if the period specified contains no data to be presented. The report generated shall indicate all required information and contain an indication of "No Activity" or similar message if no data appears for the period specified.

(c) The sports wagering operator or third-party integrity monitoring service provider shall provide a mechanism to export the data generated for any report to a format approved by the Gaming Commission and as often as required by the Gaming Commission.

(d) A sports wagering system shall generate, at a minimum, the following reports:

(1) A "Sports Wagering Account Transaction Report" which shall include:

(i) Date of activity.

(ii) Patron's name and account number.

(iii) Date and time patron's session started.

(iv) Unique transaction number.

(v) Type of event (e.g., Super Bowl 2019).

(vi) Date and time of each transaction.

(vii) Amount of each transaction.

(viii) Type of each transaction (e.g., deposit, withdrawal, adjustment, etc.).

(ix) Method of deposit/withdrawal (e.g., cash, debit instrument, prepaid access instrument or credit card, personal check, cashier's check, wire transfer, money order and transfer to/from account).

(x) User ID and employee name handling the transaction, if assisting patron.

(xi) Amount of outstanding account balance before and after each transaction.

(xii) Date and time patron session ended.

(xiii) Subtotals by transaction type.

(xiv) Ending account balance at the end of the patron's session.

(2) A "Sports Wagering Account Balance Summary Report" which shall include:
- (i) Date of activity.
- (ii) Patron's name and account number.
- (iii) Status of account (e.g., active, inactive, closed, suspended, etc.).
- (iv) Date account was opened.
- (v) Date registration information provided by patron.
- (vi) Date registration information verified by sports wagering operator.
- (vii) Date of last activity.
- (viii) Amount of beginning account balance.
- (ix) Total amount of deposit transactions.
- (x) Total amount of withdrawal transactions.
- (xi) Total amount of account adjustment.
- (xii) Amount of ending account balance.

(3) A "Daily Sports Wagering Patron's Funds Transaction Report" which shall include:
- (i) Patron's name and account number.
- (ii) Amount of beginning account balance.
- (iii) Unique transaction number.
- (iv) Date and time of deposit/withdrawal or account balance adjustment.
- (v) Amount of deposit/withdrawal or account balance adjustment.
- (vi) Nature of deposit/withdrawal (e.g., cash, debit instrument, prepaid access instrument or credit card, personal check, cashier's check, wire transfer, money order and transfer to/from casino account).
- (vii) Reason/description of adjustment to account balance, if applicable.
- (viii) User ID and name of employee handling the deposit, withdrawal or account balance adjustment transaction, if assisting authorized patron.
- (ix) User ID and name of supervisor authorizing an adjustment to account balance, if applicable.
- (x) Totals for each type of transaction.
- (xi) Amount of ending balance.

(4) A "Daily Sports Wagering Account Adjustment Report" which shall include:
- (i) Patron's name and account number.
- (ii) Date and time of account balance adjustment.
- (iii) Unique transaction number.
- (iv) User ID and name of employee handling the account balance adjustment transaction, if applicable.
- (v) User ID and name of supervisor authorizing an adjustment to account balance.

(vi) Amount of account balance adjustment.

(vii) Type of account adjustment.

(viii) Reason/description of adjustment to account balance.

(5) A "Sports Wagering Game Play Report" which shall include:

(i) Date of activity.

(ii) Sport event name.

(iii) Date and time session started for gaming day.

(iv) Date and time for each session transaction.

(v) Type of session transaction.

(vi) Amount of session transaction.

(vii) Compensation amount collected by sports wagering operator.

(viii) Amount of jackpot win, if applicable.

(ix) Other amounts collected by sports wagering operator.

(xiv) Total amount by transaction type.

(x) Description of other amounts collected.

(xi) Amounts refunded.

(xii) Description of amounts refunded.

(xiii) Date and time session ended for gaming

(6) A "Sports Betting Revenue Report" which shall include:

(i) Date.

(ii) Type of event.

(iii) Total wagered.

(iv) Other amounts collected by sports wagering certificate holder or sports wagering operator.

(v) Description of other amounts collected.

(vi) Amounts refunded.

(vii) Description of amounts refunded.

(7) A "Sports Wagering Revenue Deposit Report" which shall include:

(i) Month/year of activity.

(ii) Bank account number.

(iii) Date of deposit.

(iv) Amount of gaming day revenue collected by the sports wagering operator.

Section 13.23 Sports Wagering Marketing, Advertisement and Promotions.

(a) A sports wagering operator must comply with the marketing, advertisement, and promotions provisions of PBGC Regulation Section 4.16, including but not limited to, those provisions that require Gaming Operations to submit all promotions and tournament information to the Gaming Commission.

(b) Direct marketing to prohibited sports wagering participants. A sports wagering operator shall make all reasonable attempts to ensure that prohibited sports wagering participants do not receive direct marketing from the sports wagering operator.

(c) A sports wagering operator will satisfy this requirement if the sports wagering operator removes the prohibited sports wagering participant's name from the list of patrons to whom direct marketing materials are sent, and the prohibited sports wagering participant does not receive direct marketing materials more than forty-five (45) days after the sports wagering operator receives notice identifying the prohibited sports wagering participant.

Section 13.24 Compulsive and Problem Gambling Requirement.

(a) A sports wagering operator must comply with the compulsive and problem gambling provisions of PBGC Regulation Section 9.02 regarding its onsite, online and mobile application sportsbooks.

(b) A sports wagering operator may amend its current compulsive gaming plan(s), program(s), etc. to include sports wagering activities.

(c) If providing sports wagering accounts, a sports wagering operator shall provide authorized participants the ability to establish their own periodic deposit and sports betting wagering limits and maximum playing times.

Section 13.25 Self-Excluded Persons.

(a) A sports wagering operator must comply with the self-exclusion provisions of PBGC Regulation Section 9.02 regarding its onsite sportsbooks.

(b) A sports wagering operator may amend its current self-exclusion plan(s), program(s), etc. to include sports wagering activities.

CHAPTER XIV. INTERNET AND MOBILE GAMING

Section 14.01 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise:

"*Authentication process*" means a method used by a system to verify the validity of software. Such method requires the calculation of an output digest, which is compared to a secure embedded value. The output digest shall be of 128-bit complexity, at a minimum. Software shall be deemed to have been authenticated if the calculated digest equals the secure embedded value.

"*Authorized Internet game*", which includes an “authorized mobile game”, means any game authorized by the Gaming Commission for use with an Internet gaming system or mobile gaming system.

"*Client terminal*" means any device that is used to interact with a gaming system for the purpose of conducting server-based gaming activity.

"*Data warehouse*" means a system of one or more servers located within Pokagon Band Gaming Lands for the purpose of storing transactions received from the primary gaming equipment.

"*Dormant account*" means an Internet gaming account, which has had no patron- initiated activity for a period of three years.

"*Funds on game*" means the sum of pending wagers and funds transferred to a game not yet wagered, less pending wins.

"*Gaming system*" means either a server-based gaming system, an Internet gaming system, or a mobile gaming system.

"*Internet gaming*" means the placing of wagers through a Gaming Operation server-based gaming system using a computer network of both Federal and non-Federal interoperable packet switched data networks through which the Gaming Operation may offer authorized Internet games to a patron. The term Internet gaming, as used in this Chapter, applies to Internet gaming conducted through either an Internet sports betting platform or an Internet gaming platform.

"*Internet gaming account*" means an account established by the Gaming Operation that a patron shall use for the deposit and withdrawal of funds used for Internet gaming.

"*Internet gaming intermediary*" means an independent entity acting as the Internet gaming platform provider approved by the Gaming Commission to offer Internet gaming and affiliated with the Gaming Operations. The customer accounts of such intermediaries shall be owned by the Gaming Operation or Internet gaming operator.

"*Internet gaming network*" means the linking of patrons of one or more Internet gaming operators to participate in peer-to-peer gaming.

"*Internet gaming operator*" means a party or parties that lawfully operate an Internet gaming system.

"*Internet gaming system*" means all hardware, software, and communications that comprise a type of server-based gaming system for the purpose of offering authorized Internet games.

"*Mobile gaming*" means a server-based gaming system that uses a computer network through which electronic version of authorized games are available on mobile communications devices solely within the Gaming Establishment.

"*Mobile gaming system*" means all hardware, software, and communications technologies and systems that are involved in providing mobile gaming.

"Patron" means an individual permitted to participate in internet gaming activities conducted pursuant to these regulations and not prohibited from participation in internet gaming as outlined in Section 14.02, Section 14.03, and Section 14.48.

"Patron session" means a time period when a patron is logged on to an Internet gaming or mobile gaming system.

"*Peer-to-peer gaming*" means all gaming activity, such as poker, where patrons are competing against each other.

"*Pending wager account*" means the account maintained by a server-based gaming system that holds the total balance of all wagers pending disposition and all other funds attributable to uncompleted games.

“Pokagon Band Indian Lands” means, consistent with Section 6 of the Pokagon Restoration Act, PL 103–323, September 21, 1994, 108 Stat 2152, and the definition of the term “Indian lands” in the Indian Gaming Regulatory Act at 25 U.S.C.§2703 (4) and any regulations promulgated thereunder, the “Indian Lands of the Pokagon Band of Potawatomi Indians”.

“Pokagon Band Gaming Lands” means Pokagon Band Indian Lands, provided that:

(a) such definition as applied to Pokagon Band Indian Lands located within the State of Michigan shall exclude any Pokagon Band Indian Lands that are not also included within the definition of “Eligible Indian Lands” set forth in Paragraph (B), Section 2, of the Class III Gaming Compact dated December 3, 1998 between the Pokagon Band of Potawatomi Indians and the State of Michigan, 64 Fed, Reg. 8111, February 18, 1999, as amended; and

(b) such definition as applied to Pokagon Band Indian Lands located within the State of Indiana shall be limited to Pokagon Band Indian Lands the title to which is held in trust by the United States as of November 28, 2016.

"*Primary gaming equipment*" means all hardware, software, and other technology or equipment of any kind determined by the Gaming Commission to be necessary for the conduct of an authorized Internet game on the premises of a Gaming Operation.

“*Random Number Generator (RNG)*” means a random number generator and is defined to be one or a combination of the following processes that produces a random sequence of values (or symbols that can be mapped to values): software-based hardware-based, or mechanical-based. A cryptographically strong Random Number Generator is a Random Number Generator such that for a given n-bit sequence, the (n+ l)st bit cannot be predicted (statistically) with a success probability of greater than 0.5. Additionally, should a cryptographically strong Random Number Generator's state be compromised, in part or in whole, the bit-stream produced up until the compromise should not be reproducible.

"*Server-based gaming*" means all gaming activity conducted via a client terminal where the outcome of a game is determined by a random number generator (RNG) maintained on a server or a dealer-verified outcome from a simulcast table game.

"*Server-based gaming system*" means 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.

"*Strong authentication*" means a method that has been demonstrated to the satisfaction of the Gaming Commission to effectively provide higher security than a username and password alone, including without

limitation multi-factor authentication that uses two of the following to verify a patron's identity:

(a) Information known only to the patron, such as a password, pattern or answers to challenge questions;

(b) An item possessed by a patron such as an electronic token, physical token or an identification card; or

(c) A patron's biometric data, such as fingerprints, facial or voice recognition.

Section 14.02 General Requirements for Internet and Mobile Gaming

(a) Internet gaming or mobile gaming shall only be engaged in by patrons who have established an Internet gaming or mobile gaming account.

(b) The message "Click here if you or someone you know has a gambling problem" shall be displayed prominently within the Internet gaming or mobile gaming log on screen and a command to display this message on the log off screen shall be transmitted whenever the system detects a log off. The link imbedded in this message will be the following: https://www.michigan.gov/mdhhs/0,5885,7-339-71550_2941_4871_43661_64090-295819--,00.html

(c) When a patron logs on to an Internet gaming or mobile gaming system, the system shall display the date and time of the patron's previous log on.

(d) If a patron has suspended his or her account, a Gaming Operation and/or Internet gaming platform provider shall not send gaming-related electronic mail to such patron while the account is suspended.

(e) A client terminal used for Internet gaming or mobile gaming shall not contain patron account information or game logic that determines the outcome of any game.

(f) Client terminal software used for Internet gaming or mobile gaming shall not contain unauthorized data collection, file extraction, malware, or any other feature that compromises the integrity of the client terminal or the data contained therein.

(g) Software utilized for Internet gaming or mobile gaming shall either:

(1) Continuously display the current time in the time zone where the server that contains game software and control programs is physically located and the time elapsed while in the current patron session; or

(2) Cause a pop-up notification, at least every half-hour, to be prominently displayed on the client terminal advising the patron of the current time and the amount of time elapsed since his or her log on.

(h) A Gaming Operation offering Internet gaming shall have an Internet gaming manager who is responsible for the operation and integrity of Internet gaming and for reviewing all reports of suspicious behavior. A Gaming Operation offering mobile gaming shall have a mobile gaming manager who is responsible for ensuring the operation and integrity of mobile gaming and for reviewing all reports of suspicious behavior. The Internet gaming manager and the mobile gaming manager shall be key employees of the Gaming Operation, however nothing shall preclude a Gaming Operation from having one key employee perform the functions of both the Internet gaming manager and the mobile gaming manager. The Internet gaming manager and the mobile gaming manager shall immediately notify the Gaming Commission upon detecting any person participating in Internet gaming or mobile gaming who is:

(1) Engaging in or attempting to engage in, or who is reasonably suspected of cheating, theft, embezzlement, collusion, money laundering, or any other illegal activities;

(2) Required to be excluded pursuant to Chapter IX of these regulations.

(i) A Gaming Operation Internet gaming intermediary offering Internet gaming or mobile gaming shall develop minimum internal controls, approved by the Gaming Commission, for all aspects of Internet gaming and mobile gaming operations prior to implementation and any time a change is made thereafter. The minimum internal controls shall include detailed procedures for system security, operations, accounting, and reporting of problem gamblers.

(j) A Gaming Operation Internet gaming intermediary offering Internet gaming or mobile gaming shall describe in its minimum internal controls the method for securely issuing, modifying, and resetting a patron's account password, Personal Identification Number (PIN), or other approved security feature, where applicable. Any method shall include notification to the patron following any modification via electronic or regular mail, text message, or other manner approved by the Gaming Commission. Such method shall include at a minimum:

(1) Proof of identity, if in person;

(2) The correct response to two or more challenge questions; or

(3) Strong authentication.

(k) All terms and conditions for Internet gaming or mobile gaming shall be included as an appendix to the internal controls of the Gaming Operation addressing all aspects of the operation, including the following:

(1) Name of the party or parties with whom the patron is entering into a contractual relationship, including the Gaming Operation;

(2) Patron's consent to have the Gaming Operation or its designee confirm the patron's age and identity;

(3) Rules and obligations applicable to the patron other than rules of the game including, but not limited to:

(i) Prohibition from allowing any other person to access or use his or her Internet gaming or mobile gaming account;

(ii) Prohibition from engaging in Internet gaming activity unless they are physically present within Pokagon Band Indian Lands and prohibition from engaging in mobile gaming activity unless they are physically present in the Gaming Establishment or adjacent hotel facility where mobile gaming is authorized;

(iii) Consent to the monitoring and recording by the Gaming Operation and/or the Gaming Commission of any wagering communications and geographic location information;

(iv) Consent to the jurisdiction of the Pokagon Band Gaming Commission to resolve any disputes arising out of Internet gaming or mobile gaming; and

(v) Prohibition against utilizing automated computerized software or other equivalent mechanism, such as a "bot," to engage in internet gaming or mobile gaming.

(4) Full explanation of all fees and charges imposed upon a patron related to gaming

transactions;

(5) Availability of account statements detailing patron account activity;

(6) Privacy policies, including information access;

(7) Legal age policy, including a statement that it is a criminal offense to allow a person who is under the age of twenty-one (21) to participate in Internet gaming or mobile gaming;

(8) Notification that if the patron's Internet gaming or mobile gaming account remains dormant for a period of three years any funds remaining on deposit and any pending wagers shall be forfeited;

(9) Patron's right to set responsible gaming limits and to self-exclude;

(10) Patron's right to suspend his or her account for a period of no less than seventy-two (72) hours;

(11) Actions that will be taken in the event a patron becomes disconnected from the Internet gaming or mobile gaming system during game play;

(12) Notice that a malfunction voids all pays;

(13) Estimated time period for withdrawal of funds from Internet gaming or mobile account; and

(14) Information to be displayed on a patron protection page. The patron protection page shall be accessible to a patron during a patron session. The patron protection page shall contain, at a minimum, the following:

(i) A prominent message, which states, “If you or someone you know has a gambling problem and wants help, call the Michigan Department of Health and Human Services Gambling Disorder Help-line at: 800-270-7117” ";

(ii) A direct link to the Michigan Association on Problem Gambling and one other organization based in the United States dedicated to helping people with potential gambling problems; and

(iii) The following responsible gaming information:

(A) A clear statement of the Gaming Operation's policy and commitment to responsible gaming;

(B) Information regarding the subjects in (1)-(4) below, or a direct link to information regarding the following subjects, if available, from an organization based in the United States dedicated to helping people with potential gambling problems:

(1) Practical tips to stay within safe limits;

(2) Myths associated with gambling;

(3) Information regarding the risks associated with gambling; and

(4) The potential signs of a gambling problem;

(C) Rules governing self-imposed responsible gaming limits;

(15) Method for changing or retrieving a password or other approved access security feature

and the ability to choose "strong authentication" log in protection;

(16) Method for filing a complaint with the Gaming Operation;

(17) Method for filing with the Gaming Commission an unresolved complaint after all reasonable means to resolve the complaint with the Gaming Operation have been exhausted;

(18) Method for obtaining a copy of the terms and conditions agreed to when establishing an Internet gaming or mobile gaming account;

(19) Method for the patron to obtain account and game history from the Gaming Operation;

(20) Notification that the patron is responsible to configure his or her client terminal's auto-lock feature to protect the client terminal from unauthorized use;

(21) Notification that a patron is prohibited from allowing any other person to access or use his or her Internet gaming or mobile gaming account;

(22) Notification of Federal prohibitions and restrictions regarding Internet gaming, specifically, any limitations upon Internet gaming as set forth in 18 U.S.C. §§ 1084 et seq. (The Wire Act) and 31 U.S.C. §§ 3163 through 3167 (UIGEA). The notice shall explicitly state that it is a Federal offense for persons physically located outside Pokagon Band Indian Lands to engage in Internet gaming through a licensed Gaming Operation, unless explicitly authorized by the Gaming Commission; and

(23) Notification that for mobile gaming if the mobile device is removed from the Gaming Establishment or its adjacent hotel facility the availability of mobile gaming will be discontinued.

(l) Whenever the terms and conditions that apply to Internet gaming or mobile gaming are changed, the Gaming Operation shall require a patron to acknowledge acceptance of such change. Unless otherwise authorized by the Gaming Commission, the patron's acknowledgement shall be date and time stamped by the Internet gaming or mobile gaming system, as applicable.

(m) Internet gaming or mobile gaming systems shall require that after fifteen (15) minutes of user inactivity, as measured by the Internet gaming or mobile gaming system, a patron shall re-enter his or her username and password.

(n) A Gaming Operation offering Internet gaming or mobile gaming shall comply with all Federal requirements including, but not limited to, suspicious activity reporting and W2-G reporting.

(o) Each Gaming Operation offering Internet gaming or mobile gaming shall perform an annual system integrity and security assessment conducted by an independent professional selected by the Gaming Operation, subject to the approval of the Gaming Commission. The independent professional's report on the assessment shall be submitted to the Gaming Commission annually and shall include:

(1) Scope of review;

(2) Name and company affiliation of the individual(s) who conducted the assessment;

(3) Date of the assessment;

(4) Findings;

(5) Recommended corrective action, if applicable; and

(6) Gaming Operation's response to the findings and recommended corrective action.

(p) A Gaming Operation shall investigate each patron complaint related to Internet gaming or mobile gaming and provide a response to the patron within ten (10) calendar days. For complaints that cannot be resolved to the satisfaction of the patron, related to patron accounts, game outcomes, and/or illegal activity, a copy of the complaint and Gaming Operation's response including all relevant documentation shall be provided to the Gaming Commission.

(q) An Internet gaming system or mobile gaming system may offer games that do not require a wager or payment from a patron's Internet gaming or mobile gaming account to patrons who have not exceeded any daily time-based limit, provided that the games comply with the following requirements:

(1) Any game substantially similar to a game approved by the Gaming Commission shall utilize a payout percentage equal to or less than the lowest payout percentage of the approved game;

(2) Any game not substantially similar to a game approved by the Gaming Commission shall prominently display the following prior to the start of the game and during game play:

(i) The game is offered for entertainment purposes only;

(ii) The game is not approved by the Gaming Commission; and

(iii) The game outcomes may not be representative of those for a Gaming Commission-approved game.

(3) Games traditionally played on social networks that may require a payment for certain game features (social games) may be fundable or accessible from a patron's Internet gaming account provided that the operator provides a clear and conspicuous notice on the initial screen of any social game and in its terms and conditions that such social games are not regulated by the Gaming Commission.

(r) An Internet gaming system or mobile gaming system shall not induce a patron to continue placing wagers when play is in session, when the patron attempts to end a session, or when the patron wins or loses a bet.

(s) If a patron is prohibited by the Gaming Operation or the Internet gaming or mobile gaming intermediary from engaging in Internet gaming or mobile gaming for reasons other than those enumerated in (i) above, the Gaming Operation shall notify the Gaming Commission within twenty-four (24) hours of the patron's prohibited status and suspend the Internet gaming account or mobile gaming account of that patron and prohibit such patron from creating another Internet gaming account or mobile gaming account. If an account suspended pursuant to this section is reinstated, the Gaming Operation shall notify the Gaming Commission within twenty-four (24) hours of the reinstatement.

(t) An Internet gaming system or mobile gaming system shall allow patrons to access a player protection page at all times while logged into their Internet gaming account or mobile gaming account. The player protection page shall include all features listed in (l)14 above.

(u) Employees of the Gaming Operation who perform activities such as Internet gaming accounting or mobile gaming accounting, patron identification and verification, problem gaming detection, anti-money laundering detection, fraud prevention, or other similar functions and that require access to confidential patron account information shall be physically present in Michigan or Indiana. This

requirement shall not apply to approved third-party providers of the services outlined in this section.

(v) The vendors for internet gaming systems and mobile gaming systems shall be prohibited from retaining patron account information without the expressed written consent of the Gaming Operation.

(w) All Gaming Operators whose employees who have direct contact with patrons via phone, e-mail, electronic chat, or other means, shall implement training for those employees at the start of their employment and at regular intervals thereafter to address areas set forth in (y)(1) through (3) below. If the training requirement under this subsection follows the standards set forth by the Michigan Council on Problem Gambling or the Indiana Council on Problem Gaming, it shall be deemed sufficient.

(1) Recognizing the nature and symptoms of problem gambling behavior and how to assist players in obtaining information regarding help for a gambling problem and self-exclusion programs;

(2) Responding to patrons who may disclose that they have a gambling problem; and

(3) Responding to reports from third parties, such as family members, about patrons who may have a gambling problem

Section 14.03 Geofence Requirements

(a) In order to prevent the unauthorized use of any device to place an Internet wager when a person is not within Pokagon Band Indian Lands, the Gaming Operation and its Internet sports betting and Internet gaming intermediaries shall utilize a geofencing system to reasonably detect the physical location of a person attempting to access the Internet gaming platform and place an Internet wager and to monitor and block unauthorized attempts to access the Internet gaming platform in order to place an Internet wager when a person is not within Pokagon Band Indian Lands.

(b) The geofencing system shall ensure that all patrons are located within Pokagon Band Indian Lands when placing any Internet wager, and shall be equipped to dynamically monitor the patron's location and block unauthorized attempts to access the Internet gaming platform in order to place an Internet gaming wager throughout the duration of the Internet gaming session

Section 14.04 Internet Gaming Platform and Internet Games Technical Standards

(a) Internet sports betting platforms and other Internet gaming platforms used to conduct Internet gaming must meet the specifications set forth in this section or other technical specifications as prescribed by the Gaming Commission.

(b) The Gaming Operation, Internet gaming intermediaries, and other Internet gaming intermediaries shall comply with, and the Gaming Commission adopts and incorporates by reference, Gaming Laboratories International, LLC Standard GLI-19: Standards for Interactive Gaming Systems, version 2.0, released February 15, 2013, which is available for inspection at the Gaming Laboratories International website at https://gaminglabs.com. GLI-19 standards are intended to supplement rather than supplant other technical standards required in this section.

(c) Prior to conducting Internet sports betting or Internet gaming, and as otherwise required by the Gaming Commission, the Internet gaming intermediary shall submit the Internet gaming platform used in conjunction with the Internet gaming operation to the Gaming Commission or an independent lab approved by the Gaming Commission for certification testing.

(d) Internet gaming operators or internet gaming intermediaries are prohibited from offering internet gaming in Michigan without such certification. The internet gaming intermediary is responsible for all costs associated with testing and obtaining such certifications. The Gaming Operator and internet gaming intermediaries are prohibited from offering internet gaming within Pokagon Band Indian Lands without such certification.

(e) All Internet games for proposed use by the Gaming Operation must meet or exceed the most current version of Gaming Laboratories International's GLI-19, Standards for Interactive Gaming Systems, or equivalent technical standards prescribed by the Commission. The Gaming Operation, Internet gaming intermediaries, and Internet gaming intermediaries are prohibited from offering any Internet game without written approval by the Gaming Commission.

(f) Game play shall be initiated only after a patron has affirmatively placed an Internet wager and activated play. No auto play feature shall be permitted in Internet gaming software unless authorized by the Gaming Commission.

Section 14.05 Standards for Approval of Slot Machine Internet Games and Random Number Generators

(a) Except as otherwise provided in this section, each slot machine Internet game which requires an Internet wager shall have an RTP equal to or greater than eighty (80) percent but not more than one hundred (100) percent.

(b) Except as otherwise provided in this section, all winning combinations for each slot machine Internet game shall be available on each play that requires an Internet wager.

(c) Slot machine Internet games shall not offer a play with the odds of payout greater than 50 million to 1.

(d) The RTP of a slot machine Internet game shall not decrease by more than one-hundredth of a percentage point with an increased Internet wager unless the aggregate total of the decreases in RTP for plays offered by the slot machine Internet game is no more than one-half of one percent.

(e) All the following shall not be included as a payout when determining the RTP of a slot machine Internet game:

(1) A payout of merchandise or thing of value.

(2) A complimentary.

(3) A limited time payout.

(f) The projected contribution from a progressive award may not count toward the RTP of a slot machine Internet game in order to achieve the minimum RTP as approved by the Gaming Commission.

(g) A slot machine Internet game that requires strategy choices, such as video poker, shall comply with all the following:

(1) Have its RTP calculated based upon the patron exercising optimal strategy during game play.

(2) Disclose optimal strategy to achieve the highest RTP.

(3) Provide mathematically sufficient information for the patron to derive optimal strategy in order to achieve the highest RTP.

(h) When a slot machine Internet game offers play which permits a patron to risk an award or make a subsequent Internet wager as an extension of a game outcome, the slot machine Internet game shall comply with all the following:

(1) Only allow the patron to risk an award if the award can be increased as a result of continued play.

(2) Disclose the optimal strategy or provide mathematically sufficient information for the patron to derive optimal strategy if the choice affects the RTP of the slot machine Internet game.

(i) A slot machine Internet game shall be designed in such a manner that prevents scripting and fairly represents the reel symbols selected by the RNG. It is acceptable to display an alternate version of the video reel strips during reel spin animation provided all the following conditions are met:

(1) The top award and bonus trigger symbols are not displayed more often than they appear on the actual reel strips.

(2) The random selection process for game outcome is not affected.

(3) Stop positions and adjacent symbols are displayed in the correct order when the spin ends.

(4) A description of the alternate spinning video reels is provided to the Gaming Commission.

(5) The spinning video reel display is not misleading.

(j) A slot machine Internet game that offers free play awards shall not display as a possible outcome any amount that could only be won through the consecutive activation of free play awards won on the wager. For example, if the highest jackpot offered by a slot machine Internet game is $1,000.00 and it is possible to win two free play awards on one wager, the slot machine Internet game shall not display $2,000.00 as a possible jackpot.

(k) Internet games that allow an patron to select from two or more Internet game themes must be capable of displaying all the following:

(1) A clear indication of which game has been selected for play.

(2) A clear description of the rules governing the game selected.

(l) The virtual button panel must operate correctly in conjunction with the submitted pay table program. For example, the button panel must match the game play with regards to the number of lines being played and number of credits being wagered.

(m) Slot machine Internet games with an auto pick feature shall comply with all the following:

(1) Disclose to the patron that the slot machine Internet game is designed with an auto pick feature.

(2) Disclose the rules regarding the auto pick feature.

(3) When the RTP is based upon optimal play, select the choice which provides the highest RTP; or when the RTP is not based upon optimal play, perform the selection in an unbiased manner.

(n) All free game and re-spin awards must display the remaining number of games or spins left following each free game or re-spin unless otherwise approved by the Gaming Commission.

(o) The RNG shall comply with all RNG requirements of Gaming Laboratories International, LLC

Standard GLI-19: Standards for Interactive Gaming Systems, version 2.0, released February 15, 2013 or equivalent RNG specifications prescribed by the Gaming Commission.

Section 14.06 Standards for Approval of Table Internet Games

(a) Unless otherwise authorized by the Gaming Commission, all table Internet games shall comply with all the following:

(1) Where applicable, accurately represent the layout and equipment used to play its corresponding authorized non-Internet table game including, when applicable, wagering areas, cards, dice, or tiles. For the purposes of this subsection, authorized non-Internet table game shall mean the corresponding game that is authorized for play by the Gaming Commission over the corresponding game conducted in the Gaming Operation's land-based facility.

(2) Function in accordance with approved table Internet game rules.

(3) Function as approved by the Gaming Commission pursuant to the software submission process.

(4) Conspicuously indicate minimum and maximum wagers.

(5) Contain help screens that provide information and rules regarding approved variations, such as the number of decks used, special odds, and supplemental wagers.

(b) Table Internet games may be designed to permit a patron to occupy more than one betting position at an individual game, provided that same option is available in its corresponding authorized non-Internet table game version.

Section 14.07 Table Internet Game Rule Submission Process

(a) Prior to offering a table Internet game authorized under this Chapter, the Gaming Operation and its Internet gaming intermediary shall submit and obtain approval of the table Internet game rules which specify which options the Gaming Operation and Internet gaming intermediary will use in the conduct of the table Internet game.

(b) The table Internet game rules submission shall be submitted to the Gaming Commission in the form and manner prescribed by the Gaming Commission.

(c) The Gaming Operation Internet gaming intermediary may implement the provisions in a table Internet game rules submission upon receipt of written notice of approval from the Gaming Commission or on the fifteenth (15th) calendar day following the filing of the table Internet game rules submission unless the Gaming Operation Internet gaming intermediary receives a written notice of disapproval of the table Internet game rules submission from the Gaming Commission.

(d) The Gaming Operation and its Internet gaming intermediary that receives a written notice of disapproval of the table Internet game rules submission from the Gaming Commission may submit a revised table Internet game rules submission that addresses all items contained in the written notice of disapproval of the table Internet game rules. All revised table Internet game rules submissions are subject to the review and approval process provided in this section.

(e) The current version of each table Internet game rules submission of the Gaming Operation and Internet gaming intermediary shall be maintained and made available in electronic form through secure computer access to the Gaming Commission upon request.

(f) The Gaming Operation and Internet gaming intermediary shall maintain a copy, either in paper or electronic form, of any superseded table Internet game rules submission for a minimum of five (5) years.

Section 14.08 Location of Servers, Security, and Cloud Storage

(a) The Gaming Operation and its Internet gaming intermediary shall locate a server or other equipment that is capable of receiving Internet wagers in a restricted area on the premises of the Gaming Operation. For the purposes of this subsection, a secure facility within Pokagon Band Gaming Lands that is operated by the Gaming Operation to house Internet gaming equipment shall be considered to be part of the licensed Gaming Establishment notwithstanding that the facility may not be contiguous with the premises of the Gaming Establishment. The location selected shall have adequate security, protections, and controls, including those provided in Gaming Laboratories International, LLC Standard GLI-19: Standards for Interactive Gaming Systems, version 2.0, released February 15, 2013 or equivalent security, protections, and controls as prescribed by the Gaming Commission. The location selected must be approved by the Gaming Commission.

(b) Backup gaming equipment used to conduct Internet gaming or mobile gaming may also be located:

(i) Subject to Gaming Commission approval, in a restricted area on the premises of a licensed Gaming Establishment within Pokagon Band Gaming Lands to conduct Internet gaming or mobile gaming for a time period not to exceed sixty (60) days unless otherwise authorized by the Gaming Commission; or

(ii) In another facility operated by the Gaming Operation that is secure, inaccessible to the public, and specifically designed to house that equipment, and where the equipment shall be under the complete control of the Gaming Operation or its Internet gaming affiliate, within Pokagon Band Indian Lands. For the purposes of this subsection, a secure facility within Pokagon Band Indian Lands that is operated by the Gaming Operation to house Internet gaming equipment shall be considered to be part of the licensed Gaming Establishment notwithstanding that the facility may not be located within Pokagon Band Gaming Lands.

(iii) Backup gaming equipment that is not used to conduct Internet gaming or mobile gaming, but which is used only to restore data to primary Internet gaming or mobile gaming equipment shall be located within the State of Michigan.

(c) The Gaming Commission may approve of the use of cloud storage for duplicate data upon written request by the Gaming Operation or Internet gaming intermediary.

Section 14.09 Communication Standards for Gaming Systems

(a) All gaming systems authorized by this chapter shall be designed to ensure the integrity and confidentiality of all patron communications and ensure the proper identification of the sender and receiver of all communications. If communications are performed across a public or third-party network, the system shall either encrypt the data packets or utilize a secure communications protocol to ensure the integrity and confidentiality of the transmission.

(b) Wireless communications between the authenticator device and the authentication server shall be encrypted using a robust method such as IPsec, WPA2, or other method approved by the Gaming

Commission.

(c) A Gaming Operation shall mask the service set identification (SSID) of the gaming system network to ensure that it is unavailable to the general public.

(d) All communications that contain patron account numbers, user identification, or passwords and PINs shall utilize a secure method of transfer (for example, 128-bit key encryption) approved by the Gaming Commission.

(e) Only devices authorized by the Gaming Commission shall be permitted to establish communications between a client terminal and a gaming system.

(f) Server-based gaming systems shall maintain an internal clock that reflects the current date and time that shall be used to synchronize the time and date between all components that comprise the gaming system. The system date and time shall be visible to the patron when logged on.

Section 14.10 Mandatory Gaming System Logging

(a) Gaming systems shall employ a mechanism capable of maintaining a separate copy of all of the information required to be logged in this section on a separate and independent logging device capable of being administered by an employee with no incompatible function. If the gaming system can be configured such that any logged data is contained in a secure transaction file that cannot be modified without detection, a separate logging device is not required.

(b) Gaming systems shall provide a mechanism for the Gaming Commission to query and export, in a format required by the Gaming Commission, all gaming system data.

(c) Gaming systems shall electronically log the date and time any Internet gaming or mobile gaming account is created or terminated (Account Creation Log).

(d) A gaming system shall maintain all information necessary to recreate patron game play and account activity during each patron session, including any identity or location verifications, for a period of no less than five (5) years.

(e) Unless otherwise authorized by the Gaming Commission, when software is installed on or removed from a gaming system, such action shall be recorded in a secure electronic log (Software Installation/Removal Log), which shall include:

(1) The date and time of the action;

(2) The identification of the software; and

(3) The identity of the person performing the action.

(f) Unless otherwise authorized by the Gaming Commission, when a change in the availability of game software is made on a gaming system, the change shall be recorded in a secure electronic log (Game Availability Log), which shall include:

(1) The date and time of the change;

(2) The identification of the software; and

(3) The identity of the person performing the change.

(g) Unless otherwise exempted by the Gaming Commission, a gaming system shall record all promotional offers (Promotions Log) issued through the system. Such log shall provide the information necessary to audit compliance with the terms and conditions of current and previous

offers.

(h) Results of all authentication attempts shall be retained in an electronic log (Authentication Log) and accessible for a period of ninety (90) days.

(i) All adjustments to gaming system data made using stored procedures shall be recorded in an electronic log (Adjustments Log), which lists:

(1) The date and time;

(2) The identification and user ID of user performing the action;

(3) A description of the event or action taken; and

(4) The initial and ending values of any data altered as a part of the event or action performed.

Section 14.11 Self-Monitoring of Internet Gaming Platform Critical Components

An Internet gaming platform shall, at least once every twenty-four (24) hours, perform a self-authentication process on all software used to offer, record, and process Internet wagers to ensure there have been no unauthorized modifications. In the event of an authentication failure, the Internet gaming platform shall immediately notify the Gaming Operation, Internet gaming intermediary, and the Gaming Commission within twenty-four (24) hours. The results of all self-authentication attempts shall be recorded by the Internet gaming platform for a period of not less than ninety (90) days.

Section 14.12 Change Approval

(a) Any change or modification to the Internet gaming platform which impacts a regulated feature of an approved Internet gaming platform, unless otherwise permitted by the Gaming Commission, requires submission to and approval by the Gaming Commission prior to the implementation of the change or modification.

(b) The Gaming Operation and its Internet gaming intermediary shall submit change control processes that detail evaluation procedures for all updates and changes to equipment and the Internet gaming platform to the Gaming Commission for approval. These processes shall include details for identifying the criticality of updates and determining the updates that must be submitted to the Gaming Commission or a Gaming Commission approved independent testing laboratory for review and certification.

Section 14.13 Internet Gaming Platform Assessment

(a) The Gaming Operation Internet gaming intermediary shall, within ninety (90) days of commencing operations, and annually thereafter, perform an Internet gaming platform integrity and security assessment of the Internet gaming platform conducted by an independent professional selected by the Gaming Operation Internet gaming intermediary and subject to approval of the Gaming Commission. The scope of the Internet gaming platform integrity and security assessment shall be subject to approval of the Gaming Commission and shall include, at a minimum, all the following:

(1) A vulnerability assessment of internal, external, and wireless networks with the intent of identifying vulnerabilities of all devices, Internet gaming platform, and applications connected to or present on the networks.

(2) A penetration test of all internal, external, and wireless networks to confirm if identified vulnerabilities of all devices, Internet gaming platform, and applications are susceptible to

compromise.

(3) A policy and procedures review against the current ISO 27001 standard or another similar standard approved by the Gaming Commission.

(4) Verification that the Internet Gaming Platform is logically separated from all other Pokagon Gaming Authority assets.

(5) Any other specific criteria or standards for the Internet gaming platform integrity and security assessment as prescribed by the Gaming Commission.

(b) The full independent professional's report on the assessment must be submitted to the Gaming Commission and must include all the following:

(1) Scope of review.

(2) Name and company affiliation of the individual or individuals who conducted the assessment.

(3) Date of assessment.

(4) Findings.

(5) Recommended corrective action, if applicable.

(6) The Gaming Operation's or Internet gaming intermediary's response to the findings and recommended corrective action.

Section 14.14 Gaming Operation/Internet gaming intermediary Technical and Security Standards (Controls)

(a) The Gaming Operation and its Internet gaming intermediary shall adopt, implement, and maintain technical security standards (controls) that meet or exceed Gaming Laboratories International, LLC Standard GLI-19: Standards for Interactive Gaming Systems, version 2.0, released February 15, 2013 or equivalent standards as prescribed by the Gaming Commission. The technical security standards shall apply, at a minimum, to all the following critical components of the Internet gaming platform:

(1) Components which record, store, process, share, transmit or retrieve sensitive information (e.g., validation numbers, personal identification number (PIN), patron or authorized participant data).

(2) Components which generate, transmit, or process random numbers used to determine the outcome of games or virtual events.

(3) Components which store results or the current state of an patron's Internet wager.

(4) Points of entry to and exit from the above components (other systems which are able to communicate directly with core critical Internet gaming platform components).

(5) Communication networks which transmit sensitive information.

(b) The technical security standards set forth below are the minimum standards the Gaming Operation Internet gaming intermediary must incorporate into its internal controls.

(1) Internet Gaming Platform Operations and Security

(i) Internet Gaming Platform Operations and Security – The Gaming Operation Internet gaming intermediary shall adopt, implement, and maintain procedures for, at a minimum, the following:

(A) Monitoring the critical components and the transmission of data of the entire Internet gaming platform.

(B) Maintenance of all aspects of security of the Internet gaming platform to ensure secure and reliable communications.

(C) Defining, monitoring, documenting, reporting, investigating, responding to, and resolving security incidents.

(D) Monitoring and adjusting resource consumption and maintaining a log of the Internet gaming platform performance.

(E) Investigating, documenting and resolving malfunctions.

(ii) Physical Location of Servers and Security – The Internet gaming platform shall be housed in secure locations approved by the Gaming Commission. The secure locations must have sufficient protection from unauthorized access and physical and environmental hazards. The secure location shall be equipped with surveillance and security systems and means that meet the specifications of the Gaming Commission.

(iii) Internet Gaming Platform Logical Access Controls – The Internet gaming platform shall be logically secured against unauthorized access.

(iv) Internet Gaming Platform Logical Segmentation – The Internet gaming platform shall be logically segregated from all other Pokagon Gaming Authority assets.

(v) Internet Gaming Platform User Authorization – The Internet gaming platform shall be subject to user authorization requirements as required by the Gaming Commission.

(vi) Server Programming – The Internet gaming platform shall be sufficiently secure to prevent any user-initiated programming capabilities on the server that may result in modifications to the database.

(vii) Verification Procedures – Procedures shall be in place for verifying on demand that the critical control program components of the Internet gaming platform in the production environment are identical to those approved by the Gaming Commission.

(viii) Electronic Document Retention System – The Gaming Operation Internet gaming intermediary shall establish procedures to ensure that all required reports are stored in an electronic document retention system.

(ix) Asset Management – All assets that house, process or communicate sensitive information, including those comprising the operating environment of the Internet gaming platform and/or its components, shall be accounted for and have a nominated owner.

(2) Backup and Recovery

(i) Data Security – The Internet gaming platform shall provide a logical means for securing patron data and wagering data, including accounting, reporting, significant event, or other sensitive information, against alteration, tampering, or unauthorized access.

(ii) Data Alteration – The alteration of any accounting, reporting or significant event data shall not be permitted without supervised access controls. In the event any data is changed, all information required by the Gaming Commission shall be documented or logged.

(iii) Backup Frequency – Backup scheme implementation shall occur at least once every day or as otherwise specified by the Gaming Commission.

(iv) Storage Medium Backup – Audit logs, Internet gaming platform databases, and any other pertinent patron data and wagering data shall be stored using reasonable protection methods. The Internet gaming platform shall be designed to protect the integrity of this data in the event of a failure. Redundant copies of this data shall be kept on the Internet gaming platform with open support for backups and restoration, so that no single failure of any portion of the Internet gaming platform would cause the loss or corruption of data.

(v) Internet Gaming Platform Failure – The Internet gaming platform shall have sufficient redundancy and modularity so that if any single component or part of a component fails, the functions of the Internet gaming platform and the process of auditing those functions can continue with no critical data loss. When two or more components are linked, the process of all Internet gaming between the components shall not be adversely affected by restart or recovery of either component and upon restart or recovery, the components shall immediately synchronize the status of all transactions, data, and configurations with one another.

(vi) Accounting and Master Resets – The Gaming Operation or Internet gaming intermediary shall be able to identify and properly handle the situation where a master reset has occurred on any component which affects Internet gaming.

(vii) Recovery Requirements – In the event of a catastrophic failure when the Internet gaming platform cannot be restarted in any other way, it shall be possible to restore the Internet gaming platform from the last backup point and fully recover. The contents of that backup shall contain critical information as required by the Gaming Commission.

(viii) Uninterrupted Power Supply (UPS) Support – All Internet gaming platform components shall be provided with adequate primary power. Where the server is a stand-alone application, it shall have an UPS connected and shall have sufficient capacity to permit a methodical shut-down and retain all patron data and wagering data during a power loss. It is acceptable that the Internet gaming platform may be a component of a network that is supported by a network-wide UPS provided that the server is included as a device protected by the UPS. There shall be a surge protection system in use if not incorporated into the UPS itself.

(ix) Business Continuity and Disaster Recovery Plan – A business continuity and disaster recovery plan shall be in place to recover Internet gaming if the Internet gaming platform's production environment is rendered inoperable. This plan shall be submitted to the Gaming Commission for approval.

(3) Communications

(i) Connectivity – Only authorized devices are permitted to establish communications between any Internet gaming platform components.

(ii) Communication Protocol – Each component of the Internet gaming platform shall function as indicated by a documented secure communication protocol.

(iii) Communication Over Internet/Public Network – Communications between Internet gaming platform components shall be secure. Patron data, sensitive information, Internet wagers, results, financial information, and patron transaction information shall always be encrypted and protected from incomplete transmissions, misrouting, unauthorized message modification, disclosure, duplication or replay.

(iv) Wireless Local Area Network (WLAN) Communications – The use of WLAN communications must adhere to applicable requirements specified for wireless devices and are subject to approval by the Gaming Commission.

(v) Network Security Management – Networks shall be logically separated to ensure that there is no network traffic on a network link which cannot be serviced by hosts on that link.

(4) Third-Party Service Providers

(i) Third-Party Service Communications – Where communications are implemented with third-party service providers, the Internet gaming platform shall securely communicate with all third-party service providers utilizing encryption and strong authentication, ensure that all login events are recorded to an audit file, and ensure that all communications do not interfere or degrade normal Internet gaming platform functions.

(ii) Third-Party Services – The roles and responsibilities of each third-party service provider shall be defined and documented in a manner approved by the Gaming Commission. The Gaming Operation and Internet gaming intermediary shall have policies and procedures in place for managing third-party service providers and monitoring their adherence to relevant security requirements.

(5) Technical Controls

(i) Domain Name Service (DNS) Requirements – The Gaming Operation or Internet gaming intermediary shall establish requirements that apply to servers used to resolve DNS queries used in association with the Internet gaming platform.

(ii) Cryptographic Controls – The Gaming Operation or Internet gaming intermediary shall establish and implement a policy for the use of cryptographic controls that ensures the protection of information.

(iii) Encryption Key Management – The management of encryption keys shall follow defined processes established by the Gaming Operation or Internet gaming intermediary and approved by the Gaming Commission.

(6) Remote Access and Firewalls

(i) Remote Access Security – Remote access, if approved by the Gaming Commission, shall be performed via a secured method, must have the option to be disabled, may accept only the remote connections permissible by the firewall application and Internet gaming platform settings, and must be limited to only the application functions necessary for users to perform their job duties.

(ii) Remote Access and Guest Accounts Procedures – Remote access and guest accounts procedures must be established that ensure that remote access is strictly controlled.

(iii) Remote Access Activity Log – The remote access application shall maintain an activity log which updates automatically and records and maintains all remote access information.

(iv) Firewalls – All communications, including remote access, shall pass through at least one approved application-level firewall. This includes connections to and from any non-Internet gaming platform hosts used by the Gaming Operation or Internet gaming intermediary.

(v) Firewall Audit Logs – The firewall application shall maintain an audit log and shall disable all communications and generate an error if the audit log becomes full. The audit log shall contain, at a minimum, all the following information:

(A) All changes to configuration of the firewall.

(B) All successful and unsuccessful connection attempts through the firewall.

(C) The source and destination IP Addresses, Port Numbers, Protocols, and where possible, MAC Addresses.

(vi) Firewall Rules Review – The firewall rules shall be periodically reviewed by the Gaming Operation or Internet gaming intermediary to verify the operating condition of the firewall and the effectiveness of its security configuration and rule sets and shall be performed on all the perimeter firewalls and the internal firewalls.

(7) Change Management

(i) Program Change Control Procedures – Program change control procedures shall ensure that only authorized versions of programs are implemented on the production environment.

(ii) Software Development Life Cycle – The acquisition and development of new software shall follow defined processes established by the Gaming Operation or Internet gaming intermediary and subject to review by the Gaming Commission.

(iii) Patches – All patches should be tested, as applicable, in a development and test environment configured identically to the target production environment before being deployed into production. Permitted exceptions, related procedures and controls shall be fully addressed.

(8) Semi-Annual Security Testing

(i) Technical Security Testing – No less than semi-annual technical security tests on the production environment shall be performed as required by the Gaming

Commission to guarantee that no vulnerabilities putting at risk the security and operation of the Internet gaming platform exist.

(ii) Vulnerability Assessment – The Gaming Operation or the Internet gaming intermediary shall conduct vulnerability assessments. The purpose of the vulnerability assessment is to identify vulnerabilities, which could be later exploited during penetration testing by making basic queries relating to services running on the Internet gaming platform concerned.

(iii) Penetration Testing – The Gaming Operation or the Internet gaming intermediary shall conduct penetration testing. The purpose of the penetration testing is to exploit any weaknesses uncovered during the vulnerability assessment on any publicly exposed applications or Internet gaming platform hosting applications processing, transmitting and/or storing sensitive information.

(iv) Information Security Management System (ISMS) Audit – An audit of the ISMS shall be periodically conducted, including all the locations where sensitive information is accessed, processed, transmitted and/or stored. The ISMS will be reviewed against common information security principles in relation to confidentiality, integrity and availability.

(v) Cloud Service Audit – The Gaming Operation and its Internet gaming intermediary that utilizes a cloud service provider (CSP), if approved by the Gaming Commission, to store, transmit or process sensitive information shall undergo a specific audit as required by the Gaming Commission. The CSP will be reviewed against common information security principles in relation to the provision and use of cloud services, such as ISO/IEC 27017 and ISO/IEC 27018, or equivalent.

(vi) Logical Segmentation Audit – Verification that the Internet Gaming Platform is logically separated from all other Pokagon Gaming Authority Assets.

(c) The Gaming Operation and its Internet gaming intermediary shall include the technical security standards (controls) in the internal controls and Internet gaming platform submitted to the Gaming Commission for approval.

(d) The technical security standards (controls) shall:

(1) Have a provision requiring review when changes occur to the Internet gaming platform.

(2) Be approved by the Gaming Operation's or Internet gaming intermediary's senior management.

(3) Be communicated to all employees and relevant external parties.

(4) Undergo review at planned intervals.

(5) Delineate the responsibilities of the Gaming Operation's staff, the Internet gaming intermediary's staff, and the staff of any third parties for the operation, service, and maintenance of the Internet gaming platform and/or its components.

Section 14.15 Progressive Jackpots

(a) The Gaming Operation or its Internet gaming intermediary may offer a progressive jackpot that increases in value based upon an approved rate of progression and is awarded for a specific outcome or event.

(b) The rules governing the award and the value of the progressive award shall be readily available to patrons.

(c) The Gaming Operation or its Internet gaming intermediary shall obtain approval from the Gaming Commission in the form and manner prescribed by the Gaming Commission prior to offering, modifying, or transferring a progressive jackpot on software approved by the Gaming Commission under these rules.

(d) Two or more linked Internet games offering the same progressive jackpot may be of different denominations and/or have different minimum Internet wagers required to win the progressive jackpot, provided that the probability of winning the progressive jackpot is directly proportional to the minimum Internet wager required to win that jackpot. For example, if on the same link, a nickel game requires twenty (20) credits (a $1.00 wager), a quarter game requires eight (8) credits (a $2.00 wager), and a dollar game requires three (3) credits (a $3.00 wager) to win the progressive jackpot, then the probability of a winning Internet wager must be three (3) times more likely on a linked dollar game than on the linked nickel game, and twice more likely on a linked quarter game than on the linked nickel game. Similarly, if among three (3) linked quarter denomination games, the first required two (2) credits (a $0.50 wager), the second required four (4) credits (a $1.00 wager), and the third required eight (8) credits (a $2.00 wager) to play for the progressive jackpot, then on each wager, the probability of winning the jackpot would be twice more likely on the second game than on the first game, and four (4) times more likely on the third game than on the first game.

(e) The Gaming Operation and its Internet gaming intermediary shall ensure that progressive jackpot awards that have a reset amount greater than $5,000.00 are reconciled at least once a month in accordance with approved internal controls unless otherwise required by the Gaming Commission. The Gaming Operation and its Internet gaming intermediary shall maintain a detailed record of the monthly reconciliation. The Gaming Operation and its Internet gaming intermediary shall also reconcile a progressive jackpot prior to a transfer or modification.

(f) The Gaming Operation and its Internet gaming intermediary shall investigate the reason for any progressive amount variance exceeding $100.00 and file an incident report with the Gaming Commission that shall include corrective actions proposed or taken to resolve the variance.

(g) The Gaming Operation and its Internet gaming intermediary shall remove or make the progressive game unavailable to patrons for all occurrences in which a game malfunctions or if otherwise required by the Gaming Commission. The Gaming Operation and its Internet gaming platform that chooses to restore a progressive jackpot previously made unavailable pursuant to this section, shall restore the entire progressive jackpot amount. The amount restored shall include the entire jackpot, including the seed amount and all previously collected patron contributions.

(h) The Gaming Operation may remove or transfer a progressive jackpot upon obtaining Gaming Commission approval as provided for in this section and subsequent to notification to patrons, which shall be, at a minimum, ten (10) days for a transfer and thirty (30) days for removal.

(i) If a wide area progressive offered on the Internet is removed, it shall be restored or transferred. The amount restored or transferred shall include the entire jackpot, including the seed amount and all previously collected patron contributions.

Section 14.16 Internet Gaming and Mobile Gaming Accounts

(a) Prior to engaging in Internet gaming or mobile gaming, a patron shall establish an Internet gaming or mobile gaming account. The Internet gaming or mobile gaming system shall be required to display a message stating that Gaming Operation employees are prohibited from wagering in any Internet gaming or mobile gaming activity operated by the Gaming Operation and shall not be permitted to establish an Internet gaming or mobile account.

(b) In order to establish an Internet gaming or mobile gaming account, a Gaming Operation shall):

(1) Create an electronic patron file, which shall include at a minimum:

(i) Patron's legal name;

(ii) Patron's date of birth;

(Iii) Entire or last four digits of the patron's Social Security number, if voluntarily provided, or equivalent for a foreign patron such as a passport or taxpayer identification number;

(iv) Patron's Internet and/or mobile account number;

(v) Patron's address;

(vi) Patron's electronic mail address;

(vii) Patron's telephone number;

(viii) Any other information collected from the patron used to verify his or her identity;

(ix) The method used to verify the patron's identity; and

(x) Date of verification.

(2) Encrypt all of the following information contained in an electronic patron file:

(i) Patron's Social Security number or equivalent for a foreign patron such as a passport or taxpayer identification number;

(ii) Patron's passwords and/or PINs; and

(iii) Credit card numbers, bank account numbers, or other personal financial information.

(3) Verify the patron's identity by recording the document number of the government issued credential examined or other methodology for remote multi-sourced authentication, which may include third-party and governmental databases, as approved by the Gaming Commission.

(i) Require the patron to establish a password or other access security feature as approved by the Gaming Commission and advise the patron of the ability to utilize "strong authentication" log in protection;

(ii) Verify that the patron is of the legal age of twenty-one (21), not self-excluded, on the exclusion list, or otherwise prohibited from participation in gaming;

(iii) Record the patron's acceptance of the Gaming Operation's terms and conditions to participate in Internet gaming or mobile gaming;

(iv) Record the patron's certification that the information provided to the operator by the individual who registered is accurate;

(v) Record the patron's acknowledgement that the legal age for Internet gaming or mobile gaming is twenty-one (21) and that he or she is prohibited from allowing any other person to access or use his or her Internet gaming or mobile gaming account; and

(vi) Notify the patron of the establishment of the account via electronic mail or regular mail.

(4) A patron shall have only one Internet gaming or mobile gaming account for each Internet gaming intermediary. Each Internet gaming or mobile gaming account shall be:

(i) Non-transferable;

(ii) Unique to the patron who establishes the account; and

(iii) Distinct from any other account number that the patron may have established with the Gaming Operation.

(5) A patron's Internet gaming or mobile gaming account may be funded through the use of:

(i) A patron's deposit account;

(ii) A patron's credit or debit card;

(iii) A patron's deposit of cash, gaming chips, or slot tokens at a Gaming Operation cashiering location.

(iv) A patron's reloadable prepaid card, which has been verified as being issued to the patron and is non-transferable;

(v) Cash complimentaries, promotional credits, or bonus credits;

(vi) Winnings; or

(v) Any other means approved by the Gaming Commission.

(6) Prior to any withdrawal, if a patron used a credit or debit card to fund an Internet gaming or mobile gaming account, any remaining balance in the account up to the amount of the deposit shall be refunded to the patron's credit or debit card account used to fund the Internet gaming or mobile gaming account provided that a credit or debit card issuer permits the return of a withdrawal from an Internet gaming or mobile gaming account funded by the credit or debit card of the issuer.

(7) Funds may be withdrawn from a patron's Internet gaming or mobile gaming account for the following:

(i) The funding of game play;

(ii) Cash-out at the cashier's cage immediately upon patron request;

(iii) A cash-out transfer to a patron's deposit account;

(iv) A cash-out transfer to a patron's reloadable prepaid cash card, which has been verified as being issued to the patron and is non-transferable;

(v) Adjustments made by the Gaming Operation with documented notification to the

patron; or

(vi) Any other means approved by the Gaming Commission.

(8) A Gaming Operation shall not permit a patron to transfer funds from his or her internet gaming or mobile gaming account to another patron's internet gaming or mobile gaming account.

(9) All adjustments to patron accounts for amounts of $ 500.00 or under shall be periodically reviewed by supervisory personnel as set forth in the Gaming Operation's internal controls. All other adjustments shall be authorized by supervisory personnel prior to being entered.

(10) Internet gaming or mobile gaming systems shall provide an account statement with account details to a patron on demand, which shall include detailed account activity for at least the six months preceding twenty-four (24) hours prior to the request. In addition, an Internet gaming or mobile gaming system shall, upon request, be capable of providing a summary statement of all patron activity during the past year. Information to be provided on the summary statement shall include, at a minimum, the following:

(i) Deposits to the Internet gaming or mobile gaming account;

(ii) Withdrawals from the Internet gaming or mobile gaming account;

(iii) Win or loss statistics;

(iv) Beginning and ending account balances; and

(v) Self-imposed responsible gaming limit history, if applicable.

(11) The Gaming Operation shall periodically reverify a patron's identification upon reasonable suspicion that the patron's identification has been compromised.

Section 14.17 Internet Gaming System or Mobile Gaming System Standards and Operational Controls

(a) An Internet gaming or mobile gaming system shall utilize sufficient security to ensure patron access is appropriately limited to the account holder. Unless otherwise authorized by the Gaming Commission, security measures shall include at a minimum:

(1) A Username;

(2) Password of sufficient length and complexity to ensure its effectiveness;

(3) Upon account creation the option for users to choose "strong authentication" log in protection; and

(4) Electronic notification to the patron's registered e-mail address, cellular phone or other device each time an Internet gaming or mobile gaming account is accessed provided however that a patron may opt out of such notification.

(b) An Internet gaming or mobile gaming system shall be designed with a methodology approved by the Gaming Commission to ensure secure communications between a client terminal and the Internet gaming or mobile gaming system.

(c) An Internet gaming or mobile gaming system shall be designed to detect and report:

(1) Suspicious behavior, such as cheating, theft, embezzlement, collusion, money laundering,

or any other illegal activities; and

(2) Excluded persons pursuant to Chapter IX of these regulations.

(d) Patron account access information shall not be permanently stored on client terminals used with a mobile gaming system. Such information shall be masked after entry, encrypted immediately after entry is complete, and may be temporarily stored or buffered during patron entry provided that the buffer is automatically cleared as follows:

(1) After the patron confirms that the account access entry is complete; or

(2) If the patron fails to complete the account access entry within one minute.

(e) Unless otherwise approved by the Gaming Commission, an Internet and mobile gaming system shall associate a patron's account with a single client terminal during each patron session.

(f) Each patron session shall have a unique identifier assigned by the Internet gaming or mobile gaming system.

(g) The Internet and mobile gaming system shall immediately terminate a patron session whenever:

(1) Required by the Gaming Commission or Gaming Operation;

(2) The patron ends a session;

(3) The patron fails any authentication during a game or patron session; or

(4) A system error impacts game play.

(h) Internet and mobile gaming systems shall employ a mechanism that can detect and prevent any patron-initiated wagering or withdrawal activity that would result in a negative balance of an Internet and mobile gaming account.

(i) Internet and mobile gaming systems shall disable a patron's account after three failed log in attempts and require strong authentication to recover or reset a password or username.

(j) Internet and mobile gaming systems shall employ a mechanism that places an Internet gaming or mobile gaming account in a suspended mode:

(1) When requested by the patron for a specified period of time, which shall not be less than seventy-two (72) hours;

(2) When required by the Gaming Commission; or

(3) When the Gaming Operation develops evidence that indicates:

(i) Illegal activity;

(ii) A negative patron account balance; or

(iii) A violation of the terms of service has taken place on a patron's Internet gaming or mobile gaming account.

(k) When an Internet gaming or mobile gaming account is in a suspended mode, the Gaming Operation shall not remove funds from the account without prior approval from the Gaming Commission and the system shall:

(1) Prevent the patron from engaging in Internet gaming or mobile gaming;

(2) Prevent the patron from depositing funds;

(3) Prevent the patron from withdrawing funds from his or her Internet gaming or mobile gaming account, unless the suspended mode was initiated by the patron;

(4) Prevent the patron from making changes to his or her Internet gaming or mobile gaming account;

(5) Prevent the removal of the Internet gaming or mobile gaming account from the gaming system; and

(6) Prominently display to the patron that the account is in a suspended mode, the restrictions placed on the account, and any further course of action needed to remove the suspended mode.

(l) The Gaming Operation shall notify the Internet gaming or mobile gaming account holder via electronic mail, regular mail, or other method approved by the Gaming Commission, whenever his or her account has been closed or placed in a suspended mode. Such notification shall include the restrictions placed on the account and any further course of action needed to remove the restriction.

(m) An Internet gaming or mobile gaming account that has been placed in suspended mode may be restored:

(1) Upon expiration of the time period established by the patron;

(2) When permission is granted by the Gaming Commission; or

(3) When the Gaming Operation has lifted the suspended status.

(n) An Internet gaming or mobile gaming system shall be capable of allowing a patron to establish the following responsible gaming limits. Any decrease to these limits shall be effective no later than the patron's next log in. Any increase to these limits shall become effective only after the time period of the previous limit has expired and the patron reaffirms the requested increase.

(1) A deposit limit shall be offered on a daily, weekly, and monthly basis and shall specify the maximum amount of money a patron may deposit into his or her Internet gaming account during a particular period of time.

(2) A spend limit shall be offered on a daily, weekly, and monthly basis and shall specify the maximum amount of patron deposits that may be put at risk during a particular period of time.

(3) A time-based limit shall be offered on a daily basis and shall specify the maximum amount of time, measured hourly from the patron's log in to log off, a patron may spend playing on an Internet gaming system, provided, however, that if the time-based limit is reached a patron will be permitted to complete any round of play, active tournament, or prepaid tournament.

(o) An Internet gaming or mobile gaming system shall implement automated procedures to identify and prevent the following persons from placing a wager:

(1) Persons under the age of twenty-one (21);

(2) Persons on the state of Michigan Responsible Gaming Database and Indiana Gambling Exclusion List;

(3) Persons on the Gaming Operation’s Internet self-exclusion list;

(4) Persons on the exclusion list;

(5) Patrons who have had their account closed;

(6) Patrons who have had their account suspended; and

(7) Patrons who have exceeded their spend or time-based limit.

(p) An Internet gaming or mobile gaming system shall provide a patron with the ability to view the outcome and subsequent account balance changes for the previous game, including a game completed subsequent to an outage (for example, network disconnection or client terminal malfunction).

(q) Unless otherwise approved by the Gaming Commission, a record of all bonus and promotional wagering offers related to Internet gaming shall be maintained in an electronic file that is readily available to the Gaming Commission. All bonus and promotional wagering offers shall be stated in clear and unambiguous terms and shall be readily accessible by the patron. Offer terms and the record of all offers shall include at a minimum:

(1) The date and time presented;

(2) The date and time the offer is active and expires; and

(3) Patron eligibility and redemption requirements.

(r) Manual adjustments by a Gaming Operation to Internet gaming or mobile gaming data shall only be made by a software application approved by the Gaming Commission.

(s) When a patron's lifetime deposits exceed $ 2,500, the Internet gaming or mobile gaming system shall immediately prevent any wagering until the patron acknowledges the following:

(1) The patron has met the Gaming Commission's gaming deposit threshold of $ 2,500;

(2) The patron has the capability to establish responsible gaming limits or close his or her account; and

(3) The availability of 1-800-270-7117 (Michigan HHS Gambling Disorder Helpline).

(4) The availability of 1-866-699-4274 (Indiana Council on Problem Gambling, Inc).

(t) The acknowledgement prescribed in (s)(2), (3) and (4) above shall be required on an annual basis thereafter.

(u) The Gaming Operation may utilize celebrity or other players to participate in peer to peer games for advertising or publicity purposes. Such players may have their accounts funded in whole or in part by the Gaming Operation. The Gaming Operation may pay a fee to the celebrity player. If a celebrity player is utilized and the celebrity player generates winnings that the Gaming Operation does not permit the celebrity player to retain, such winnings shall be included as Internet gaming gross revenue in a manner approved by the Gaming Commission.

Section 14.18 Server-Based Gaming System; Server-Based Games (Table Games, Slot Machines, and Peer-to-Peer Gaming)

(a) A server-based gaming system shall:

(1) Ensure continued operation in the event of a temporary power failure via an Uninterrupted Power Supply (UPS);

(2) Maintain the integrity of the hardware, software, and data contained therein in the event of a shutdown;

(3) Ensure the system recovers to the state it was in prior to any system outage;

(4) Have physical and logical controls, as appropriate, to ensure that only authorized hardware components are connected to the system;

(5) Ensure only approved client terminal software is used to conduct gaming activity;

(6) Ensure that client terminals meet minimum compatibility requirements in order to conduct gaming activity; and

(7) Be designed with a method for the Gaming Commission to approve all game software installations before the game software may be offered to patrons.

(b) Any software used in server-based gaming shall be designed with a method to permit the validation of software using a Gaming Authentication Tool (GAT) or other method

(c) A server-based gaming system shall perform an authentication process on all control programs on demand and at least once every twenty-four (24) hours.

(d) Server-based gaming systems shall provide a mechanism to notify the operator whenever an authentication process has failed. The operator shall immediately cease operation of the software and immediately notify the Gaming Commission.

(e) Client terminals used with a server-based gaming system may be installed in a fixed location in the Gaming Operation as approved by the Gaming Commission and may be configured to offer multiple and simultaneous wagering opportunities to patrons.

(f) A server-based gaming system shall be designed with a methodology approved by the Gaming Commission to ensure secure communications between a client terminal and a server-based gaming system.

(g) Server-based gaming systems shall notify patrons, via the client terminal, of software that is scheduled for or ordered to be removed by the Gaming Commission. Unless otherwise authorized by the Gaming Commission, the system shall:

(1) Immediately disable a game, which has been ordered to be removed by the Gaming Commission; or

(2) Notify the patron that the game will be removed at the conclusion of the round of play.

(h) A server-based gaming system shall be designed with a method to automatically identify potential collusion or cheating activity and shall provide a method for a patron to report such activity to the Gaming Operation and/or Internet gaming intermediary.

(i) The following information shall be readily available through a client terminal before a patron begins play on an Internet gaming or mobile gaming system and at all times during play, where applicable:

(1) Sufficient information to identify the specific game selected;

(2) Game play and payout rules, which shall not rely on sound to convey their meaning; and

(3) All charges imposed on patrons, such as fees, rake, and vigorish.

(j) Server-based gaming systems with client terminals that utilize a bill changer or are connected to a

gaming voucher system shall:

(1) Be permitted exclusively on approved Gaming Operation floor space;

(2) Comply with all applicable Gaming Commission rules governing slot machines and electronic table games;

(k) Game play shall be initiated only after a patron has affirmatively placed a wager and activated play. No auto play feature shall be permitted in game software unless authorized by the Gaming Commission.

(l) Unless otherwise authorized by the Gaming Commission, all server-based table games shall:

(1) Accurately represent the layout and equipment used to play its corresponding authorized non-electronic table game including, when applicable, wagering areas, cards, dice, or tiles;

(2) Function in accordance with approved rules for its corresponding authorized non-electronic table game;

(3) Function as approved by the Gaming Commission pursuant to the software submission process;

(4) Conspicuously indicate minimum and maximum wagers; and

(5) Contain help screens that provide information and rules regarding approved variations, such as the number of decks used, special odds, and supplemental wagers.

(m) Server-based table games may be designed to permit a patron to occupy more than one betting position at an individual game, provided that same option is available in its authorized non-electronic version.

(n) All server-based slot machine games shall comply with standards established by the Gaming Commission.

(o) Server-based games shall operate in accordance with rules submitted to and approved by the Gaming Commission, which describe procedures in case of patron disconnection from the network server during a game in accordance with the following:

(1) Where no patron input is required to complete the game, the game shall produce the final outcome as determined by the RNG and the patron's account shall be updated accordingly;

(2) For single patron games, where patron input is required to complete the game, the game shall:

(i) Upon subsequent activation, return the patron to the game state immediately prior to the interruption and allow the patron to complete the game; or

(ii) After an approved period of time, cancel the game resulting in either the forfeiture of the patron's wager or the return of funds to the patron in accordance with a methodology approved by the Gaming Commission; or

(iii) Make a selection on behalf of the patron in order to complete the game; and

(3) For games with multiple patrons, where the result is affected by the time to respond to a game event, such as poker or blackjack, the game shall, after an approved period of time, make a selection on behalf of the patron in order to complete the game.

(p) Unless otherwise authorized by the Gaming Commission, server-based table game software used to conduct peer-to-peer gaming, such as poker, shall:

(1) Be prohibited from utilizing automated computerized patrons to compete with patrons; and

(2) Provide a patron the option to be randomly assigned to a table where all patrons have been selected at random.

(q) Unless otherwise authorized by the Gaming Commission, server-based table games with multiple patrons, where the result is affected by the time to respond to a game event, such as poker or blackjack, shall be designed with a game recall feature which allows the patron to recall the last five game outcomes and associated wagers. The game recall information shall be viewable from the client terminal.

(r) A server-based gaming system utilizing an approved data warehouse shall be designed to securely transmit a copy of all transactions received from a server-based gaming system's primary gaming equipment to the data warehouse. The data stored in the data warehouse shall be owned by the Gaming Operation.

(s) Equipment used by a server-based gaming system for the sole purpose of restoring data to primary Internet gaming or mobile gaming equipment shall be located in the State of Michigan.

(t) All wagers pending disposition under (p)(2)(ii) above shall be held in a pending wager account.

Section 14.19 Required Reports; Reconciliation; Test Accounts

(a) The system shall be designed to generate reports as specified by the Gaming Commission that shall include at a minimum:

(1) The report title;

(2) The version number of the current system software and report definition;

(3) The date or time period of activity, or description "as of" a point in time;

(4) The date and time the report was generated;

(5) Page numbering, indicating the current page and total number of pages;

(6) Subtotals and grand totals as required by the Gaming Commission;

(7) A description of any filters applied to the data presented in the document;

(8) Column and row titles, if applicable; and

(9) The name of the Gaming Operation.

(b) All required reports shall be generated by the system, even if the period specified contains no data to be presented. The report generated shall indicate all required information and contain an indication of "No Activity" or similar message if no data appears for the period specified.

(c) Gaming systems shall provide a mechanism to export the data generated for any report to a format approved by the Gaming Commission.

(d) An Internet gaming system and a mobile gaming system shall generate the following daily reports, at a minimum, for each gaming day in order to assist in auditing revenue:

(1) A Patron Account Summary Report, which shall include transaction information for each

patron account for the following categories:

(i) Beginning balance;

(ii) Total amount of deposits;

(iii) Total amount of non-cashable bonuses deposited;

(iv) Total amount of non-cashable bonuses wagered;

(v) Total amount of non-cashable bonuses expired;

(vi) Total amount of transfers to games;

(vii) Total amount of transfers from games;

(viii) Total amount of withdrawals;

(ix) Total amount of funds on game at the beginning of the gaming day (the amount of pending wagers at the end of the prior gaming day);

(x) Total amount of funds on game at the end of the gaming day (the amount of pending wagers plus funds transferred to a game but not yet wagered);

(xi) Win or loss, calculated as the amount of transfers from games and beginning funds on game less the amount of transfers to games and ending funds on game; and

(xii) Ending balance;

(2) A Wagering Summary Report, which shall include the following by authorized game and poker variation, as applicable:

(i) Total amounts wagered;

(ii) Total amounts won;

(iii) Total tournament entry or participation fees;

(iv) Rake or vigorish;

(v) Total amounts of guaranteed funds paid to players;

(vi) Total amounts due to or from an Internet gaming network; and

(vii) Win or loss calculated as the net of the total amounts wagered and total amounts won plus tournament entry fees, rake, or vigorish, guaranteed funds, and amounts due to or from an Internet gaming network; and

(3) A Non-cashable Promotional Account Balance Report, which shall include the ending non-cashable promotional balance in each patron account.

(e) An Internet gaming network shall generate the following daily reports for the Gaming Operation, at a minimum, for each gaming day in order to reconcile the daily Internet gross gaming revenue:

(1) A Network Patron Account Summary Report, which shall include the following transaction information for each patron account:

(i) Patron identification number;

(ii) Total amount of transfers to games;

(iii) Total amount of transfers from games;

(iv) Win or loss statistics;

(v) Total amount of rake; and

(vi) Total amount of entry fees; and

(2) A Network Wagering Summary Report, which shall include the following game activity by authorized game or poker variation:

(i) Total amounts wagered;

(ii) Total amounts won;

(iii) Total tournament entry or participation fees;

(iv) Rake or vigorish;

(v) Total amounts of guaranteed funds paid to players; and

(vi) Win or loss statistics, calculated as the net of the total amounts wagered and total amounts won plus tournament entry fees, rake, or vigorish, and guaranteed funds.

(f) A Gaming Operation shall utilize the Wagering Summary Report to calculate mobile gaming gross revenue and Internet gaming gross revenue on a daily basis for reporting purposes. In addition, the Gaming Operation shall:

(1) Prepare a Variance Report documenting the win/loss amounts from the Patron Account and Wagering Summary Reports;

(2) Calculate the variance between the two amounts;

(3) Document the reason for the variance; and

(4) Report a manual adjustment to increase revenue by the amount of the variance whenever the total of the Patron Account Summary Report is greater than the total of the Wagering Summary Report, unless the reason for the variance as documented in (f)3 above is sufficient to support a determination that revenue was properly reported.

(g) In lieu of (f) above, the Gaming Operation may accumulate the daily Variance Report information on a monthly Variance Report in a manner described in the Gaming Operation's internal controls.

(h) A gaming system shall generate, on a daily basis commencing one year after the creation of the first Internet gaming or mobile gaming account, a Dormant Account Report, which shall list all patron accounts including the Pending Wager Account that have had no activity for a period of one year. The report shall include:

(1) The patron name and account number;

(2) The date of the last transaction; and

(3) The account balance.

(i) No voids of completed wagering transactions shall occur without Gaming Commission approval.

(j) A gaming system shall generate a Performance Report, which compares the theoretical Return to Patron (RTP) to the actual RTP of each game offered by a gaming system. The report shall also provide the total number of rounds of play for each game and shall be generated and reviewed monthly by the Gaming Operation to evaluate the performance of all games offered to the public. The Performance Report shall include the data required by this subsection from the first day

Internet gaming was offered to the date of the report.

(k) A gaming system shall generate a Patron Account Adjustments Report, which shall be reviewed on a daily basis by either the Gaming Operation or Internet gaming intermediary to evaluate the legitimacy of patron account adjustments. If the daily review is performed by the Internet gaming intermediary, the Gaming Operation shall conduct a weekly review of the Patron Account Adjustment Reports. Unless otherwise authorized by the Gaming Commission, the report shall at a minimum include:

(1) The patron's name;

(2) An account number;

(3) The date and time of the adjustment;

(4) The person who performed the adjustment;

(5) The reason for the adjustment; and

(6) The amount of the adjustment.

(l) An Internet gaming system shall generate a report on a weekly basis identifying potential problem gamblers, including those patrons who self-report. The Gaming Operation shall review the report and document any action taken.

(m) An Internet gaming system shall be capable of generating a Pending Transaction Account Report, which shall include and separately itemize all pending transactions for each patron account, including, but not limited to, funds on game and deposits and withdrawals not yet cleared.

(n) The Gaming Operation may establish test accounts to be used to test the various components and operation of an Internet gaming system in accordance with internal controls, which, at a minimum, address the following:

(1) The procedures for the issuance of funds used for testing, including the identification of who is authorized to issue the funds and the maximum amount of funds that may be issued;

(2) The procedures for assigning each test account for use by only one person;

(3) The maintenance of a record for all test accounts, to include when they are active, to whom they are issued, and the employer of the person to whom they are issued;

(4) The procedures for the auditing of testing activity by the Gaming Operation to ensure the accountability of funds used for testing and proper adjustments to Internet gross revenue;

(5) The ability to withdraw funds from a test account without the Gaming Commission's prior approval shall be disabled by the Internet gaming system;

(6) For testing of peer-to-peer games:

(i) A person may utilize multiple test accounts; and

(ii) Test account play shall be conducted without the participation of patrons; and

(o) In addition to the required internal controls in (*n*)1 through 6 above, for any wagering on test accounts conducted outside the boundaries of the State of Michigan, the procedures for auditing of testing activity shall include the method for ascertaining the location from which persons using test accounts access the Internet gaming system.

Section 14.20 Bank Secrecy Act Compliance

(a) The Gaming Operation and Internet gaming intermediary shall comply with all applicable provisions of the Bank Secrecy Act of 1970, 31 USC 5311 to 5332 and Chapter VIII of these regulations.

(b) The Gaming Operation and Internet gaming intermediary shall maintain records related to its compliance with the Bank Secrecy Act of 1970, 31 USC 5311 to 5332, including all currency transaction reports, suspicious activity reports, and any supporting documentation, for a minimum of five years and shall provide such records to the Gaming Commission and any appropriate law enforcement agencies as outlined in Chapter VIII of these regulations.

(c) Gaming Operation and Internet gaming intermediary employees involved in Internet gaming shall receive training in Bank Secrecy Act and Anti-Money Laundering detection and reporting.

Section 14.21 Integrity Monitoring/Suspicious Behavior

The Gaming Operation and Internet gaming intermediary shall employ personnel responsible for ensuring the operation and integrity of Internet gaming and reviewing all reports of suspicious behavior. Unless otherwise directed by the Gaming Commission, the Gaming Operation and Internet gaming intermediary shall immediately notify the Gaming Commission upon detecting or becoming aware of any of the following:

(a) Any person participating in Internet gaming who is engaging in or attempting to engage in, or who is reasonably suspected of, cheating, theft, embezzlement, collusion, use of funds derived from illegal activity, money laundering, or any other illegal activities.

(b) Any person who is reasonably suspected of misrepresenting their identity or using false identification to establish or attempt to establish an Internet gaming account.

(c) Suspected criminal activity related to any aspect of the Internet gaming.

(d) Any criminal or disciplinary proceedings commenced against the Gaming Operation or Internet gaming intermediary in connection with its Internet gaming.

(e) Any suspicious Internet gaming activity or patterns that indicate a concern regarding the integrity of an Internet game or Internet gaming.

(f) Any other conduct that corrupts the outcome of an Internet game or Internet wager.

(g) Any Internet wagers that violate any applicable Pokagon Band or federal law.

Section 14.22 Voiding of Internet Wagers

The Gaming Operation and Internet gaming intermediary may not void a completed Internet wager without Gaming Commission approval.

Section 14.23 Negative Internet Gaming Account Balance Prohibited

An Internet gaming platform shall employ a mechanism that can detect and prevent any Internet gaming or withdrawal activity initiated by a patron that would result in a negative balance of the Internet gaming account.

Section 14.24 Tournament/Contests, Bonus and Promotional Wagering, Advertising, and Player Loyalty Programs

(a) The Gaming Operation Internet gaming intermediary may conduct an Internet gaming tournament or contest on an authorized game. No Internet gaming tournament or contest shall be conducted unless the Gaming Operation Internet gaming intermediary, prior to the first time a tournament or contest type is offered, files written notice with the Gaming Commission of its intent to offer such a tournament or contest. The Gaming Operation I Internet gaming intermediary shall have on file internal controls for each tournament or contest type it offers, which shall address, at a minimum, all the following:

(1) Internet game type (for example, hold 'em poker).

(2) Rules concerning tournament or contest play and participation.

(3) Entry fee amount(s) per participant.

(4) Funding source amount(s) comprising the prize pool (for example, buy-ins, re-buys, or add-ons).

(5) Prize structure on payout.

(6) Methodology for determining winner(s).

(b) The Gaming Operation Internet gaming intermediary may conduct Internet gaming bonus and promotional wagering offers. The Gaming Operation or Internet gaming intermediary shall maintain a record of all bonus and promotional wagering offers related to Internet gaming in an electronic file that is readily available to the Gaming Commission. All bonus and promotional wagering offers shall be stated in clear and unambiguous terms and shall be readily accessible by the patron after the offer is accepted and prior to completion. Offer terms and the record of all offers shall include all the following at a minimum:

(1) The date and time presented.

(2) The date and time the offer is active and expires.

(3) patron eligibility, including any limitations on participation.

(4) Any restriction on withdrawals of funds.

(5) Wagering requirements and limitations by type of Internet game.

(6) The order in which funds are used for Internet wagers.

(7) Eligible Internet games.

(8) Rules regarding cancellation.

(c) An Internet gaming platform or Internet gaming intermediary shall provide a clear and conspicuous method for an patron to cancel his or her participation in a bonus or promotional wagering offer that utilizes restricted gaming credits that cannot be cashed out until a wagering requirement or other restrictions associated with the credits is met. If an patron elects to proceed with cancellation, unrestricted funds remaining in an Internet gaming account shall be returned according to the terms and conditions.

(d) Once a patron has met the terms of a bonus or promotional wagering offer, the Gaming Operation Internet gaming intermediary shall not limit winnings earned while participating in the offer.

(e) The Gaming Operation and Internet gaming intermediary may utilize celebrity patrons or other patrons to participate in peer-to-peer games for advertising or publicity purposes. Such patrons may have their Internet gaming account funded in whole or in part by the Gaming Operation or Internet gaming intermediary.

(1) The Gaming Operation or Internet gaming intermediary may pay a fee to the celebrity patron. If a celebrity patron is utilized and the celebrity patron generates winnings that the Gaming Operation or Internet gaming intermediary does not permit the celebrity patron to retain, such winnings shall be included in gross receipts in a manner approved by the Gaming Commission.

(f) All tournaments or contests, bonus and promotional wagering, advertising, and player loyalty programs offered and/or conducted by the Gaming Operation or Internet gaming intermediary on the Internet gaming platform shall comply with Gaming Laboratories International, LLC Standard GLI-19: Standards for Interactive Gaming Systems, version 2.0, released February 15, 2013 or as otherwise prescribed by the Gaming Commission.

Section 14.25 Data Security of Age and Identity Verification Information

Details of the age and identity verification process must be kept by the Gaming Operation and Internet gaming intermediary in a secure manner approved by the Gaming Commission.

Section 14.26 Handling of Internet Gaming Accounts Found to be Used in a Fraudulent Manner

The Gaming Operation and Internet gaming intermediary must have a documented system of internal controls for the handling of patrons or other individuals discovered to be using Internet gaming accounts in a fraudulent manner, including, but not limited to the following:

(a) The maintenance of information about any patron's activity or other individual's activity, such that if fraudulent activity is detected, the Gaming Operation or Internet gaming intermediary and the Gaming Commission have all of the necessary information to take appropriate action.

(b) The suspension of any Internet gaming account discovered to be providing access to fraudulent individuals or prohibited persons.

(c) The treatment of deposits, Internet wagers, and wins associated with a fraudulent individual's account and the confiscation of any winnings and things of value of a prohibited person in accordance with Chapter IX of these regulations.

Section 14.27 Failed ACH Deposits

A failed ACH deposit attempt shall not be considered fraudulent if the patron has successfully deposited funds via an ACH transfer on a previous occasion with no outstanding chargebacks. Otherwise, the Gaming Operation Internet gaming intermediary shall do the following:

(a) Temporarily block the Internet gaming account for investigation of fraud after five consecutively failed ACH deposit attempts within a 10-minute time period. If there is no evidence of fraud, the block may be removed.

(b) Suspend the Internet gaming account after five additional consecutively failed ACH deposit attempts within a 10-minute period.

Section 14.28 Transfer of Funds Prohibited

The Gaming Operation Internet gaming intermediary shall not permit a patron to transfer funds from an Internet gaming account to another Internet gaming account.

Section 14.29 Internet Gaming Account Withdrawal

(a) A patron must be allowed to withdraw the funds maintained in his or her Internet gaming account, whether such account is open or closed, except as otherwise provided in these regulations.

(b) The Gaming Operation Internet gaming intermediary must honor such patron request to withdraw funds within five (5) business days of the request, unless the conditions set forth in subsection (c) are met.

(c) The Gaming Operation Internet gaming intermediary may decline to honor an patron request to withdraw funds only if the Gaming Operation Internet gaming intermediary believes in good faith that the patron engaged in either fraudulent conduct or other conduct that would put the Gaming Operation Internet gaming intermediary in violation of these regulations. In such cases, the Gaming Operation Internet gaming intermediary shall do all of the following:

(1) Provide notice to the patron of the nature of the investigation of the Internet gaming account.

(2) Conduct its investigation in a reasonable and expedient fashion, providing the patron additional written notice of the status of the investigation every tenth business day starting from the day the original notice was provided to the patron.

(d) For purposes of this provision, a request for withdrawal will be considered honored if it is processed by the Gaming Operation Internet gaming intermediary notwithstanding a delay by a payment processor, credit card issuer, or the custodian of a financial account.

Section 14.30 Internet Gaming Account Closure

An Internet gaming platform shall provide a conspicuous and readily accessible method for a patron to close his or her Internet gaming account through the account management or similar page or through the Internet gaming platform customer support team. Any balance remaining in an Internet gaming account closed by a patron shall be refunded pursuant to the Gaming Operation's or Internet gaming intermediary's internal controls.

Section 14.31 Internet Gaming Dormant Accounts

The Gaming Operation Internet gaming intermediary shall consider an Internet gaming account to be dormant if the patron has not logged into the Internet gaming account for at least three years. A dormant Internet gaming account shall be closed by the Gaming Operation or Internet gaming intermediary. Any balance remaining in a dormant Internet gaming account shall be refunded or escheated in accordance with the Gaming Operation's or Internet gaming intermediary's internal controls.

Section 14.32 Internal Control Standards and Requirements

(a) Prior to beginning Internet gaming, the Gaming Operation and/or Internet gaming intermediary shall submit its administrative and accounting procedures in detail in a written system of internal control for Gaming Commission review and written approval. A written system of internal controls

must include a detailed narrative description of the administrative and accounting procedures designed to satisfy the requirements of these regulations.

(b) The written system of internal controls must at a minimum address the following items:

(1) Procedures for responding to a failure of the Internet gaming platform (i.e., game, system, communications, or platform malfunction), including procedures for restoring Internet gaming. The Gaming Operation and/or Internet gaming intermediary shall also file with the Gaming Commission an incident report for each significant platform failure and document the date, time, and reason for the failure along with the date and time the system is restored.

(2) User access controls for all Internet gaming personnel.

(3) Segregation of duties.

(4) Automated and manual risk management procedures.

(5) Procedures for identifying and reporting fraud and suspicious conduct.

(6) Procedures to prevent wagering by prohibited persons.

(7) Procedures for Gaming Operation-imposed exclusion of patrons, including the following:

(i) Providing a notification containing operator-imposed exclusion status and general instructions for resolution.

(ii) Ensuring that immediately upon executing the operator-imposed exclusion order, no new wagers or deposits are accepted from the patron, until such time as the operator-imposed exclusion has been revoked; and

(iii) Ensuring that the patron is not prevented from withdrawing any or all of his or her account balance, provided that the Gaming Operation acknowledges that the funds have cleared, and that the reason(s) for exclusion would not prohibit a withdrawal.

(8) Description of anti-money laundering compliance standards.

(9) Process for submitting or receiving approval of all types of Internet games and wagers available.

(10) Description of process for accepting wagers and issuing payouts, plus any additional controls for accepting wagers and issuing payouts in excess of $10,000.00.

(11) Description of process for voiding or cancelling wagers and refunding the patron.

(12) Description of process for accepting multiple wagers from one patron in a 24-hour cycle, including process to identify patron structuring of wagers to circumvent recording and reporting requirements.

(13) Detail the procedure for the recording of transactions and reconciliation of Internet gaming.

(14) Procedures for issuance and acceptance of promotional funds for Internet gaming.\

(15) Description of all integrated third-party platforms.

(16) Identifying and restricting prohibited persons.

(17) Instituting a process to close out dormant accounts.

(18) Detail procedures for making adjustments to an Internet gaming account, providing a method for a patron to close out an account and detail how a patron will be refunded after the closure of an account or how funds will be escheated.

(19) Procedures to verify each patron's physical location each time a patron logs into his or her Internet gaming account and at appropriate intervals thereafter as determined by the Gaming Commission.

(20) Procedures for the security and sharing of personal identifiable information of a patron, funds or financial information in an Internet gaming account and other information as required by the Gaming Commission. The procedures shall include the means by which the Gaming Operation and/or Internet gaming intermediary will provide notice to an patron related to the sharing of personal identifiable information.

(21) Detailed responsible gaming measures.

(22) Method for securely implementing the statewide and Gaming Operation's self-exclusion list and responsible gaming database.

(23) Procedures for receiving, investigating and responding to all patron complaints.

(24) Detail the location of the Internet gaming servers, including any third-party remote location servers, and what controls will be in place to ensure security of the Internet gaming servers.

(25) Technical security standards (controls) required by these regulations.

(26) Procedures for registration of patrons and establishing Internet gaming accounts, including a procedure for authenticating the age, identity and physical address of an applicant for an Internet gaming account and whether the applicant is prohibited from establishing or maintaining an account under applicable laws or regulations;

(27) Procedures for terminating an Internet gaming account and the return of any funds remaining in the Internet gaming account to the patron or confiscation of funds in accordance with these rules.

(28) Procedures for the logging in and authentication of an patron in order to enable the patron to commence Internet gaming and the logging off of the patron when the patron has completed play, including a procedure to automatically log an patron out of the Internet gaming account after a specified period of inactivity;

(29) Procedures for the crediting and debiting of an Internet gaming account.

(30) Procedures for withdrawing funds from an Internet gaming account by the patron.

(31) Procedures for the protection of a patron's funds, including the segregation of a patron's funds from operating funds of the Gaming Operation and/or Internet gaming intermediary.

(32) Procedures and security for the calculation and recording of gross receipts, adjusted gross receipts and winnings.

(33) Procedures and security standards as to receipt, handling and storage of Internet gaming platforms.

(34) Procedures and security standards to protect and respond to suspected or actual hacking or tampering by any person with the Gaming Operation's interactive Internet gaming website and Internet gaming devices and associated equipment.

(35) Procedures and appropriate measures implemented to deter, detect and, to the extent possible, to prevent cheating, including collusion, and use of cheating devices, including the use of software programs that make bets according to algorithms.

(36) Procedures to govern emergencies, including suspected or actual cyber-attacks, hacking or tampering with the Gaming Operation's Internet gaming skin, Internet gaming platform, interactive Internet gaming website and Internet gaming devices and associated equipment. The procedures shall include the process for the reconciliation or repayment of a patron's Internet gaming account.

(37) Policies and procedures in connection with the internal audit function of its Internet gaming operations.

(38) Establishing policies and procedures with respect to credit.

(39) Description of the process for line setting and line moving.

(40) Any other items deemed necessary by the Gaming Commission.

Section 14.33 Amendments to Internal Controls

(a) Amendments to any portion of the Gaming Operation's or Internet gaming intermediary's internal control procedures shall be submitted to the Gaming Commission for approval. If within thirty (30) days, the Gaming Commission has not approved, denied, or otherwise provided written notice, the Gaming Operation and/or Internet gaming intermediary may implement the amended internal controls as submitted with the Gaming Commission retaining its authority to require further amendment, approval, or denial.

(b) The Gaming Commission may, in writing, approve, deny or require a revision to the amendment to the internal control procedures. If the Gaming Operation Internet gaming intermediary is notified of a required revision, the Gaming Operation Internet gaming intermediary shall work with the Gaming Commission to address the revision.

(c) If the Gaming Commission requests additional information, clarification, or revision of an amendment to an internal control and the Gaming Operation Internet gaming intermediary fails to satisfy the request within thirty (30) days of the Gaming Commission request, the Gaming Commission will consider the amendment denied and it cannot be implemented. If the Gaming Operation Internet gaming intermediary subsequently wants to pursue the amendment, it shall resubmit the request along with the additional information previously requested by the Gaming Commission.

Section 14.34 Emergency Procedures

(a) In the event of an emergency, the Gaming Operation and/or Internet gaming intermediary may temporarily amend an internal control procedure. The Gaming Commission must be notified that an emergency exists before temporarily amending an internal control procedure.

(b) The Gaming Operation Internet gaming intermediary shall submit the temporary emergency amendment of the internal control procedures to the Gaming Commission within three (3) days of the amendment. The submission must include the detailed emergency procedures that will be

implemented and the time period the emergency procedures will be temporarily in place. Any concerns the Gaming Commission has with the submission will be addressed with Gaming Operation and/or Internet gaming intermediary.

(c) As soon as the circumstances necessitating the emergency amendment to the internal control procedures abate, the Gaming Operation and/or Internet gaming intermediary shall resume compliance with the approved internal control procedures.

Section 14.35 Compliance with Internal Controls

(a) The Gaming Operation Internet gaming intermediary must comply with all internal controls.

(b) If the Gaming Operation and/or Internet gaming intermediary fails to comply with any provision of its internal controls, the Gaming Commission may initiate a disciplinary action.

Section 14.36 Records Retention

(a) The Gaming Operation or internet gaming intermediary shall maintain, in a place secure from theft, loss, or destruction, adequate records of its business and accounting operations concerning the operation of internet gaming. The Gaming Operation or internet gaming intermediary shall make the records available to the Gaming Commission, upon request, within a time provided by the Gaming Commission. The Gaming Operation or internet gaming intermediary shall hold the records for not less than five years. The records shall include, but not be limited to, the following:

(1) All correspondence concerning the operation of internet gaming with, or reports to, the Gaming Commission or any local, state, tribal or federal governmental agency.

(2) All correspondence concerning the operation of internet gaming with an internet gaming intermediary.

(b) The Gaming Operation or internet gaming intermediary shall keep and maintain accurate, complete, legible, and permanent records of any books, records, or documents pertaining to, prepared in, or generated by, the Gaming Operation or internet gaming intermediary concerning the operation of internet gaming, including but not limited to, the following:

(1) Forms.
(2) Reports.
(3) Accounting records.
(4) Ledgers.
(5) Subsidiary records.
(6) Computer generated data.
(7) Internal audit records.
(8) Correspondence.
(9) Personnel records.

(c) The Gaming Operation or internet gaming intermediary shall keep and maintain the books, records, or documents concerning the operation of internet gaming in a manner and form approved or required by the Gaming Commission.

(d) The Gaming Operation or internet gaming intermediary shall organize and index all required records concerning the operation of internet gaming in a manner that enables the Gaming Commission to locate, inspect, review, and analyze the records with reasonable ease and efficiency.

Section 14.37 Accounting Records

The Gaming Operation internet gaming intermediary shall maintain complete, accurate, legible, and permanent records of all transactions related to its internet gaming system, including transactions pertaining to its revenues, expenses, assets, liabilities, and equity in conformance with generally accepted accounting principles. The accounting requirements outlined in Chapter IV, Section 4.01 Accounting, of these regulations will apply to Internet gaming, sports wagering, and mobile gaming.

Section 14.38 Responsible Internet Gaming

(a) The Gaming Operation's website or Internet gaming platform shall display a responsible gaming logo in a manner approved by the Gaming Commission to direct a patron to the Gaming Operation's website or Internet gaming platform responsible gaming page. The responsible gaming page shall be accessible to a patron during a patron session and shall contain, but is not limited to, the following:

(1) A prominent message, which states, "If you or someone you know has a gambling problem and wants help, call the Michigan Department of Health and Human Services Gambling Disorder Help-line at: 800-270-7117".

(2) A direct link to the Michigan Gaming Control Board Compulsive/Problem Gambling website (https://www.michigan.gov/mgcb/0,4620,7-351-79256-231582--,00.html) and one other organization based in the United States dedicated to helping people with potential gambling problems.

(3) A clear statement of the Gaming Operation's or Internet gaming intermediary's policy and commitment to responsible gaming.

(4) A link to the responsible gaming program administered by the Michigan Gaming Control Board.

(5) Other responsible gaming measures required by the Gaming Commission.

(b) The Gaming Operation and/or Internet platform provider will develop policies and procedures for responsible Internet gaming commensurate with those required by Chapter IX of these regulations for land-based gaming.

Section 14.39 Prohibited Persons

(a) The Gaming Operation Internet gaming intermediary shall prevent a prohibited person from establishing an Internet gaming account and not permit the prohibited person to place an Internet wager.

(b) If the Gaming Operation Internet gaming intermediary detects, or is notified of, a patron suspected of being a prohibited person who had engaged or is engaging in Internet gaming, the Gaming Operation and/or Internet gaming intermediary must use reasonable measures to verify whether the person is prohibited or not. If the Gaming Operation Internet gaming intermediary cannot establish using reasonable measures that the person is prohibited, the person shall be presumed to not be a prohibited person for the purposes of this section.

(c) Upon verification of a prohibited status, the Gaming Operation and/or Internet gaming intermediary shall do both of the following:

(1) Immediately prohibit access to the person's Internet gaming account.

(2) Seize from such person any winnings or things of value obtained from engaging in Internet gaming.

(d) The internal controls of the Gaming Operation Internet gaming intermediary must contain procedures for processing any winnings or things of value confiscated or withheld from a prohibited person.