

APPENDIX K

Standards for Event Wagering

Arizona Tribal-State Gaming Compact

PART I
DEFINITIONS

1. "Department" means the agency of the State which the Governor may from time to time designate by written notice to the Tribe as the single State agency which shall act on behalf of the State under the Compact.
2. "E-Sport" means an organized, multiplayer video game competition, particularly between professional players, individually or as teams.
3. "Event Wager" means a Wager on sports events or other events, portions of sports events or other events, the individual performance statistics of athletes in a sports event or combination of sports events or the individual performance of individuals in other events or a combination of other events through any system or method of wagering.
4. "Event Wagering" means accepting Wagers on sports events or other events, portions of sports events or other events, the individual performance statistics of athletes in a sports event or combination of sports events or the individual performance of individuals in other events or a combination of other events by any system or method of wagering, including in person or over the internet through websites and on mobile devices.
5. "Event Wagering Platform" means the internet interface to an Event Wagering System, which is designed to accept mobile event wagers through a website and/or a mobile application.
6. "Event Wagering System" means the hardware, software, firmware, communications technology or other equipment to allow patrons to place event wagers, regardless of whether event wagers are offered at a Gaming Facility, to include Kiosks, and/or over the internet on an Event Wagering Platform.
7. "Free Bets or Promotional Credits" means any coupon, electronic credit, or other instrument which entitles a player to an event wager without placing anything of value at risk.
8. "Geofence Provider" means a person who creates a virtual perimeter for a real geographic location.
9. "Independent Test Laboratory" means a person who provides testing services to certify that Event Wagering Systems, processes, and programs meet the technical requirements of the Appendix.
10. "Integrity Monitoring Provider" means an independent third person who assists in the identification of Suspicious Wagering Activity.
11. "Kiosk" means a device located within a Gaming Facility that interfaces with an Event Wagering System and may be utilized by a patron to place event wagers, redeem winning Tickets, redeem Vouchers, open a player account, and make player account deposits and withdrawals.
12. "Match play instrumentality" means a coupon or other means that a patron plays in conjunction with a Wager and entitles a player to receive a payout on winning Wagers in a greater amount than the player would be entitled to in accordance with the rules of the game by only making the Wager.
13. "Other Event" means a competition of relative skill or an event authorized by the Department.
14. "Patron" means a player or participant who places event wagers under the Compact and this Appendix.
15. "Player Account" means an account established by a patron with a Gaming Facility Operator so that the patron may place event wagers with that Gaming Facility Operator in a Gaming Facility.

16. "Prohibited Conduct" means any statement, action or other communication intended to unlawfully influence, manipulate or control a betting outcome of a sports event or other event of any individual occurrence or performance in a sports event or other event in exchange for financial gain or to avoid financial or physical harm.
17. "Prohibited Participant" means:
- (a) Any individual whose participation may undermine the integrity of the wagering, the sports event, or the other event;
 - (b) Any individual who is prohibited from placing a Wager as an agent, proxy, or because of self-exclusion;
 - (c) Any individual who is an athlete, coach, referee, player, trainer, or personnel of a sports organization in any sports event or other event overseen by that individual's sports organization who, based on information that is not publicly available, has the ability to determine or to unlawfully influence the outcome of a Wager;
 - (d) An individual who holds a position or authority or influence sufficient to exert influence over the participants in a sporting contest, including coaches, managers, handlers, and athletic trainers, such that their actions can affect the outcome of a Wager; and
 - (e) An individual with access to exclusive information on any sports event or other event overseen by that individual's Sports Governing Body that is not publicly available information or any individual identified by any list provided by the Sports Governing Body to the Department.
18. "Suspicious Wagering Activity" means unusual wagering activity that cannot be explained and is indicative of any of the following: match fixing, the manipulation of an event, misuse of inside information, a potential breach of a sports governing body's internal rules or code of conduct pertaining to Event Wagering, any other conduct that corrupts the outcome of an event, and any other prohibited activity.
19. "Sports Event" means a professional sport or athletic event, a collegiate sport or athletic event, a motor race event, an e-sport event or an Olympic event.
20. "Sports Governing Body" means an organization headquarter in the United States that prescribes final rules and enforces codes of conduct with respect to a sports event and participants in a sports event.
21. "Ticket" means a printed or electronic document utilized to record a Wager by an Event Wagering System.
22. "Unusual Wagering Activity" means abnormal wagering activity exhibited by one (1) or more authorized participants and considered by a Gaming Facility Operator as a potential indicator of Suspicious Wagering Activity.
23. "Voucher" means a printed or electronic wagering instrument which may also be redeemed for cash or cash equivalents.
24. "Wager" means a sum of money or thing of value risked on an uncertain occurrence.

PART II **GENERAL REQUIREMENTS**

- A. Licensing.** All event wagering employees shall be licensed by the Tribal Gaming Office and certified by the Department in accordance with the provisions of the Compact.
- B. Equipment.** All event wagering system equipment, event wagering services, and event wagering supplies shall be purchased, leased, or acquired only from

manufacturers, distributors, or vendors licensed by the Tribal Gaming Office and certified by the Department in accordance with the Compact.

C. Access to Records and Reports. The Department shall have access to all records of event wagering activity, pursuant to the provisions of the Compact, including, but not limited to:

- (1) Daily activity and accounting records;
- (2) Security reports;
- (3) Surveillance activities and reports; and
- (4) Investigative reports.

D. Responsible Advertising.

- (1) Advertising, marketing, and promoting of Event Wagering shall not target, or otherwise be of a kind that specifically appeals to, persons under twenty-one (21) years of age.
- (2) Advertising, marketing, and promoting of Event Wagering shall not be misleading or contain false information.
- (3) Advertising, marketing, and promotion of Event Wagering shall not promote irresponsible or excessive participation in Event Wagering, or suggest that social, financial, or personal success is guaranteed by engaging in Event Wagering.
- (4) Advertising, marketing, and promoting of Event Wagering shall not occur at event venues where most of the audience at most of the events at the venue is reasonably expected to be under twenty-one (21) years of age.
- (5) Event wagering messages, including logos, trademarks, or brands, shall not be used, or licensed for use, on clothing, toys, games, or game equipment intended primarily for persons under twenty-one (21) years of age.
- (6) Event Wagering shall not be promoted or advertised in college or university-owned news assets or advertised on college or university campuses.

E. Policies and Procedures.

- (1) The Gaming Facility Operator shall operate Event Wagering, including each Event Wagering System, Kiosk, and/or Event Wagering Platform under a comprehensive set of policies and procedures to include:
 - (a) A description of, and the inter-relationships and dependencies of, the Event Wagering System, hardware, software, and all integrated modules;
 - (b) A description of, and physical/logical security for, event wagering servers;
 - (c) Procedures for verifying geolocation services and establishing a patron's geographic location;
 - (d) A security and surveillance plan;
 - (e) Procedures for the use, access, and security of all keys utilized in the operation of Event Wagering;
 - (f) A description of the procedures for responding to a failure of the Event Wagering System and/or Event Wagering Platform;
 - (g) Automated and manual risk management procedures;
 - (h) Change management procedures;

- (i) Procedures for identifying and reporting fraudulent and/or Suspicious Wagering Activity, including identifying unusual betting patterns and reporting them to Integrity Monitoring Providers;
 - (j) Procedures for the mitigation of risk of fraud and cheating;
 - (k) Bank Secrecy Act procedures;
 - (l) Procedures for advertising and marketing in a responsible manner;
 - (m) Procedures to mitigate problem gambling and curtail compulsive gambling;
 - (n) A problem gaming training and education program;
 - (o) Procedures for the identification, notice, and removal of self-excluded or barred persons from the Gaming Facility and Event Wagering Platforms;
 - (p) Procedures for selling Tickets, cashing Tickets, cancelling event wagers, voiding Tickets, handling lost Tickets, and issuing tax or other required forms;
 - (q) Procedures for, and definition of, obvious errors;
 - (r) Procedures for setting and moving lines;
 - (s) Procedures for the reconciliation of assets and documents contained in a cashier's drawer, Kiosk, or player account, including drop, fill, and count procedures;
 - (t) Procedures for the verification of player identification;
 - (u) Procedures for the issuance and acceptance of promotional and/or bonus credit for event wagers;
 - (v) Procedures for handling patron disputes;
 - (w) Procedures for creating, updating, adjusting, and closing player accounts;
 - (x) Procedures for internal audit;
 - (y) Procedures for the retention of event wagering records; and
 - (z) Procedures for the identification and prohibition of Prohibited Participants from participation in Event Wagering.
- (2) The Gaming Facility Operator shall have obtained written approval of the policies and procedures, or any changes to them, from the Tribal Gaming Office prior to implementation. The Tribal Gaming Office shall review the policies and procedures, or any change to them, and issue a written approval or disapproval of the policies and procedures. The Tribal Gaming Office shall make the policies and procedures available to the Department upon request.

F. Reporting Requirements. In addition to the requirements in Appendix C, the Tribal Gaming Office shall report any security breaches or breaches of confidentiality of a patron's personal information to the Department within seventy-two (72) hours of discovery.

G. Self-Exclusion and Responsible Gaming. In addition to the requirements in Appendix M, the Gaming Facility Operator shall:

- (1) Display on each Event Wagering Platform and/or Kiosk, obvious and easily assessable messaging stating that help is available if a person has a problem with gambling, to include the statewide toll-free helpline telephone number, text message, website information established by

the Department, and any other information as directed by the Department.

- (2) Include a responsible gaming message with the Department's statewide toll-free crisis helpline telephone number, or another toll-free crisis helpline telephone number as approved by the Department, on all advertisements for Event Wagering, including on television, radio, internet, printed advertisements, and billboards.

H. **Wagers.** The Gaming Facility Operator shall establish minimum and maximum wagers permitted in the Gaming Facility, provided that the maximum wager shall not exceed \$1 million.

PART III **INTEGRITY MONITORING AND GEOFENCING**

A. **Integrity Monitoring.**

- (1) The Gaming Facility Operator shall utilize an integrity monitoring service.
- (2) All Integrity Monitoring Providers shall share information with each other and shall disseminate all reports of unusual and/or Suspicious Wagering Activity to their members. The Gaming Facility Operator shall review such reports and notify their Integrity Monitoring Provider whether they have experienced similar activity. The Gaming Facility Operator shall provide copies of the reports and their responsive notification to the Tribal Gaming Office.
- (3) The Integrity Monitoring Providers shall notify the Department and the appropriate sport's governing body of any Suspicious Wagering Activity as soon as practically possible.
- (4) If the Gaming Facility Operator receives a report of Suspicious Wagering Activity, it shall, upon notification to the Tribal Gaming Office, be permitted to suspend wagering on events related to the report.
- (5) The Gaming Facility Operator shall not cancel event wagers related to Suspicious Wagering Activity without notification to the Tribal Gaming Office and written approval from the Department.

B. **Integrity Reporting.**

- (1) If a Sports Governing Body submits a written request to the Department for access to information relating to Suspicious Wagering Activity, the Gaming Facility Operator shall provide to the Tribal Gaming Office and the Department, and the Department shall provide to the Sports Governing Body, any information relating to the following:
 - (a) Abnormal betting activity or patterns that may indicate a concern with the integrity with a sports event, or events, or any other conduct that corrupts a betting outcome of a sports event, or events, for purposes of financial gain, including match fixing;
 - (b) Any potential breach of a sports governing body's internal rules and codes of conduct pertaining to Event Wagering;
 - (c) Suspicious or illegal event wagering activities, including cheating, the use of monies derived from illegal activity, Wagers to conceal or launder monies derived from illegal activity, using agents to place wagers or using false identification.

- (2) If a Sports Governing Body requests real time information sharing for Wagers placed on its sports events, the Gaming Facility Operator shall report to the Tribal Gaming Office and the Department, in real time and at the account level, information regarding a bettor, the amount and type of bet, the date and time the bet was placed, the location of the bet, including the internet protocol address if applicable, the outcome of the bet, and any applicable records.
- (3) If a Sports Governing Body has notified the Department that real time information sharing for Wagers placed on its sports events is necessary and desirable, the Gaming Facility Operator shall share the same information with the Sports Governing Body or its designee with respect to Wagers on its sports events. Such information may be provided in anonymized form and may be used by a Sports Governing Body solely for integrity purposes.
- (4) The Gaming Facility Operator and the Department shall make commercially reasonable efforts to cooperate with investigations conducted by sports governing bodies, including using commercially reasonable efforts to provide or facilitate the provision of betting information for the purposes of investigations.
- (5) The Department may provide or facilitate access to information regarding account level betting information and data files relating to persons placing Wagers on notification by a Sports Governing Body of an official investigation being conducted into a person or persons who are prohibited by that body from participating in wagering or who are believed to have taken action that affects the integrity or perceived integrity of the sport it governs. Any information obtained by a Sports Governing Body shall be kept confidential unless the information has been made public through a criminal proceeding or by a court order.

C. Geofencing.

- (1) The Gaming Facility Operator shall utilize a geofence system to dynamically monitor the physical location of patrons attempting to place Wagers on Event Wagering Platforms.
- (2) The geofence system shall perform a geolocation check prior to the placement of an event wager in an authorized session.
- (3) The geofence system shall perform recurring geolocation checks throughout a patron's authorized session.
- (4) If a geolocation check determines that a patron is not located in the Gaming Facility, the patron shall be blocked from placing event wagers on the Event Wagering Platform.
- (5) The Gaming Facility Operator or the Geofence Provider shall implement a means to notify a patron of a geolocation failure.
- (6) The Geofence Provider shall provide to the Tribal Gaming Office and the Department access to real-time geofence data.
- (7) Attempts to place Wagers from unauthorized locations shall be entered into a log by the Geofence Provider and/or the Gaming Facility Operator. The log shall be available to the Tribal Gaming Office and the Department upon request.

PART IV
EVENT WAGERING SYSTEM AND TESTING

A. Servers and Cloud Storage.

- (1) The Gaming Facility Operator shall only accept event wagers in a Gaming Facility.
- (2) Event wagers may be placed in person or over the internet, provided that any Wager made over the internet shall be accepted on a server located in a Gaming Facility, or, upon written approval by the Department, on other equipment which communicates with a server located in the State.
- (3) The Gaming Facility Operator shall submit to the Department the physical location of each server used to conduct Event Wagering. The Gaming Facility Operator shall have obtained written approval of the physical location of each server from the Department prior to implementation.
- (4) The server(s) shall have physical and logical security as provided in the Gaming Facility Operator's policies and procedures.
- (5) The Gaming Facility Operator may utilize cloud storage for data not related to transactional wagering or duplicate data for transactional wagering upon written approval by the Tribal Gaming Office.

B. Technical Standards. Event Wagering Systems shall comply with Gaming Laboratories International (GLI) Standard Series GLI-33: Standards for Event Wagering Systems including all appendices, version 1.1, dated May 14, 2019, but not including any later amendments or additions.

C. Event Wagering System.

- (1) An Event Wagering System shall be designed to ensure the integrity and confidentiality of all patron communications, security and confidentiality of patron data including personal and financial information, and the proper identification of the sender and receiver of all communications.
- (2) If the Gaming Facility Operator utilizes an Event Wagering Platform, the Event Wagering Platform shall display the name, brand, and/or logo of the Gaming Facility Operator and/or vendor.
 - (a) If the Gaming Facility Operator changes the name, brand, and/or logo of the Event Wagering Platform, it shall submit the changes to the Tribal Gaming Office prior to implementation.
 - (b) The Gaming Facility Operator shall not terminate use of the Event Wagering Platform without prior written approval from the Tribal Gaming Office and the Department.
 - (c) The Gaming Facility Operator shall establish test accounts for the Tribal Gaming Office and the Department to be used to test the various components and operations of the Event Wagering System.

D. Event Wagering System Testing.

- (1) An Independent Test Laboratory shall test to determine whether an Event Wagering System complies with all applicable technical standards referenced in this Appendix, including, if applicable, an initial geofence system test to verify that event wagers can only be accepted from persons located within the Gaming Facility.
- (2) The Gaming Facility Operator shall provide the Independent Test Laboratory all information necessary for the Independent Test Laboratory to render its opinion.
- (3) The Tribal Gaming Office and the Department shall have secure access to the independent test laboratory certification report that contains the results of the testing.
- (4) The Department reserves the right to require additional testing and to require corrective action if an Event Wagering System is determined to be non-complying.

E. Change Management. The Gaming Facility Operator shall implement a change management process that details evaluation procedures for all updates and changes to an Event Wagering System and Event Wagering Platforms. The change management process shall address at a minimum:

- (1) A clear and transparent framework to assist in managing deployments and other changes in the regulated live production environment.
- (2) A description of the process, to include roles in the change management process, handling requests for change, and the change classification categories.
- (3) The Gaming Facility Operator shall notify the Tribal Gaming Office of high and low impact changes. The Tribal Gaming Office shall provide the notification to the Department.
- (4) The categories of requests for change which shall be based on their impact to the security, integrity, recovery, confidentiality, accountability, and availability of an Event Wagering System:
 - (a) High impact changes which have a high impact on regulated components or reporting of the Event Wagering System. The Gaming Facility Operator shall not implement these changes without the written approval of the Department. The Department shall provide a written response to the Tribal Gaming Office within five (5) days of the notification. The Department will determine if additional testing or certification is required by an Independent Test Laboratory. Examples include:
 - (i) Implementation of a new wagering feature or a change which impacts wagering logic;
 - (ii) A change impacting required regulatory reports or data used for financial reconciliation;
 - (iii) A change implemented by the Gaming Facility Operator that impacts geolocation services; or
 - (iv) A change impacting the handling or storage of personally identifiable information.

- (b) Low impact changes. The Gaming Facility Operator may implement these changes with prior notification to the Tribal Gaming Office and the Department. Examples include:
 - (i) Firewall rule changes;
 - (ii) Database maintenance;
 - (iii) Changes to the physical location of backup data;
 - (iv) Any change or addition of physical hardware component(s); or
 - (v) Changes to non-wagering logic components.
- (c) No impact changes. The Gaming Facility Operator may implement these changes without prior notification to the Tribal Gaming Office and the Department. Examples include:
 - (i) Installation or changes to backup software and/or hardware;
 - (ii) Adding or removing users;
 - (iii) Database maintenance that modifies or deletes non-critical data;
 - (iv) Installation of operating system security patches; or
 - (v) Background images, color schemes, or similar ancillary front-end updates.
- (d) Emergency changes. The Gaming Facility Operator may immediately implement these changes to deal with open threats or liabilities with prior notification to the Tribal Gaming Office. The Tribal Gaming Office shall notify the Department as soon as practically possible of the necessity of the emergency and its resolution.
- (5) The use of a change management log, which shall include at a minimum:
 - (a) Date and time that a change is internally approved for release;
 - (b) Components to be changed;
 - (c) Details of the change;
 - (d) Anticipated release date of the change;
 - (e) Category of the change; and
 - (f) Name of the authorized employee(s).
- (6) Implementation procedures to include notification to system users, scheduling, project planning, and recovery.

F. Event Wagering System Recertification.

- (1) At least once every fifteen (15) months, the Event Wagering System shall be submitted to an Independent Test Laboratory for recertification under Part IV.D. Recertification shall not be required if the Event Wagering System did not have any updates or changes during the previous fifteen (15) months. If a change referenced in Part IV.E.3(a) requires testing or certification by an Independent Test Laboratory, the annual recertification shall be deferred for fifteen (15) months from the date of testing or certification.
- (2) The independent test laboratory's certification report shall be submitted to the Tribal Gaming Office and the Department no later than three (3) days after the recertification is complete. The Department shall test the

recertified Event Wagering System as per Part V.B.2 at an agreed upon date and time.

G. Self-Monitoring of Critical Components. Event Wagering Systems shall perform a self-authentication process on all critical components upon initial installation of the software and every twenty-four (24) hours thereafter.

H. Event Wagering System Communication. If an Event Wagering System is unable to accept a Wager or validate a Ticket for more than two (2) hours, the Gaming Facility Operator shall notify the Tribal Gaming Office and the Department as soon as practically possible.

I. Integrity and Security Assessment.

- (1) If the Gaming Facility Operator offers event wagers through an Event Wagering Platform, the Gaming Facility Operator shall perform an integrity and security assessment of the Event Wagering System within one hundred and twenty (120) days after the commencement of operations, and annually thereafter. The assessment shall be conducted by an independent integrity and security assessment professional. The scope of the assessment shall include, at a minimum, the following:
 - (a) A vulnerability assessment of mobile platforms, mobile applications, internal, external, and wireless networks with the intent of identifying vulnerabilities of all devices, platforms, and applications connected to or present on the networks;
 - (b) A penetration test of all mobile platforms, mobile applications, internal, external, and wireless networks to confirm if identified vulnerabilities of all devices, platforms, and applications are susceptible to compromise;
 - (c) A policy and procedures review against the current ISO 27001 standard or another similar standard approved by the Tribal Gaming Office;
 - (d) A review of the firewall rules to verify the operating condition of the firewall and the effectiveness of its security configuration; and
 - (e) Any other specific criteria or standards for the integrity and security assessment as required by the Tribal Gaming Office.
- (2) The full independent integrity and security assessment professional's report on the assessment shall be submitted to the Tribal Gaming Office and the Department no later than thirty (30) days after the assessment is conducted and shall include the following:
 - (a) Assessment procedures and scope;
 - (b) Name and company affiliation of the individual(s) who conducted the assessment;
 - (c) Date of assessment;
 - (d) Findings;
 - (e) Recommended corrective action, if applicable; and
 - (f) The Gaming Facility Operator's response to the findings and recommended corrective action.

PART V
EVENT WAGERING SYSTEM SHIPPING AND INSTALLATION

A. Event Wagering System Shipping.

- (1) The Gaming Facility Operator shall provide the Department twenty-four (24) hours advanced notice of any shipment or delivery of a Kiosk and/or shipment or download of Event Wagering System software. The Tribal Gaming Office notification requirements may differ.
- (2) All event wagering system software and kiosk software shall be directly shipped to and controlled by the Tribal Gaming Office, unless otherwise designated by the Tribal Gaming Office.

B. Event Wagering System Installation.

- (1) The Tribal Gaming Office shall notify the Department in writing at least ten (10) days prior to the tentative date when the Gaming Facility Operator intends to place an Event Wagering System into use. The Tribal Gaming Office and Department shall then agree upon a firm date and time for testing.
- (2) The Department's testing of an Event Wagering System shall be conducted to determine compliance with this Appendix. These tests shall include, but need not be limited to:
 - (a) Verifying event wagering system software;
 - (b) Verifying equipment serial numbers;
 - (c) Verifying that all applicable event wagering system software and/or hardware has been certified by an Independent Test Laboratory;
 - (d) Verifying system reporting processes; and
 - (e) Verifying physical and logical security.
- (3) If approval is denied, the Department shall provide written notice to the Tribal Gaming Office detailing the reasons for the denial no later than three (3) days after the completion of testing.
- (4) For Kiosks, the Tribal Gaming Office and the Department shall affix an identifying approval seal or equivalent when it is approved for use.
- (5) The Tribal Gaming Office and the Department shall ensure that event wagering system equipment and Event Wagering have the surveillance coverage required in Part VIII.D.

C. Notice of Removal. The Gaming Facility Operator shall provide written notice to the Tribal Gaming Office if it intends to remove a Kiosk or the Event Wagering System from the Gaming Facility. The notice shall be provided to the Tribal Gaming Office at least five (5) days prior to the intended removal date and shall give details regarding when the Kiosk or Event Wagering System will be removed, where the Kiosk or Event Wagering System will be taken, and to whom the Kiosk or Event Wagering System will be taken. The notice shall also detail how pending and unsettled Wagers will be resolved. The Tribal Gaming Office shall notify the Department of the removal and shall immediately remove all affixed approval seals from each Kiosk and shall provide the Department with the removed seals.

PART VI
EVENT WAGERING

A. Authorized Wager Types. The Gaming Facility Operator shall be authorized to offer the following wager types:

- (1) Single-game bets;
- (2) Teaser bets;
- (3) Parlays;
- (4) Over-under bets;
- (5) Money line bets;
- (6) Pools;
- (7) Exchange wagering;
- (8) In-game wagering;
- (9) In-play bets;
- (10) Proposition bets;
- (11) Straight bets; and
- (12) Other wager types as approved by the Department.

B. Authorized Events. The Gaming Facility Operator shall be authorized to accept event wagers on:

- (1) Sports Events;
- (2) E-Sport Events; and
- (3) Other Events.

C. Prohibited Wagers.

- (1) The Gaming Facility Operator shall prohibit event wagers from being placed on the following:
 - (a) Any event, outcome or occurrence, including a high school sports event offered, sponsored, or played in connection with a public or private institution that offers education at the secondary level, other than a Sports Event or Other Event;
 - (b) Injuries or penalties; and
 - (c) Individual actions, events, occurrences or non-occurrences to be determined during a collegiate sports event, including on the performance or non-performance of a team or individual participant during a collegiate sports event.
- (2) The Gaming Facility Operator shall prohibit event wagers from being placed by the following:
 - (a) A patron under 21 years of age;
 - (b) A patron who is self-excluded;
 - (c) A patron who is barred; and
 - (d) A Prohibited Participant.
- (3) A professional sports team, league, association or institution of higher education may submit to the Department in writing a request to prohibit a type or form of Event Wagering, or to prohibit a category of persons from Event Wagering, if the team, league, association or institution believes that such Event Wagering by type, form, or category is contrary to public policy, unfair to consumers, or affects the integrity or perceived integrity of a particular sport or the sports betting industry. Such a request shall provide a reasonable amount of time for the Department to

- conduct due diligence before decision making, absent the need to proceed on an emergency basis.
- (4) The Department shall review a request to determine if good cause exists to grant the request. In making a determination, the Department shall seek input unless the emergency nature of the matter does not provide sufficient time for such due diligence. The Department shall respond to the request concerning a particular event before the start of the event, or if it is not feasible to respond before the start of the event, as soon as practicable.
 - (5) The decision regarding the request to prohibit a type or form of Event Wagering, or to prohibit a category of persons from Event Wagering, shall also be provided to the Tribal Gaming Office and the Gaming Facility Operator.

D. Events and Wagers.

- (1) The Gaming Facility Operator shall submit a catalogue to the Tribal Gaming Office and the Department of the events on which the Gaming Facility Operator intends to accept Wagers and the types of wagers the Gaming Facility Operator intends to offer. The catalogue and any changes shall be submitted to the Department prior to implementation.
- (2) The Tribal Gaming Office shall submit a written request to the Department for an event not previously approved. The request shall include a detailed description of the event and its governing body so that the Department may determine:
 - (a) How Wagers will be placed and how winning Wagers will be determined;
 - (b) How the event will be conducted and supervised;
 - (c) Whether any Wager could affect the outcome of the event;
 - (d) How the outcome of the event will be verifiable and generated through a reliable and independent process; and
 - (e) How the event would be conducted in compliance with any applicable laws.
- (3) The Tribal Gaming Office shall submit a written request to the Department for a wager type not previously authorized. The request shall include a detailed description of the wager type so that the Department may determine:
 - (a) How the Wager will be placed and how winning will be determined;
 - (b) Whether the Wager could affect the outcome of an event; and
 - (c) How the Wager could be made in compliance with any applicable laws.
- (4) Within seven (7) days of receipt of the written request for an event and/or wager type, the Department shall issue a written approval or disapproval to the Tribal Gaming Office.
- (5) The Department shall publish a list of authorized events and wager types on its website.
- (6) The Department may prohibit a particular event or wager type.

E. Wager Rules.

- (1) All Event Wagering shall be transacted through an Event Wagering System. In the event of a computer or power failure, no Tickets shall be manually written.
 - (a) Anonymous event wagers shall only be accepted in the Gaming Facility; and
 - (b) Mobile event wagers shall only be accepted from a verified player account through an Event Wagering Platform.
- (2) An event wager shall not be accepted from a person who is placing the event wager for the benefit of another for compensation or is placing the event wager in violation of tribal, state, or federal law.
- (3) An event wager shall not be accepted upon an event whose outcome has already been determined.
- (4) Upon acceptance of an event wager, a Ticket shall be immediately issued.
- (5) The Gaming Facility Operator may cancel an accepted Wager for obvious error as defined in the Gaming Facility Operator's policies and procedures.
- (6) Except for obvious error, the Gaming Facility Operator shall not unilaterally cancel any Wager without prior written approval of the Tribal Gaming Office.
- (7) If a patron wishes to void a Ticket written prior to the start of an event, and the void request is approved by the Gaming Facility Operator, the Ticket shall be verified by the Event Wagering System and a refund shall be given to the patron. For printed Tickets, a void designation shall be branded on the Ticket.
- (8) Upon verification by the Gaming Facility Operator, winnings from player account wagers shall be immediately deposited into the player account.
- (9) Winnings from anonymous wagers shall be immediately payable to the patron upon validation of the Ticket by an Event Wagering System and verification by the Gaming Facility Operator.
- (10) In the case of a computer or power failure, Tickets may be manually paid. All manually paid Tickets shall be marked as "paid" and entered into an Event Wagering System as soon as possible to verify the accuracy of the payout. All manually paid Tickets shall be reviewed as part of the daily audit process.
- (11) A log for all manually paid Tickets shall be maintained and include:
 - (a) The unique transaction identified;
 - (b) Date and time;
 - (c) Amount of the payout; and
 - (d) Employee name.
- (12) Winning Tickets shall be honored for at least one (1) year after the conclusion of the event(s). Redemption by mail shall be accepted and payment shall be made by the Gaming Facility Operator no later than ten (10) days after receipt.

F. Layoff Wagers. The Gaming Facility Operator may place layoff wagers with another party. The Gaming Facility Operator shall inform the other party that the layoff wager is being placed and shall disclose its identity.

PART VII
OPERATIONAL REQUIREMENTS

A. House Rules.

- (1) The house rules shall be conspicuously displayed in the event wagering area and/or on the Event Wagering Platform. House rules shall address:
 - (a) Types of event wagers accepted;
 - (b) Minimum and maximum event wager amounts accepted;
 - (c) Method for calculation and payment of winning event wagers;
 - (d) Effect of scheduling changes and/or cancelled events;
 - (e) Process for handling incorrectly posted events, odds, or results;
 - (f) Method of notifying patrons of odds or proposition changes;
 - (g) Methods of funding an event wager or player account;
 - (h) Methods for redeeming a winning event wager;
 - (i) Lost or damaged ticket policy;
 - (j) Process for accepting event wagers at other than posted terms;
 - (k) Process for canceling event wagers for obvious errors, including notification;
 - (l) Process for patrons to submit questions and/or complaints;
 - (m) Notification of the patron dispute process; and
 - (n) Notification of the self-exclusion process.
- (2) The Gaming Facility Operator shall submit the house rules to the Tribal Gaming Office prior to implementation. The Tribal Gaming Office shall review the house rules and issue a written approval or disapproval of them. Any proposed changes to the house rules shall be approved by the Tribal Gaming Office prior to implementation. The Tribal Gaming Office shall make the house rules available to the Department upon request.

B. Player Account Creation.

- (1) A patron may establish a player account in person or by electronic means.
- (2) The Gaming Facility Operator shall verify a patron's age and identity before allowing that patron to utilize a player account to place event wagers.
- (3) The Gaming Facility Operator may utilize an identity verification service provider to confirm a patron's age and identity.
- (4) The Gaming Facility Operator shall prohibit a patron from having more than one (1) player account and username.
- (5) The Gaming Facility Operator shall establish each player account file with the following:
 - (a) Patron's legal name;
 - (b) Patron's date of birth;
 - (c) The last four (4) digits of the patron's social security number, the patron's driver's license number, or an equivalent identification number for a noncitizen;
 - (d) Patron's account number or username;
 - (e) Patron's residential address;
 - (f) Patron's e-mail address;
 - (g) The method used to verify the patron's identity;

- (h) The date of verification; and
- (i) Acknowledgement of event wagering terms and conditions, including any subsequent updates.
- (6) The Gaming Facility Operator shall notify patrons of the establishment of a player account and the associated terms and conditions.
- (7) The Gaming Facility Operator shall re-verify a patron's identification upon reasonable suspicion that the patron's identification has been compromised or the player account has been misused, or upon any suspicious activity involving the patron or player account.

C. Player Account Terms and Conditions. Player account terms and conditions shall include the following:

- (1) Name of the Gaming Facility Operator with whom the patron is entering into a contractual relationship;
- (2) Patron's consent to have the Gaming Facility Operator confirm the patron's age and identity;
- (3) Rules and obligations applicable to the patron with regard to allowing any other person to access or use his or her player account and being physically present in the Gaming Facility to place a Wager;
- (4) Patron's consent to the monitoring and recording by the Gaming Facility Operator of any event wagering communication and geographic location information;
- (5) Privacy policy;
- (6) Legal age policy;
- (7) Rules for player account suspension;
- (8) Rules for dormant player accounts;
- (9) Rules for closing player accounts;
- (10) Availability of player account statements; and
- (11) The statewide problem gambling toll-free helpline telephone number, text message, and website information.

D. Player Account Maintenance.

- (1) All adjustments to a player account shall be authorized by the Gaming Facility Operator and periodically reviewed by an employee independent of the adjustment.
- (2) A patron shall be allowed to withdraw the funds maintained in his or her player account.
 - (a) Upon verification by the Gaming Facility Operator, the patron's request to withdraw funds shall be honored within seven (7) days of the request.
 - (b) The Gaming Facility Operator may decline to honor a patron request to withdraw funds if the Gaming Facility Operator believes that the patron engaged in either fraudulent conduct or other conduct that would put the Gaming Facility Operator in violation of the Compact or this Appendix. In such cases, the Gaming Facility Operator shall:
 - (i) Provide notice to the patron of the delay in honoring the request to withdraw funds from the player account;
 - (ii) Investigate in an expedient fashion;
 - (iii) Notify the patron of the final determination of the request to withdraw funds; and
 - (iv) Notify the Tribal Gaming Office of any investigation that confirmed fraudulent conduct.

- (3) The Gaming Facility Operator shall consider a player account to be dormant if the patron has not logged into the player account for at least three (3) years. A dormant account shall be closed by the Gaming Facility Operator. Upon closure of a dormant account, the Gaming Facility Operator shall make reasonable efforts to contact the account holder to return any unclaimed funds.
- (4) After one hundred and twenty (120) days of attempting to contact the account holder, the unclaimed funds in a dormant account shall be presumed abandoned.

E. Promotions and/or Bonuses.

- (1) The Gaming Facility Operator may offer promotions and/or bonuses.
- (2) The Gaming Facility Operator shall submit a written notification to the Tribal Gaming Office for a promotion and/or bonus prior to implementation. The Tribal Gaming Office shall review the promotion and/or bonus and issue a written approval or disapproval of it. The Tribal Gaming Office shall make the promotion and/or bonus rules available to the Department upon request.
- (3) The promotion and/or bonus rules shall be clear and unambiguous, and include:
 - (a) Date and time the promotion or bonus is active and expires;
 - (b) Rules of play;
 - (c) Nature and value of prizes or awards;
 - (d) Eligibility restrictions or limitations;
 - (e) Wagering and redemption requirements, including any limitations;
 - (f) Eligible events or Wagers;
 - (g) Cancellation requirements; and
 - (h) Terms and conditions that are full, accurate, concise, transparent, and do not contain misleading information.
- (4) Promotions and/or bonuses described as free shall clearly disclose material facts, terms, and conditions.
- (5) Promotions and/or bonuses shall not restrict the patron from withdrawing their own funds, or withdrawing winnings from Wagers placed using their own funds.
- (6) The Gaming Facility Operator shall make the promotion or bonus rules available to eligible patrons.

F. Tournaments.

- (1) The Gaming Facility Operator may conduct event wagering tournaments. At such tournaments only events and Wagers approved and authorized by the Department may be played.
- (2) The Gaming Facility Operator shall submit to the Tribal Gaming Office the rules and procedures governing the conduct and play of any event wagering tournament prior to implementation. The Tribal Gaming Office shall review the tournament rules and issue a written approval or disapproval of them. The Tribal Gaming Office shall make the tournament rules available to the Department upon request.
- (3) The tournament rules and procedures shall include but are not limited to:

- (a) Qualification or selection criteria which limit the eligibility of tournament patrons;
 - (b) Regulations of the tournament (e.g., beginning and ending times, number of events, entry fee, elimination factors, cash handling procedures, etc.); and
 - (c) Prizes to be awarded.
- (4) The Gaming Facility Operator shall make the rules available to all tournament patrons prior to the beginning of the tournament.

Part VIII
Minimum Internal Control Standards

A. Cashiering.

- (1) A cashier shall begin a shift with an imprest amount of event wagering inventory, consisting of currency and coin. No funds shall be added to or removed from the event wagering inventory during the shift except:
- (a) Collection of event wagers;
 - (b) Making change for a patron buying a Ticket;
 - (c) Collection of Vouchers;
 - (d) Payment of winning Tickets;
 - (e) Payment of voided Tickets;
 - (f) Payment of Vouchers; and
 - (g) Cash transfers or miscellaneous cash transactions with appropriate documentation.
- (2) An event wagering inventory count sheet shall be completed and signed by the cashier and a verifying employee on a per shift basis. The following shall be recorded on the count sheet:
- (a) The date, time, and shift of preparation;
 - (b) The total amount of each denomination of currency and coin in the event wagering inventory issued to the cashier; and
 - (c) The window number to which the cashier is assigned.
- (3) If the count of the inventory does not agree, the cashier and the verifying employee shall attempt to determine the cause of the variance in the count. Any variance not resolved by the cashier and the verifying employee shall be reported in writing to the Gaming Facility Operator. Any variance over \$500 shall be reported to the Tribal Gaming Office within twenty-four (24) hours. The report shall include the following:
- (a) The date on which the variance occurred;
 - (b) The shift during which the variance occurred;
 - (c) The name of the cashier;
 - (d) The name of the verifying employee;
 - (e) The window number; and
 - (f) The amount of the variance.
- (4) If the event wagering system generated net receipts for the shift do not agree with the count sheet, the verifying employee shall record any overage or shortage. Any variance not resolved by the verifying employee shall be reported in writing to the Gaming Facility Operator. Any variance over \$500 shall be reported to the Tribal Gaming Office within twenty-four (24) hours. The report shall include the following:
- (a) The date on which the variance occurred;
 - (b) The shift during which the variance occurred;

- (c) The name of the cashier;
- (d) The name of the verifying employee;
- (e) The window number; and
- (f) The amount of the variance.

B. Accounting. The Gaming Facility Operator shall maintain an accounting department that is independent from the operation of Event Wagering.

Accounting/revenue audit personnel shall perform the following:

- (1) Daily, for each cashier station except for Kiosks, the write and payouts shall be compared to the cash proceeds/disbursements with a documented investigation being performed on all large variances (i.e., overages or shortages greater than \$100 per cashier).
- (2) Daily, reconcile the dollar amount of player account transactions to the transaction summary report and investigate and document any variances.
- (3) Daily, select a random sample of five (5) paid non-mobile transactions from the event wagering system transaction report and trace the transaction to the customer's copy of the paid Ticket.
- (4) Daily, for all winning non-mobile payouts equal to or greater than \$10,000 and for a random sample of ten (10) of all other winning non-mobile payouts:
 - (a) The Tickets shall be recalculated and regraded using the event wagering system record of event results; and
 - (b) The date and starting time of the event per the results report shall be compared to the date and time on the Ticket and in the event wagering system transaction report.
- (5) Daily, for non-mobile payouts made without event wagering system authorization at the time of payment including such payouts for contest/tournament winners, shall:
 - (a) Trace all payouts to the event wagering system transaction report or the purged tickets report to verify authenticity of the initial event wager;
 - (b) For payouts subsequently entered into the Event Wagering System by employees, compare the manual payout amount to the event wagering system amount; and
 - (c) For payouts not entered into the Event Wagering System by employees, enter the payout into the Event Wagering System and compare the manual payout amount to the event wagering system amount. If the system is inoperative, manually regrade the Ticket to ensure the proper payout amount was made.
- (6) Daily, for all voided Tickets:
 - (a) The event wagering system reports which display voided Ticket information shall be examined to verify that Tickets were properly voided in the computer system;
 - (b) The voided tickets shall be examined for a void designation; and
 - (c) If the Event Wagering System prints void Tickets, a void Ticket shall be attached to the original Ticket.
- (7) Daily, event wagering system exception reports shall be reviewed for propriety of transactions and uncommon occurrences. All noted improper transactions or unusual occurrences noted during the review of exception reports shall be investigated with the results documented.

- (8) Monthly, foot the customer copy of paid non-mobile Tickets for a minimum of one (1) cashier station and trace the totals to those produced by the Event Wagering System.
- (9) Quarterly, for each Kiosk, foot the Vouchers redeemed for a minimum of one (1) day and trace the totals to the totals recorded in the Event Wagering System and the related accountability document. This procedure may be performed for different Kiosks throughout the quarter as long as each Kiosk's activity is examined once a quarter. Accounting/revenue audit shall document the test and the results of variance investigations, by Kiosk.
- (10) Quarterly, for a minimum of one (1) day, the event wagering system reports shall be reviewed for the proper calculation of the following:
 - (a) Amounts held by the Gaming Facility Operator for player accounts (if applicable);
 - (b) Amounts accepted by the Gaming Facility Operator as Wagers on events whose outcomes have not been determined (futures); and
 - (c) Amounts owed but unpaid on winning event wagers through the period established for honoring winning Wagers (unpaid winners and unredeemed Vouchers).
- (11) Quarterly, for a minimum of one (1) day:
 - (a) If future wagers are accepted, review the event wagering system reports to ascertain that future wagers are properly included in write on the day of the event;
 - (b) Recalculate and verify the change in the unpaid winners and unredeemed Vouchers balance to the total purged Tickets and Vouchers; and
 - (c) Select two (2) winning Tickets to verify that the Wager was accepted, and payouts were made in accordance with the posted house rules.
- (12) Annually, foot the write on the event wagering system record of written Tickets for a minimum of three (3) cashiers for each wagering pool for one (1) day and trace the total to the total produced by the Event Wagering System.
- (13) Annually, for a minimum of one (1) day, foot the redeemed Vouchers for one (1) cashier station and trace the totals to those produced by the Event Wagering System.
- (14) Daily, reconcile all tournament entries and payouts to the dollar amounts recorded in the appropriate accountability document and/or event wagering system report.
- (15) When payment is made to the winners of a tournament, reconcile the tournament entry fees collected to the actual tournament payouts made.
- (16) Monthly, review all tournaments, promotions, and bonuses to determine proper accounting treatment and proper win/loss computation.
- (17) Monthly, perform procedures to ensure that promotions and bonuses are conducted in accordance with conditions provided to the patrons.
- (18) Documentation shall be maintained evidencing the performance of audit procedures, the exceptions noted, and follow-up of all audit exceptions.

C. Internal Audit. For purposes of the minimum internal control standards to the Compact, Event Wagering shall require an annual audit by internal audit personnel.

D. Surveillance.

- (1) Each cashier station or window shall be equipped with at least one (1) dedicated camera covering all activity, with sufficient clarity to identify the employees performing the different functions.
- (2) Each Kiosk shall be equipped with at least one (1) dedicated camera covering all activities with sufficient clarity to identify the activity and the individuals performing it, including maintenance, drops, fills, and redemption of Tickets.
- (3) The surveillance system shall monitor and record a general overview of all areas where cash or cash equivalents may be stored or counted.
- (4) The surveillance system shall monitor and record patrons placing Wagers with sufficient clarity to allow for them to be identified and their activities to be monitored.

Part IX
Net Win Calculation

A. Class III Net Win. In addition to the requirements of Appendix I, the following standards shall apply to the calculation of net win for Event Wagering:

- (1) Class III Net Win is equal to the amount wagered by players, excluding voided bets, less amounts paid to players, and less any federal excise tax.
- (2) The following shall not be included in the calculation of Class III Net Win for Event Wagering:
 - (a) The amount(s) of layoff wagers placed and the amount(s) received as payments on such layoff wagers;
 - (b) Entry fees or other compensation received by the Gaming Facility Operator for event wagering tournaments;
 - (c) Prizes paid to winning players as a result of event wagering tournaments;
 - (d) Match Play Instrumentalities; and
 - (e) Free Bets or Promotional Credits.

B. Accounting. The Gaming Facility Operator has the option to choose either the cash accrual or modified accrual basis method of accounting for purposes of calculating the amount of Class III Net Win, provided the chosen accounting method also meets the requirements of the National Indian Gaming Commission.

