

**Tribal-State Gaming Compact  
Between**

\_\_\_\_\_ **Indian Tribe**  
**and the**  
**State of Arizona**

**APPENDIX H**

**PART 542**  
**MINIMUM INTERNAL CONTROL**  
**STANDARDS**

**Revised October 2005**

**APPENDIX H**  
**PART 542**  
**MINIMUM INTERNAL CONTROL STANDARDS**

Revised October 2005

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# APPENDIX H

## Minimum Internal Control Standards

Revised October 2005

Compliance with Requirements of this Appendix. The following minimum internal control standards shall apply to all Gaming Facility Operators and Gaming Facilities; however, this Appendix is not applicable to any activities not expressly permitted in the Compact or other Appendices. In addition, should the terms in this Appendix be inconsistent with the Compact or other Appendices, the terms in the Compact or other Appendices shall prevail.

### PART 542

#### MINIMUM INTERNAL CONTROL STANDARDS

**Sec. 542.1 Reserved (What does this part cover?)**

**Sec. 542.2 Definitions (What are the definitions for this part?)**

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

**Account access card** 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.

**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.

**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.

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

**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.

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

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

**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 a Gaming Facility for cashiers and a storage area for the Gaming Facility Operator's 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 Facility Operator.

**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.

**Capable of** means having the ability, with operator intervention, to do what the standard requires. An activity or area that the surveillance system must be capable of monitoring and recording may be recorded by a dedicated camera, but is not required to be recorded by a dedicated camera.

**Card game** means a game in which the Gaming Facility Operator is not party to wagers and from which the Gaming Facility Operator 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-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.

**Chips** means cash substitutes, in various denominations, issued by a Gaming Facility Operator and used for wagering.

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

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

**Coin room** means an area where coins and tokens are stored.

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

**Commission** means the National Indian Gaming Commission.

**Complimentary** means a service or item provided at no cost, or at a reduced cost, to a customer.

**Count** means the total funds counted for a particular game, gaming machine, shift, or other period.

**Count room** means a room where the coin and cash drop from gaming machines, table games, or other games are transported to and counted.

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

**Counter check** means a form provided by the Gaming Facility Operator for the customer to use in lieu of a personal check.

**Credit** means the right granted by a Gaming Facility Operator 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 Facility Operator.

**Credit slip** means a form used to record either:

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

**Currency counter interface** means a communication device between a currency counter and the computer system used to record the currency count data.

**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 required to continuously record 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 affixed to the gaming table into which the drop is placed. The game type, table number, and shift are indicated on the box.

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

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

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

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

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

**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.

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

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

**Fill slip** means a document evidencing a fill.

**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:

- (1) Name of the game;
- (2) Manufacturer name or manufacturer's logo;
- (3) Ticket count; and

- (4) Prize structure, which shall include the number of winning pull tabs by denomination, with their respective winning symbols, numbers, or both.

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

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

**Gaming Activity** means all forms of Class III Gaming owned and operated by the Tribe and conducted within the Indian Lands of the Tribe.

**Gaming Facility** means the buildings or structures in which Class III Gaming, as authorized by the Compact, is conducted.

**Gaming Facility Operator** means the Tribe, an enterprise owned by the Tribe, or such other entity of the Tribe as the Tribe may from time to time designate by written notice to the State as the wholly-owned Tribal entity having full authority and responsibility for the operation and management of Class III Gaming Activities.

**Gaming Facility Operator accounts receivable** (for Gaming Activity credit) means credit extended to Gaming Facility customers in the form of markers, returned checks, or other credit instruments that have not been repaid.

**Gaming machine** means an electronic or electromechanical machine which contains a microprocessor with random number generator capability which allows a player to play games of chance, some of which may be affected by skill, which machine is activated by the insertion of a coin, token, or cash, or by the use of a credit, and which awards game credits, cash, tokens, or replays, or a written statement of the player's accumulated credits, which written statements 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 count** means the total amount of coins, tokens, and cash removed from a gaming machine. The amount counted is entered on the Gaming Machine Count Sheet and is considered the drop. Also, the procedure of counting the coins, tokens, and cash or the process of verifying gaming machine coin and token inventory.

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

**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.

**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.

**Internal audit** means persons who perform an audit function of a Gaming Facility Operator 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 Facility Operator. 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 Facility holdings.

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

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

**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.

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

**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 Facility.

**Marker** means a document, signed by the customer, evidencing an extension of credit to him by the Gaming Facility Operator.

**Marker credit play** means that players are allowed to purchase chips using credit in the form of a marker.

**Marker inventory form** means a form maintained at table games or in the Gaming Facility 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 credit record** means a form to record the date, time, shift, game, table, amount of credit given, and the signatures or initials of the persons extending the credit.

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

**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.

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

**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 minimum internal control standards in this part 542.

**Monitor and record** means that the surveillance system shall (i) have the capability to display the image captured by a camera required by the standards in this section on a monitor in the surveillance room and (ii) continuously record that image on a video recorder, except for a brief time when tapes are being changed in analog video tape recorders.

**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.

**On-line gaming machine monitoring system** means a system used by a Gaming Facility Operator to monitor gaming machine meter readings and/or other activities on an on-line basis.

**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.

**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 Facility Operator 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.

**Payment slip** means that part of a marker form on which customer payments are recorded.

**Payout** means a transaction associated with a winning event.

**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 Facility Operator supervisory personnel as a workspace and a record storage area.

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

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

**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 that can be won in addition to the primary pot.

**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 Facility Operator based on a wagering activity.

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

**PTZ camera** means a video camera which, at a minimum, possesses pan, tilt and zoom capabilities or features comparable thereto.

**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** 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.

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

**Runner** means a gaming employee 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. SAM's also pay winning tickets in the form of a voucher, which is redeemable for cash.

**Security detention area** means an area designated and used for the detention of persons by the Gaming Facility Operator and/or the Tribal gaming regulatory authority, whether that area is used exclusively for the detention of persons or is used for the detention of persons as well as for other purposes.

**Shift** means an eight-hour period, unless otherwise approved by the Tribal gaming regulatory authority, not to exceed twenty-four (24) hours.

**Shill** means an employee financed by the house and acting as a player for the purpose of starting or maintaining a sufficient number of players in a game.

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

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

**Surveillance room** means the secure location(s) used for the surveillance of Gaming Facilities and Gaming Activities, as identified in the Surveillance Plan required by Appendix C.

**Surveillance system** means the system of cameras, monitors, recorders, printers, switches, selectors, and other necessary or ancillary equipment used for surveillance of Gaming Facilities and Gaming Activities to meet the requirements of this Appendix.

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

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

**Table inventory form** means the form used by Gaming Facility Operator 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 particular type of gaming machine.

**Tier A Gaming Facility** means a Gaming Facility with annual gross gaming revenues of more than \$1 million but not more than \$5 million.

**Tier B Gaming Facility** means a Gaming Facility with annual gross gaming revenues of more than \$5 million but not more than \$15 million.

**Tier C Gaming Facility** means a Gaming Facility with annual gross gaming revenues of more than \$15 million.

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

**Tribal gaming regulatory authority** means the tribally designated entity responsible for gaming regulation.

**Vault** means a secure area within a Gaming Facility where tokens, checks, cash, coins, and chips are stored.

**Wagering instrument** means a representative of value, other than a chip or token, that is issued by a licensee for use in a cashless wagering system.

**Weigh/count** means the value of coins and tokens counted by a weigh machine.

**Weigh scale calibration module** means the device used to adjust a coin weigh scale.

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

**Weigh tape** means the tape where weighed coin is recorded.

**Wide area progressive 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.

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

**Write** 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.

**Sec. 542.3 Reserved (How do I comply with this part?)**

**Sec. 542.4 Reserved (How do these regulations affect minimum internal control standards established in a Tribal-State Compact?)**

**Sec. 542.5 Reserved (How do these regulations affect state jurisdiction?)**

**Sec. 542.6 Reserved (Does this part apply to small and charitable Gaming Facility Operators?)**

**Sec. 542.7 Reserved (What are the minimum internal control standards for bingo?)**

**Sec. 542.8 Reserved (What are the minimum internal control standards for pull tabs?)**

**Sec. 542.9 What are the minimum internal control standards for card games?**

**(a) Computer applications.**

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

**(b) Standards for drop and count.**

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

**(c) Standards for supervision.**

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

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

- (1) Playing cards shall be maintained in a secure location to prevent unauthorized access and to reduce the possibility of tampering.
- (2) Used cards shall be maintained in a secure location until marked, scored, or destroyed, in a manner approved by the Tribal gaming regulatory authority, to prevent unauthorized access and reduce the possibility of tampering.
- (3) The Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply with a reasonable time period, which shall not exceed seven (7) days, within which to mark, cancel, or destroy cards from play.

- (i) This standard shall not apply where playing cards are retained for an investigation.
  - (ii) [Reserved]
- (4) A card control log shall be maintained that documents when cards and dice are received on site, distributed to and returned from tables and removed from play by the Gaming Facility Operator.
- (e) Plastic cards.**  
Notwithstanding paragraph (d) of this section, if a Gaming Facility Operator uses plastic cards (not plastic-coated cards), the cards may be used for up to three (3) months if the plastic cards are routinely inspected, and washed or cleaned in a manner and time frame approved by the Tribal gaming regulatory authority.
- (f) Standards for shills.**
  - (1) Issuance of shill funds shall have the written approval of the supervisor.
  - (2) Shill returns shall be recorded and verified on the shill sign-out form.
  - (3) The replenishment of shill funds shall be documented.
- (g) Standards for reconciliation of card room bank.**
  - (1) The amount of the main card room bank shall be counted, recorded, and reconciled on at least a per shift basis.
  - (2) At least once per shift, the table banks that were opened during that shift shall be counted, recorded, and reconciled by a dealer or other person, and a supervisor, and shall be attested to by their signatures on the check-out form.
- (h) Standards for promotional progressive pots and pools.**
  - (1) All funds contributed by players into the pools shall be returned when won in accordance with the posted rules with no commission or administrative fee withheld.
  - (2) Rules governing promotional pools shall be conspicuously posted and designate:
    - (i) The amount of funds to be contributed from each pot;
    - (ii) What type of hand it takes to win the pool (e.g., what constitutes a “bad beat”);
    - (iii) How the promotional funds will be paid out;
    - (iv) How/when the contributed funds are added to the jackpots; and
    - (v) Amount/percentage of funds allocated to primary and secondary jackpots, if applicable.
  - (3) Promotional pool contributions shall not be placed in or near the rake circle, in the drop box, or commingled with gaming revenue from card games or any other gambling game.
  - (4) The amount of the jackpot shall be conspicuously displayed in the card room.
  - (5) At least once a day, the posted pool amount shall be updated to reflect the current pool amount.
  - (6) At least once a day, increases to the posted pool amount shall be reconciled to the cash previously counted or received by the cage by personnel independent of the card room.
  - (7) All decreases to the pool must be properly documented, including a reason for the decrease.
- (i) Promotional progressive pots and pools where funds are displayed in the card room.**
  - (1) Promotional funds displayed in the card room shall be placed in a locked container in plain view of the public.
  - (2) Persons authorized to transport the locked container shall be precluded from having access to the contents keys.
  - (3) The contents key shall be maintained by personnel independent of the card room.
  - (4) At least once a day, the locked container shall be removed by two persons, one of whom is independent of the card games department, and transported directly to the cage or other secure room to be counted, recorded, and verified.

- (5) The locked container shall then be returned to the card room where the posted pool amount shall be updated to reflect the current pool amount.

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

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

**Sec. 542.10 What are the minimum internal control standards for 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 Tribal gaming regulatory authority, will be acceptable.

**(b) Game play standards.**

- (1) The computerized customer ticket shall include the date, game number, ticket sequence number, station number, and conditioning (including multi-race if applicable).
- (2) The information on the ticket shall be recorded on a restricted transaction log or computer storage media concurrently with the generation of the ticket.
- (3) Keno personnel shall be precluded from having access to the restricted transaction log or computer storage media.
- (4) When it is necessary to void a ticket, the void information shall be inputted in the computer and the computer shall document the appropriate information pertaining to the voided wager (e.g., void slip is issued or equivalent documentation is generated).
- (5) Controls shall exist to prevent the writing and voiding of tickets after a game has been closed and after the number selection process for that game has begun.
- (6) The controls in effect for tickets prepared in outstations (if applicable) shall be identical to those in effect for the primary keno game.

**(c) Rabbit ear or wheel system.**

- (1) The following standards shall apply if a rabbit ear or wheel system is utilized:
  - (i) A dedicated camera shall be utilized to monitor the following both prior to, and subsequent to, the calling of a game:
    - (A) Empty rabbit ears or wheel;
    - (B) Date and time;
    - (C) Game number; and
    - (D) Full rabbit ears or wheel.
  - (ii) The film of the rabbit ears or wheel shall provide a legible identification of the numbers on the balls drawn.
  - (iii) Keno personnel shall immediately input the selected numbers in the computer and the computer shall document the date, the game number, the time the game was closed, and the numbers drawn.
  - (iv) The Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply with procedures that prevent unauthorized access to keno balls in play.

- (v) Back-up keno ball inventories shall be secured in a manner to prevent unauthorized access.
  - (vi) The Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply with procedures for inspecting new keno balls put into play as well as for those in use.
- (2) [Reserved]
- (d) Random number generator.**
- (1) The following standards shall apply if a random number generator is utilized:
    - (i) The random number generator shall be linked to the computer system and shall directly relay the numbers selected into the computer without manual input.
    - (ii) Keno personnel shall be precluded from access to the random number generator.
  - (2) [Reserved]
- (e) Winning tickets.**
- Winning tickets shall be verified and paid as follows:
- (1) The sequence number of tickets presented for payment shall be inputted into the computer, and the payment amount generated by the computer shall be given to the customer.
  - (2) The Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply with procedures that preclude payment on tickets previously presented for payment, unclaimed winning tickets (sleepers) after a specified period of time, voided tickets, and tickets that have not been issued yet.
  - (3) All payouts shall be supported by the customer (computer-generated) copy of the winning ticket (payout amount is indicated on the customer ticket or a payment slip is issued).
  - (4) A manual report or other documentation shall be produced and maintained documenting any payments made on tickets that are not authorized by the computer.
  - (5) Winning tickets over a specified dollar amount (not to exceed \$10,000 for locations with more than \$5 million annual keno write and \$3,000 for all other locations) shall also require the following:
    - (i) Approval of management personnel independent of the keno department, evidenced by their signature;
    - (ii) Review of the video recording and/or digital record of the rabbit ears or wheel to verify the legitimacy of the draw and the accuracy of the draw ticket (for rabbit ear or wheel systems only);
    - (iii) Comparison of the winning customer copy to the computer reports;
    - (iv) Regrading of the customer copy using the payout schedule and draw information; and
    - (v) Documentation and maintenance of the procedures in this paragraph.
  - (6) When the keno game is operated by one person, all winning tickets in excess of an amount to be determined by management (not to exceed \$1,500) shall be reviewed and authorized by a person independent of the keno department.
- (f) Check out standards at the end of each keno shift.**
- (1) For each writer station, a cash summary report (count sheet) shall be prepared that includes:
    - (i) Computation of net cash proceeds for the shift and the cash turned in; and
    - (ii) Signatures of two employees who have verified the net cash proceeds for the shift and the cash turned in.

(2) [Reserved]

**(g) Promotional payouts or awards.**

(1) If a Gaming Facility Operator offers promotional payouts or awards, the payout form/documentation shall include the following information:

- (i) Date and time;
- (ii) Dollar amount of payout or description of personal property (e.g., jacket, toaster, car, etc.), including fair market value;
- (iii) Type of promotion; and
- (iv) Signature of at least one employee authorizing and completing the transaction.

(2) [Reserved]

**(h) Standards for statistical reports.**

- (1) Records shall be maintained that include win and write by individual writer for each day.
- (2) Records shall be maintained that include win, write, and win-to-write hold percentage for:
  - (i) Each shift;
  - (ii) Each day;
  - (iii) Month-to-date; and
  - (iv) Year-to-date or fiscal year-to-date as applicable.
- (3) A manager independent of the keno department shall review keno statistical data at least on a monthly basis and investigate any large or unusual statistical variances.
- (4) At a minimum, investigations shall be performed for statistical percentage fluctuations from the base level for a month in excess of  $\pm 3\%$ . The base level shall be defined as the Gaming Facility Operator's win percentage for the previous business year or the previous twelve (12) months.
- (5) Such investigations shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

**(i) System security standards.**

- (1) All keys (including duplicates) to sensitive computer hardware in the keno area shall be maintained by a department independent of the keno function.
- (2) Personnel independent of the keno department shall be required to accompany such keys to the keno area and shall observe changes or repairs each time the sensitive areas are accessed.

**(j) Documentation standards.**

- (1) Adequate documentation of all pertinent keno information shall be generated by the computer system.
- (2) This documentation shall be restricted to authorized personnel.
- (3) The documentation shall include, at a minimum:
  - (i) Ticket information (as described in paragraph (b)(1) of this section);
  - (ii) Payout information (date, time, ticket number, amount, etc.);
  - (iii) Game information (number, ball draw, time, etc.);
  - (iv) Daily recap information, including:
    - (A) Write;
    - (B) Payouts; and
    - (C) Gross revenue (win);
  - (v) System exception information, including:
    - (A) Voids;
    - (B) Late pays; and
    - (C) Appropriate system parameter information (e.g., changes in pay tables, ball draws, payouts over a predetermined amount, etc.); and

- (vi) Personnel access listing, including:
  - (A) Employee name or employee identification number; and
  - (B) Listing of functions employee can perform or equivalent means of identifying same.

**(k) Keno audit standards.**

- (1) The keno audit function shall be independent of the keno department.
- (2) At least annually, keno audit shall foot the write on the restricted copy of the keno transaction report for a minimum of one shift and compare the total to the total as documented by the computer.
- (3) For at least one shift every other month, keno audit shall perform the following:
  - (i) Foot the customer copy of the payouts and trace the total to the payout report; and
  - (ii) Regrade at least 1% of the winning tickets using the payout schedule and draw ticket.
- (4) Keno audit shall perform the following:
  - (i) For a minimum of five games per week, compare the video recording and/or digital record of the rabbit ears or wheel to the computer transaction summary;
  - (ii) Compare net cash proceeds to the audited win/loss by shift and investigate any large cash overages or shortages (i.e., in excess of \$25.00);
  - (iii) Review and regrade all winning tickets greater than or equal to \$1,500, including all forms that document that proper authorizations and verifications were obtained and performed;
  - (iv) Review the documentation for payout adjustments made outside the computer and investigate large and frequent payments;
  - (v) Review personnel access listing for inappropriate functions an employee can perform;
  - (vi) Review system exception information on a daily basis for propriety of transactions and unusual occurrences including changes to the personnel access listing;
  - (vii) If a random number generator is used, then at least weekly review the numerical frequency distribution for potential patterns; and
  - (viii) Investigate and document results of all noted improper transactions or unusual occurrences.
- (5) When the keno game is operated by one person:
  - (i) The customer copies of all winning tickets in excess of \$100 and at least 5% of all other winning tickets shall be regraded and traced to the computer payout report;
  - (ii) The video recording and/or digital record of rabbit ears or wheel shall be randomly compared to the computer game information report for at least 10% of the games during the shift; and
  - (iii) Keno audit personnel shall review winning tickets for proper authorization pursuant to paragraph (e)(6) of this section.
- (6) In the event any person performs the writer and deskman functions on the same shift, the procedures described in paragraphs (k)(5)(i) and (ii) of this section (using the sample sizes indicated) shall be performed on tickets written by that person.
- (7) Documentation (e.g., a log, checklist, etc.) that evidences the performance of all keno audit procedures shall be maintained.
- (8) A manager independent of the keno department shall review keno audit exceptions, and perform and document investigations into unresolved exceptions. These investigations

shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

- (9) When a multi-game ticket is part of the sample in paragraphs (k)(3)(ii), (k)(5)(i) and (k)(6) of this section, the procedures may be performed for ten (10) games or ten percent (10%) of the games won, whichever is greater.

**(l) Access.**

Access to the computer system shall be adequately restricted (i.e., passwords are changed at least quarterly, access to computer hardware is physically restricted, etc.).

**(m) Equipment standards.**

- (1) There shall be effective maintenance planned to service keno equipment, including computer program updates, hardware servicing, and keno ball selection equipment (e.g., service contract with lessor).
- (2) Keno equipment maintenance (excluding keno balls) shall be independent of the operation of the keno game.
- (3) Keno maintenance personnel shall report irregularities to management personnel independent of the keno department.
- (4) If the Gaming Facility Operator utilizes a barcode or microchip reader in connection with the play of keno, the reader shall be tested at least annually by personnel independent of the keno department to determine that it is correctly reading the barcode or microchip.

**(n) Document retention.**

- (1) All documents (including computer storage media) discussed in this section shall be retained for five (5) years, except for the following, which shall be retained for at least seven (7) days:

- (i) Video recordings and/or digital records of rabbit ears or wheel;
- (ii) All copies of winning keno tickets of less than \$1,500.00.

- (2) [Reserved]

**(o) Multi-race tickets.**

- (1) Procedures shall be established to notify keno personnel immediately of large multi-race winners to ensure compliance with standards in paragraph (e)(5) of this section.
- (2) Procedures shall be established to ensure that keno personnel are aware of multi-race tickets still in process at the end of a shift.

**(p) Manual keno.**

For Gaming Facility Operators 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.

**Sec. 542.11 What are the minimum internal control standards for pari-mutuel wagering?**

**(a) Exemptions.**

- (1) The requirements of this section shall not apply to Gaming Facility Operators 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 Facility Operator 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 Facility Operator receives a predetermined fee from the simulcast service provider; and
  - (iv) In addition, the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish

and the Gaming Facility Operator shall comply with standards that ensure that the Gaming Facility Operator receives, from the racetrack, its contractually guaranteed percentage of the handle.

- (2) Gaming Facility Operators 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 Facility Operator employees, shall not be required to comply with paragraphs (h)(5) thru (h)(9) of this section.
  - (i) If any standard contained within this section conflicts with state law, a tribal-state compact, or a contract, then the Gaming Facility Operator shall document the basis for noncompliance and shall maintain such documentation for inspection by the Tribal gaming regulatory authority and the Commission.
  - (ii) In addition, the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply with standards that ensure that the Gaming Facility Operator receives, from the racetrack, its contractually guaranteed percentage of the handle.

**(b) Computer applications.**

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

**(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 Facility 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 Facility 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 Facility Operator 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 Facility 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) Signatures of two employees who have verified the cash turned in for the shift.

**(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 Facility Operator, and net funds transferred to or from the Gaming Facility Operator's bank account;
  - (ii) An exception report that contains a listing of all system functions and overrides not involved in the actual writing or cashing of tickets, including sign-on/off, voids, and manually input paid tickets; and
  - (iii) A purged ticket report that contains a listing of the unique transaction identifier(s), description, ticket cost and value, and date purged.

**(h) Accounting and auditing functions.**

A Gaming Facility Operator shall perform the following accounting and auditing functions:

- (1) The pari-mutuel audit shall be conducted by personnel independent of the pari-mutuel operation.

- (2) Documentation shall be maintained evidencing the performance of all pari-mutuel accounting and auditing procedures.
- (3) An accounting employee shall review handle, commission, and breakage for each day's play and recalculate the net amount due to or from the systems operator on a weekly basis.
- (4) The accounting employee shall verify actual cash/cash equivalents turned in to the system's summary report for each cashier's drawer (Beginning balance, (+) fills (draws), (+) net write (sold less voids), (-) payouts (net of IRS withholding), (-) cashbacks (pays), (=) cash turn-in).
- (5) An accounting employee shall produce a gross revenue recap report to calculate gross revenue for each day's play and for a month-to-date basis, including the following totals:
  - (i) Commission;
  - (ii) Positive breakage;
  - (iii) Negative breakage;
  - (iv) Track/event fees;
  - (v) Track/event fee rebates; and
  - (vi) Purged tickets.
- (6) All winning tickets and vouchers shall be physically removed from the SAM's for each day's play.
- (7) In the event a SAM does not balance for a day's play, the auditor shall perform the following procedures:
  - (i) Foot the winning tickets and vouchers deposited and trace to the totals of SAM activity produced by the system;
  - (ii) Foot the listing of cashed vouchers and trace to the totals produced by the system;
  - (iii) Review all exceptions for propriety of transactions and unusual occurrences;
  - (iv) Review all voids for propriety;
  - (v) Verify the results as produced by the system to the results provided by an independent source;
  - (vi) 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.
- (8) At least annually, the auditor shall foot the wagers for one day and trace to the total produced by the system.
- (9) At least one day per quarter, the auditor shall recalculate and verify the change in the unpaid winners to the total purged tickets.

**Sec. 542.12 What are the minimum internal control standards for table games?**

**(a) Computer applications.**

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

**(b) Standards for drop and count.**

The procedures for the collection of the table game drop and the count thereof shall comply with Sec. 542.21, Sec. 542.31, or Sec. 542.41 (as applicable).

**(c) Fill and credit standards.**

- (1) Fill slips and credit slips shall be in at least triplicate form, and in a continuous, prenumbered series. Such slips shall be concurrently numbered in a form utilizing the

- alphabet and only in one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year.
- (2) Unissued and issued fill/credit slips shall be safeguarded and adequate procedures shall be employed in their distribution, use, and control. Personnel from the cashier or pit departments shall have no access to the secured (control) copies of the fill/credit slips.
  - (3) When a fill/credit slip is voided, the cashier shall clearly mark "void" across the face of the original and first copy, the cashier and one other person independent of the transactions shall sign both the original and first copy, and shall submit them to the accounting department for retention and accountability.
  - (4) Fill transactions shall be authorized by pit supervisory personnel before the issuance of fill slips and transfer of chips, tokens, or cash equivalents. The fill request shall be communicated to the cage where the fill slip is prepared.
  - (5) At least three parts of each fill slip shall be utilized as follows:
    - (i) One part shall be transported to the pit with the fill and, after the appropriate signatures are obtained, deposited in the table game drop box;
    - (ii) One part shall be retained in the cage for reconciliation of the cashier bank; and
    - (iii) For computer systems, one part shall be retained in a secure manner to insure that only authorized persons may gain access to it. For manual systems, one part shall be retained in a secure manner in a continuous unbroken form.
  - (6) At Tier C Gaming Facilities, the part of the fill slip that is placed in the table game drop box shall be of a different color for fills than for credits, unless the type of transaction is clearly distinguishable in another manner (the checking of a box on the form shall not be a clearly distinguishable indicator).
  - (7) The table number, shift, and amount of fill by denomination and in total shall be noted on all copies of the fill slip. The correct date and time shall be indicated on at least two copies.
  - (8) All fills shall be carried from the cashier's cage by a person who is independent of the cage or pit.
  - (9) The fill slip shall be signed by at least the following persons (as an indication that each has counted the amount of the fill and the amount agrees with the fill slip):
    - (i) Cashier who prepared the fill slip and issued the chips, tokens, or cash equivalent;
    - (ii) Runner who carried the chips, tokens, or cash equivalents from the cage to the pit;
    - (iii) Dealer or boxperson who received the chips, tokens, or cash equivalents at the gaming table; and
    - (iv) Pit supervisory personnel who supervised the fill transaction.
  - (10) Fills shall be broken down and verified by the dealer or boxperson in public view before the dealer or boxperson places the fill in the table tray.
  - (11) A copy of the fill slip shall then be deposited into the drop box on the table by the dealer, where it shall appear in the soft count room with the cash receipts for the shift.
  - (12) Table credit transactions shall be authorized by a pit supervisor before the issuance of credit slips and transfer of chips, tokens, or other cash equivalent. The credit request shall be communicated to the cage where the credit slip is prepared.
  - (13) At least three parts of each credit slip shall be utilized as follows:
    - (i) Two parts of the credit slip shall be transported by the runner to the pit. After signatures of the runner, dealer, and pit supervisor are obtained, one copy shall be deposited in the table game drop box and the original shall accompany transport of the chips, tokens, markers, or cash equivalents from the pit to the cage for verification and signature of the cashier.

- (ii) For computer systems, one part shall be retained in a secure manner to insure that only authorized persons may gain access to it. For manual systems, one part shall be retained in a secure manner in a continuous unbroken form.
- (14) The table number, shift, and the amount of credit by denomination and in total shall be noted on all copies of the credit slip. The correct date and time shall be indicated on at least two copies.
- (15) Chips, tokens, and/or cash equivalents shall be removed from the table tray by the dealer or boxperson and shall be broken down and verified by the dealer or boxperson in public view prior to placing them in racks for transfer to the cage.
- (16) All chips, tokens, and cash equivalents removed from the tables and markers removed from the pit shall be carried to the cashier's cage by a person who is independent of the cage or pit.
- (17) The credit slip shall be signed by at least the following persons (as an indication that each has counted or, in the case of markers, reviewed the items transferred):
  - (i) Cashier who received the items transferred from the pit and prepared the credit slip;
  - (ii) Runner who carried the items transferred from the pit to the cage;
  - (iii) Dealer who had custody of the items prior to transfer to the cage; and
  - (iv) Pit supervisory personnel who supervised the credit transaction.
- (18) The credit slip shall be inserted in the drop box by the dealer.
- (19) Chips, tokens, or other cash equivalents shall be deposited on or removed from gaming tables only when accompanied by the appropriate fill/credit or marker transfer forms.
- (20) Cross fills (the transfer of chips between table games) and even cash exchanges are prohibited in the pit.

**(d) Table inventory forms.**

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

**(e) Table games computer generated documentation standards.**

- (1) The computer system shall be capable of generating adequate documentation of all information recorded on the source documents and transaction detail (e.g., fill/credit slips, markers, etc.).
- (2) This documentation shall be restricted to authorized personnel.
- (3) The documentation shall include, at a minimum:
  - (i) System exception information (e.g., appropriate system parameter information, corrections, voids, etc.); and
  - (ii) Personnel access listing, which includes, at a minimum:
    - (A) Employee name or employee identification number (if applicable); and

(B) Listing of functions employees can perform or equivalent means of identifying the same.

**(f) Standards for playing cards and dice.**

- (1) Playing cards and dice shall be maintained in a secure location to prevent unauthorized access and to reduce the possibility of tampering.
- (2) Used cards and dice shall be maintained in a secure location until marked, scored, or destroyed, in a manner as approved by the Tribal gaming regulatory authority, to prevent unauthorized access and reduce the possibility of tampering.
- (3) The Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply with a reasonable time period, which shall not exceed seven (7) days, within which to mark, cancel, or destroy cards and dice from play.
  - (i) This standard shall not apply where playing cards or dice are retained for an investigation.
  - (ii) [Reserved]
- (4) A card control log shall be maintained that documents when cards and dice are received on site, distributed to and returned from tables and removed from play by the Gaming Facility Operator .

**(g) Plastic cards.**

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

**(h) Standards for supervision.**

Pit supervisory personnel (with authority equal to or greater than those being supervised) shall provide supervision of all table games.

**(i) Analysis of table game performance standards.**

- (1) Records shall be maintained by day and shift indicating any single-deck blackjack games that were dealt for an entire shift.
- (2) Records reflecting hold percentage by table and type of game shall be maintained by shift, by day, cumulative month-to-date, and cumulative year-to-date.
- (3) This information shall be presented to and reviewed by management independent of the pit department on at least a monthly basis.
- (4) The management in paragraph (h)(3) of this section shall investigate any unusual fluctuations in hold percentage with pit supervisory personnel.
- (5) The results of such investigations shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

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

- (1) The accounting and auditing procedures shall be performed by personnel who are independent of the transactions being audited/accounted for.
- (2) If a table game has the capability to determine drop (e.g., bill-in/co-in drop meters, bill acceptor, computerized record, etc.) the dollar amount of the drop shall be reconciled to the actual drop by shift.
- (3) Accounting/auditing employees shall review exception reports for all computerized table games systems at least monthly for propriety of transactions and unusual occurrences.
- (4) All noted improper transactions or unusual occurrences shall be investigated with the results documented.
- (5) Evidence of table games auditing procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

- (6) A daily recap shall be prepared for the day and month-to-date, which shall include the following information:
  - (i) Drop;
  - (ii) Win; and
  - (iii) Gross revenue.

**(k) Marker credit play.**

- (1) If a Gaming Facility Operator allows marker credit play (exclusive of rim credit and call bets), the following standards shall apply:
  - (i) A marker system shall allow for credit to be both issued and repaid in the pit.
  - (ii) Prior to the issuance of gaming credit to a player, the employee extending the credit shall contact the cashier or other independent source to determine if the player's credit limit has been properly established and there is sufficient remaining credit available for the advance.
  - (iii) Proper authorization of credit extension in excess of the previously established limit shall be documented.
  - (iv) The amount of credit extended shall be communicated to the cage or another independent source and the amount documented within a reasonable time subsequent to each issuance.
  - (v) The marker form shall be prepared in at least triplicate form (triplicate form being defined as three parts performing the functions delineated in the standard in paragraph (j)(1)(vi) of this section), with a preprinted or concurrently-printed marker number, and utilized in numerical sequence. (This requirement shall not preclude the distribution of batches of markers to various pits.)
  - (vi) At least three parts of each separately numbered marker form shall be utilized as follows:
    - (A) Original shall be maintained in the pit until settled or transferred to the cage;
    - (B) Payment slip shall be maintained in the pit until the marker is settled or transferred to the cage. If paid in the pit, the slip shall be inserted in the table game drop box. If not paid in the pit, the slip shall be transferred to the cage with the original;
    - (C) Issue slip shall be inserted into the appropriate table game drop box when credit is extended or when the player has signed the original.
  - (vii) When marker documentation (e.g., issue slip and payment slip) is inserted in the drop box, such action shall be performed by the dealer or boxperson at the table.
  - (viii) A record shall be maintained that details the following (e.g., master credit record retained at the pit podium):
    - (A) The signature or initials of the person(s) approving the extension of credit (unless such information is contained elsewhere for each issuance);
    - (B) The legible name of the person receiving the credit;
    - (C) The date and shift of granting the credit;
    - (D) The table on which the credit was extended;
    - (E) The amount of credit issued;
    - (F) The marker number;
    - (G) The amount of credit remaining after each issuance or the total credit available for all issuances;
    - (H) The amount of payment received and nature of settlement (e.g., credit slip number, cash, chips, etc.); and
    - (I) The signature or initials of the person receiving payment/settlement.

- (ix) The forms required in paragraphs (j)(1)(v), (vi), and (viii) of this section shall be safeguarded, and adequate procedures shall be employed to control the distribution, use, and access to these forms.
- (x) All credit extensions shall be initially evidenced by lammer buttons, which shall be displayed on the table in public view and placed there by supervisory personnel.
- (xi) Marker preparation shall be initiated and other records updated within approximately one hand of play following the initial issuance of credit to the player.
- (xii) Lammer buttons shall be removed only by the dealer or boxperson employed at the table upon completion of a marker transaction.
- (xiii) The original marker shall contain at least the following information:
  - (A) Marker number;
  - (B) Player's name and signature;
  - (C) Date; and
  - (D) Amount of credit issued.
- (xiv) The issue slip or stub shall include the same marker number as the original, the table number, date and time of issuance, and amount of credit issued. The issue slip or stub shall also include the signature of the person extending the credit, and the signature or initials of the dealer or boxperson at the applicable table, unless this information is included on another document verifying the issued marker.
- (xv) The payment slip shall include the same marker number as the original. When the marker is paid in full in the pit, it shall also include the table number where paid, date and time of payment, nature of settlement (cash, chips, etc.), and amount of payment. The payment slip shall also include the signature of pit supervisory personnel acknowledging payment, and the signature or initials of the dealer or boxperson receiving payment, unless this information is included on another document verifying the payment of the marker.
- (xvi) When partial payments are made in the pit, a new marker shall be completed reflecting the remaining balance and the marker number of the marker originally issued.
- (xvii) When partial payments are made in the pit, the payment slip of the marker that was originally issued shall be properly cross-referenced to the new marker number, completed with all information required by paragraph (j)(1)(xv) of this section, and inserted into the drop box.
- (xviii) The cashier's cage or another independent source shall be notified when payments (full or partial) are made in the pit so that cage records can be updated for such transactions. Notification shall be made no later than when the customer's play is completed or at shift end, whichever is earlier.
- (xix) All portions of markers, both issued and unissued, shall be safeguarded and procedures shall be employed to control the distribution, use and access to the forms.
- (xx) An investigation shall be performed to determine the cause and responsibility for loss whenever marker forms, or any part thereof, are missing. These investigations shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.
- (xxi) When markers are transferred to the cage, marker transfer forms or marker credit slips (or similar documentation) shall be utilized and such documents shall include, at a minimum, the date, time, shift, marker number(s), table number(s), amount of each marker, the total amount transferred, signature of pit supervisory

personnel releasing instruments from the pit, and the signature of cashier verifying receipt of instruments at the cage.

- (xxii) All markers shall be transferred to the cage within twenty-four (24) hours of issuance.
- (xxiii) Markers shall be transported to the cashier's cage by a person who is independent of the marker issuance and payment functions (pit clerks may perform this function).

(2) [Reserved]

**(l) Name credit instruments accepted in the pit.**

- (1) For the purposes of this paragraph, name credit instruments means personal checks, payroll checks, counter checks, hold checks, traveler's checks, or other similar instruments that are accepted in the pit as a form of credit issuance to a player with an approved credit limit.
- (2) The following standards shall apply if name credit instruments are accepted in the pit:
  - (i) A name credit system shall allow for the issuance of credit without using markers;
  - (ii) Prior to accepting a name credit instrument, the employee extending the credit shall contact the cashier or another independent source to determine if the player's credit limit has been properly established and the remaining credit available is sufficient for the advance;
  - (iii) All name credit instruments shall be transferred to the cashier's cage (utilizing a two-part order for credit) immediately following the acceptance of the instrument and issuance of chips (if name credit instruments are transported accompanied by a credit slip, an order for credit is not required);
  - (iv) The order for credit (if applicable) and the credit slip shall include the customer's name, amount of the credit instrument, the date, time, shift, table number, signature of pit supervisory personnel releasing instrument from pit, and the signature of the cashier verifying receipt of instrument at the cage;
  - (v) The procedures for transacting table credits at standards in paragraphs (c)(12) through (19) of this section shall be strictly adhered to; and
  - (vi) The acceptance of payments in the pit for name credit instruments shall be prohibited.

**(m) Call bets.**

- (1) The following standards shall apply if call bets are accepted in the pit:
  - (i) A call bet shall be evidenced by the placement of a lammer button, chips, or other identifiable designation in an amount equal to that of the wager in a specific location on the table;
  - (ii) The placement of the lammer button, chips, or other identifiable designation shall be performed by supervisory/boxperson personnel. The placement may be performed by a dealer only if the supervisor physically observes and gives specific authorization;
  - (iii) The call bet shall be settled at the end of each hand of play by the preparation of a marker, repayment of the credit extended, or the payoff of the winning wager. Call bets extending beyond one hand of play shall be prohibited; and
  - (iv) The removal of the lammer button, chips, or other identifiable designation shall be performed by the dealer/boxperson upon completion of the call bet transaction.

(2) [Reserved]

**(n) Rim credit.**

- (1) The following standards shall apply if rim credit is extended in the pit:

- (i) Rim credit shall be evidenced by the issuance of chips to be placed in a neutral zone on the table and then extended to the customer for the customer to wager, or to the dealer to wager for the customer, and by the placement of a lammer button or other identifiable designation in an amount equal to that of the chips extended; and
- (ii) Rim credit shall be recorded on player cards, or similarly used documents, which shall be:
  - (A) Prenumbered or concurrently numbered and accounted for by a department independent of the pit;
  - (B) For all extensions and subsequent repayments, evidenced by the initials or signatures of a supervisor and the dealer attesting to the validity of each credit extension and repayment;
  - (C) An indication of the settlement method (e.g., serial number of marker issued, chips, cash);
  - (D) Settled no later than when the customer leaves the table at which the card is prepared;
  - (E) Transferred to the accounting department on a daily basis; and
  - (F) Reconciled with other forms utilized to control the issuance of pit credit (e.g., master credit records, table cards).

(2) [Reserved]

**(o) Foreign currency.**

- (1) The following standards shall apply if foreign currency is accepted in the pit:
  - (i) Foreign currency transactions shall be authorized by a pit supervisor/ boxperson who completes a foreign currency exchange form before the exchange for chips or tokens;
  - (ii) Foreign currency exchange forms include the country of origin, total face value, amount of chips/token extended (i.e., conversion amount), signature of supervisor/boxperson, and the dealer completing the transaction;
  - (iii) Foreign currency exchange forms and the foreign currency shall be inserted in the drop box by the dealer; and
  - (iv) Alternate procedures specific to the use of foreign valued gaming chips shall be developed by the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority.

(2) [Reserved]

**Sec. 542.13 What are the minimum internal control standards for gaming machines?**

**(a) Standards for gaming machines.**

- (1) For this section only, credit or customer credit means a unit of value equivalent to cash or cash equivalents deposited, wagered, won, lost, or redeemed by a customer.
- (2) Coins shall include tokens.
- (3) For all computerized gaming machine systems, a personnel access listing shall be maintained, which includes at a minimum:
  - (i) Employee name or employee identification number (or equivalent); and
  - (ii) Listing of functions employee can perform or equivalent means of identifying same.

**(b) Computer applications.**

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

**(c) Standards for drop and count.**

The procedures for the collection of the gaming machine drop and the count thereof shall comply with Sec. 542.21, Sec. 542.31, or Sec. 542.41 (as applicable).

**(d) Jackpot payouts, gaming machines fills, short pays and accumulated credit payouts standards.**

- (1) For jackpot payouts and gaming machine fills, documentation shall include the following information:
  - (i) Date and time;
  - (ii) Machine number;
  - (iii) Dollar amount of cash payout or gaming machine fill (both alpha and numeric) or description of personal property awarded, including fair market value. Alpha is optional if another unalterable method is used for evidencing the amount of the payout;
  - (iv) Game outcome (including reel symbols, card values, suits, etc.) for jackpot payouts. Game outcome is not required if a computerized jackpot/fill system is used;
  - (v) Preprinted or concurrently printed sequential number; and
  - (vi) Signatures of at least two employees verifying and witnessing the payout or gaming machine fill (except as otherwise provided in paragraphs (d)(1)(vi)(A), (B), and (C) of this section).
    - (A) Jackpot payouts over a predetermined amount shall require the signature and verification of a supervisory or management employee independent of the gaming machine department (in addition to the two signatures required in paragraph (d)(1)(vi) of this section). Alternatively, if an on-line accounting system is utilized, only two signatures are required: one employee and one supervisory or management employee independent of the gaming machine department. This predetermined amount shall be authorized by management (as approved by the Tribal gaming regulatory authority), documented, and maintained.
    - (B) With regard to jackpot payouts and hopper fills, the signature of one employee is sufficient if an on-line accounting system is utilized and the jackpot or fill is less than \$1,200.
    - (C) On graveyard shifts (eight-hour maximum) payouts/fills less than \$100 can be made without the payout/fill being witnessed by a second person.
- (2) For short pays of \$10.00 or more, and payouts required for accumulated credits, the payout form shall include the following information:
  - (i) Date and time;
  - (ii) Machine number;
  - (iii) Dollar amount of payout (both alpha and numeric); and
  - (iv) The signature of at least one (1) employee verifying and witnessing the payout.
    - (A) Where the payout amount is \$50 or more, signatures of at least two (2) employees verifying and witnessing the payout. Alternatively, the signature of one (1) employee is sufficient if an on-line accounting system is utilized and the payout amount is less than \$3,000.
    - (B) [Reserved]
- (3) Computerized jackpot/fill systems shall be restricted so as to prevent unauthorized access and fraudulent payouts by one person as required by Sec. 542.16(a).
- (4) Payout forms shall be controlled and routed in a manner that precludes any one person from producing a fraudulent payout by forging signatures or by altering the amount paid out subsequent to the payout and misappropriating the funds.

**(e) Promotional payouts or awards.**

- (1) If a Gaming Facility Operator offers promotional payouts or awards that are not reflected on the gaming machine pay table, then the payout form/documentation shall include:
  - (i) Date and time;
  - (ii) Machine number and denomination;
  - (iii) Dollar amount of payout or description of personal property (e.g., jacket, toaster, car, etc.), including fair market value;
  - (iv) Type of promotion (e.g., double jackpots, four-of-a-kind bonus, etc.); and
  - (v) Signature of at least one employee authorizing and completing the transaction.
- (2) [Reserved]

**(f) Gaming machine department funds standards.**

- (1) The gaming machine booths and change banks that are active during the shift, shall be counted down and reconciled each shift utilizing appropriate accountability documentation.
- (2) The wrapping of loose gaming machine booth and cage cashier coin shall be performed at a time or location that does not interfere with the hard count/wrap process or the accountability of that process.
- (3) A record shall be maintained evidencing the transfers of wrapped and unwrapped coins and retained for seven (7) days.

**(g) EPROM control standards.**

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

- (iv) Program number;
  - (v) Personnel involved;
  - (vi) Reason for duplication;
  - (vii) Disposition of any permanently removed EPROM, or other equivalent game software media;
  - (viii) Seal numbers, if applicable; and
  - (ix) Approved testing lab approval numbers, if available.
- (6) EPROMS, or other equivalent game software media, returned to gaming devices shall be labeled with the program number. Supporting documentation shall include the date, program number, information identical to that shown on the manufacturer's label, and initials of the person replacing the EPROM, or other equivalent game software media.
- (h) Standards for evaluating theoretical and actual hold percentages.**
- (1) Accurate and current theoretical hold worksheets shall be maintained for each gaming machine.
  - (2) 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:
    - (i) On a quarterly basis, record the meters that contain the number of plays by wager (i.e., one coin, two coins, etc.);
    - (ii) On an annual basis, calculate the theoretical hold percentage based on the distribution of plays by wager type;
    - (iii) On an annual basis, adjust the machine(s) theoretical hold percentage in the gaming machine statistical report to reflect this revised percentage; and
    - (iv) The adjusted theoretical hold percentage shall be within the spread between the minimum and maximum theoretical payback percentages.
  - (3) For those Gaming Facility Operators that are unable to perform the weighted average calculation as required by paragraph (h)(2) of this section, the following procedures shall apply:
    - (i) On at least an annual basis, calculate the actual hold percentage for each gaming machine;
    - (ii) On at least an annual basis, adjust the theoretical hold percentage in the gaming machine statistical report for each gaming machine to the previously calculated actual hold percentage; and
    - (iii) The adjusted theoretical hold percentage shall be within the spread between the minimum and maximum theoretical payback percentages.
  - (4) 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:
    - (i) Weekly, record the total coin-in meter;
    - (ii) Quarterly, record the coin-in meters for each game contained in the machine; and
    - (iii) On an annual basis, adjust the theoretical hold percentage in the gaming machine statistical report to a weighted average based upon the ratio of coin-in for each game.
  - (5) The adjusted theoretical hold percentage for multi-game machines may be combined for machines with exactly the same game mix throughout the year.
  - (6) The theoretical hold percentages used in the gaming machine analysis reports should be within the performance standards set by the manufacturer.

- (7) Records shall be maintained for each machine indicating the dates and type of changes made and the recalculation of theoretical hold as a result of the changes.
- (8) Records shall be maintained for each machine that indicate the date the machine was placed into service, the date the machine was removed from operation, the date the machine was placed back into operation, and any changes in machine numbers and designations.
- (9) All of the gaming machines shall contain functioning meters that shall record coin-in or credit-in, or on-line gaming machine monitoring system that captures similar data.
- (10) All gaming machines with bill acceptors shall contain functioning bill-in meters that record the dollar amounts or number of bills accepted by denomination.
- (11) Gaming machine in-meter readings shall be recorded at least weekly (monthly for gaming machines at Tier A and Tier B Gaming Facilities) immediately prior to or subsequent to a gaming machine drop. On-line gaming machine monitoring systems can satisfy this requirement. However, the time between readings may extend beyond one week in order for a reading to coincide with the end of an accounting period only if such extension is for no longer than six (6) days.
- (12) The employee who records the in-meter reading shall either be independent of the hard count team or shall be assigned on a rotating basis, unless the in-meter readings are randomly verified quarterly for all gaming machines and bill acceptors by a person other than the regular in-meter reader.
- (13) Upon receipt of the meter reading summary, the accounting department shall review all meter readings for reasonableness using pre-established parameters.
- (14) Prior to final preparation of statistical reports, meter readings that do not appear reasonable shall be reviewed with gaming machine department employees or other appropriate designees, and exceptions documented, so that meters can be repaired or clerical errors in the recording of meter readings can be corrected.
- (15) A report shall be produced at least monthly showing month-to-date, year-to-date (previous twelve (12) months data preferred), and if practicable, life-to-date actual hold percentage computations for individual machines and a comparison to each machine's theoretical hold percentage previously discussed.
- (16) Each change to a gaming machine's theoretical hold percentage, including progressive percentage contributions, shall result in that machine being treated as a new machine in the statistical reports (i.e., not commingling various hold percentages), except for adjustments made in accordance with paragraph (h)(2) of this section.
- (17) If promotional payouts or awards are included on the gaming machine statistical reports, it shall be in a manner that prevents distorting the actual hold percentages of the affected machines.
- (18) The statistical reports shall be reviewed by both gaming machine department management and management employees independent of the gaming machine department on at least a monthly basis.
- (19) For those machines in play for more than six (6) months, large variances (three percent (3%) recommended) between theoretical hold and actual hold shall be investigated and resolved by a department independent of the gaming machine department with the findings documented and provided to the Tribal gaming regulatory authority upon request in a timely manner.
- (20) Maintenance of the on-line gaming machine monitoring system data files shall be performed by a department independent of the gaming machine department. Alternatively, maintenance may be performed by gaming machine supervisory employees if sufficient documentation is generated and it is randomly verified on a monthly basis by employees independent of the gaming machine department.

- (21) Updates to the on-line gaming machine monitoring system to reflect additions, deletions, or movements of gaming machines shall be made at least weekly prior to in-meter readings and the weigh process.

**(i) Gaming machine hopper contents standards.**

- (1) When machines are temporarily removed from the floor, gaming machine drop and hopper contents shall be protected to preclude the misappropriation of stored funds.
- (2) When machines are permanently removed from the floor, the gaming machine drop and hopper contents shall be counted and recorded by at least two employees with appropriate documentation being routed to the accounting department for proper recording and accounting for initial hopper loads.

**(j) Player tracking system.**

- (1) The following standards apply if a player tracking system is utilized:
  - (i) The player tracking system shall be secured so as to prevent unauthorized access (e.g., changing passwords at least quarterly and physical access to computer hardware, etc.).
  - (ii) The addition of points to members' accounts other than through actual gaming machine play shall be sufficiently documented (including substantiation of reasons for increases) and shall be authorized by a department independent of the player tracking and gaming machines. Alternatively, addition of points to members' accounts may be authorized by gaming machine supervisory employees if sufficient documentation is generated and it is randomly verified by employees independent of the gaming machine department on a quarterly basis.
  - (iii) Booth employees who redeem points for members shall be allowed to receive lost players club cards, provided that they are immediately deposited into a secured container for retrieval by independent personnel.
  - (iv) Changes to the player tracking system parameters, such as point structures and employee access, shall be performed by supervisory employees independent of the gaming machine department. Alternatively, changes to player tracking system parameters may be performed by gaming machine supervisory employees if sufficient documentation is generated and it is randomly verified by supervisory employees independent of the gaming machine department on a monthly basis.
  - (v) All other changes to the player tracking system shall be appropriately documented.

- (2) [Reserved]

**(k) In-house progressive gaming machine standards.**

- (1) A meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.
- (2) At least once each day, the Gaming Facility Operator shall record the amount shown on each progressive jackpot meter except for those jackpots that can be paid directly from the machine's hopper;
- (3) Explanations for meter reading decreases shall be maintained with the progressive meter reading sheets, and where the payment of a jackpot is the explanation for a decrease, the Gaming Facility Operator shall record the jackpot payout number on the sheet or have the number reasonably available; and
- (4) The Gaming Facility Operator shall record the base amount of each progressive jackpot the Gaming Facility Operator offers.
- (5) The Tribal gaming regulatory authority shall approve procedures specific to the transfer of progressive amounts in excess of the base amount to other gaming machines. Such procedures may also include other methods of distribution that accrue to the benefit of the gaming public via an award or prize.

**(l) Wide area progressive gaming machine standards.**

- (1) A meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.
- (2) As applicable to participating Gaming Facility Operators and Gaming Facilities, the wide area progressive gaming machine system shall be adequately restricted to prevent unauthorized access (e.g., changing passwords at least quarterly, restrict access to EPROMs or other equivalent game software media, and restrict physical access to computer hardware, etc.).
- (3) The Tribal gaming regulatory authority shall approve procedures for the wide area progressive system that:
  - (i) Reconcile meters and jackpot payouts;
  - (ii) Collect/drop gaming machine funds;
  - (iii) Verify jackpot, payment, and billing to Gaming Facility Operators and Gaming Facilities on pro-rata basis;
  - (iv) System maintenance;
  - (v) System accuracy; and
  - (vi) System security.
- (4) Reports, where applicable, adequately documenting the procedures required in paragraph (l)(3) of this section shall be generated and retained.

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

- (1) Gaming machine accounting/auditing procedures shall be performed by employees who are independent of the transactions being reviewed.
- (2) For on-line gaming machine monitoring systems, procedures shall be performed at least monthly to verify that the system is transmitting and receiving data from the gaming machines properly and to verify the continuing accuracy of the coin-in meter readings as recorded in the gaming machine statistical report.
- (3) For weigh scale and currency interface systems, for at least one drop period per month accounting/auditing employees shall make such comparisons as necessary to the system generated count as recorded in the gaming machine statistical report. Discrepancies shall be resolved prior to generation/distribution of gaming machine reports.
- (4) For each drop period, accounting/auditing personnel shall compare the coin-to-drop meter reading to the actual drop amount. Discrepancies should be resolved prior to generation/distribution of on-line gaming machine monitoring system statistical reports.
- (5) Follow-up shall be performed for any one machine having an unresolved variance between actual coin drop and coin-to-drop meter reading in excess of three percent (3%) and over \$25.00. The follow-up performed and results of the investigation shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.
- (6) At least weekly, accounting/auditing employees shall compare the bill-in meter reading to the total bill acceptor drop amount for the week. Discrepancies shall be resolved before the generation/distribution of gaming machine statistical reports.
- (7) Follow-up shall be performed for any one machine having an unresolved variance between actual currency drop and bill-in meter reading in excess of \$200.00. The follow-up performed and results of the investigation shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.
- (8) At least annually, accounting/auditing personnel shall randomly verify that EPROM or other equivalent game software media changes are properly reflected in the gaming machine analysis reports.

- (9) Accounting/auditing employees shall review exception reports for all computerized gaming machine systems on a daily basis for propriety of transactions and unusual occurrences.
- (10) All gaming machine auditing procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

**(n) Cash-out tickets.**

For gaming machines that utilize cash-out tickets, the following standards apply. This standard is not applicable to gaming machines at Tier A and Tier B Gaming Facilities. Gaming Facility Operators of Tier A and Tier B Gaming Facilities shall develop adequate standards governing the security over the issuance of the cash-out paper to the gaming machines and the redemption of cash-out slips.

- (1) In addition to the applicable auditing and accounting standards in paragraph (m) of this section, on a quarterly basis, the Gaming Facility Operator shall foot all jackpot cash-out tickets equal to or greater than \$1,200 and trace totals to those produced by the host validation computer system.
- (2) The customer may request a cash-out ticket from the gaming machine that reflects all remaining credits. The cash-out ticket shall be printed at the gaming machine by an internal document printer. The cash-out ticket shall be valid for a time period specified by the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority. Cash-out tickets may be redeemed for payment or inserted in another gaming machine and wagered, if applicable, during the specified time period.
- (3) The customer shall redeem the cash-out ticket at a change booth or cashiers' cage. Alternatively, if a Gaming Facility Operator utilizes a remote computer validation system, the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall develop alternate standards for the maximum amount that can be redeemed, which shall not exceed \$2,999.99 per cash-out transaction.
- (4) Upon presentation of the cash-out ticket(s) for redemption, the following shall occur:
  - (i) Scan the bar code via an optical reader or its equivalent; or
  - (ii) Input the cash-out ticket validation number into the computer.
- (5) The information contained in paragraph (n)(4) of this section shall be communicated to the host computer. The host computer shall verify the authenticity of the cash-out ticket and communicate directly to the redeemer of the cash-out ticket.
- (6) If valid, the cashier (redeemer of the cash-out ticket) pays the customer the appropriate amount and the cash-out ticket is electronically noted "paid" in the system. The "paid" cash-out ticket shall remain in the cashiers' bank for reconciliation purposes. The host validation computer system shall electronically reconcile the cashier's banks for the paid cashed-out tickets.
- (7) If invalid, the host computer shall notify the cashier (redeemer of the cash-out ticket). The cashier (redeemer of the cash-out ticket) shall refuse payment to the customer and notify a supervisor of the invalid condition. The supervisor shall resolve the dispute.
- (8) If the host validation computer system temporarily goes down, cashiers may redeem cash-out tickets at a change booth or cashier's cage after recording the following:
  - (i) Serial number of the cash-out ticket;
  - (ii) Date and time;
  - (iii) Dollar amount;
  - (iv) Issuing gaming machine number;
  - (v) Marking ticket "paid"; and
  - (vi) Ticket shall remain in cashier's bank for reconciliation purposes.

- (9) Cash-out tickets shall be validated as expeditiously as possible when the host validation computer system is restored.
- (10) The Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply with procedures to control cash-out ticket paper, which shall include procedures that:
  - (i) Mitigate the risk of counterfeiting of cash-out ticket paper;
  - (ii) Adequately control the inventory of the cash-out ticket paper; and
  - (iii) Provide for the destruction of all unused cash-out ticket paper.
  - (iv) Alternatively, if the Gaming Facility Operator utilizes a computer validation system, this standard shall not apply.
- (11) If the host validation computer system is down for more than four (4) hours, the Gaming Facility Operator shall promptly notify the Tribal gaming regulatory authority or its designated representative.
- (12) These gaming machine systems shall comply with all other standards (as applicable) in this part including:
  - (i) Standards for bill acceptor drop and count;
  - (ii) Standards for coin drop and count; and
  - (iii) Standards concerning EPROMS or other equivalent game software media.

**(o) Account access cards.**

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

- (1) Equipment.
  - (i) A central computer, with supporting hardware and software, to coordinate network activities, provide system interface, and store and manage a player/account database;
  - (ii) A network of contiguous player terminals with touch-screen or button-controlled video monitors connected to an electronic selection device and the central computer via a communications network;
  - (iii) One or more electronic selection devices, utilizing random number generators, each of which selects any combination or combinations of numbers, colors, and/or symbols for a network of player terminals.
- (2) Player terminals standards.
  - (i) The player terminals are connected to a game server;
  - (ii) The game server shall generate and transmit to the bank of player terminals a set of random numbers, colors, and/or symbols at regular intervals. The subsequent game results are determined at the player terminal and the resulting information is transmitted to the account server;
  - (iii) The game server shall be housed in a game server room or a secure locked cabinet.
- (3) Customer account maintenance standards.
  - (i) A central computer acting as an account server shall provide customer account maintenance and the deposit/withdrawal function of those account balances;
  - (ii) Customers may access their accounts on the computer system by means of an account access card at the player terminal. Each player terminal may be equipped with a card reader and personal identification number (PIN) pad or touch screen array for this purpose;
  - (iii) All communications between the player terminal, or bank of player terminals, and the account server shall be encrypted for security reasons.

- (4) Customer account generation standards.
- (i) A computer file for each customer shall be prepared by a clerk, with no incompatible functions, prior to the customer being issued an account access card to be utilized for machine play. The customer may select his/her PIN to be used in conjunction with the account access card.
  - (ii) The clerk shall sign-on with a unique password to a terminal equipped with peripherals required to establish a customer account. Passwords are issued and can only be changed by information technology personnel at the discretion of the department director.
  - (iii) After entering a specified number of incorrect PIN entries at the cage or player terminal, the customer shall be directed to proceed to the Gaming Machine Information Center to obtain a new PIN. If a customer forgets, misplaces or requests a change to their PIN, the customer shall proceed to the Gaming Machine Information Center.
- (5) Deposit of credits standards.
- (i) The cashier shall sign-on with a unique password to a cashier terminal equipped with peripherals required to complete the credit transactions. Passwords are issued and can only be changed by information technology personnel at the discretion of the department director.
  - (ii) The customer shall present cash, chips, coin or coupons along with their account access card to a cashier to deposit credits.
  - (iii) The cashier shall complete the transaction by utilizing a card scanner that the cashier shall slide the customer's account access card through.
  - (iv) The cashier shall accept the funds from the customer and enter the appropriate amount on the cashier terminal.
  - (v) A multi-part deposit slip shall be generated by the point of sale receipt printer. The cashier shall direct the customer to sign the deposit slip receipt. One copy of the deposit slip shall be given to the customer. The other copy of the deposit slip shall be secured in the cashier's cash drawer.
  - (vi) The cashier shall verify the customer's balance before completing the transaction. The cashier shall secure the funds in their cash drawer and return the account access card to the customer.
  - (vii) Alternatively, if a kiosk is utilized to accept a deposit of credits, the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply with procedures that safeguard the integrity of the kiosk system.
- (6) Prize standards.
- (i) Winners at the gaming machines may receive cash, prizes redeemable for cash or merchandise.
  - (ii) 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.
  - (iii) The redemption period of account access cards, as approved by the Tribal gaming regulatory authority, shall be conspicuously posted in the Gaming Facility.
- (7) Credit withdrawal.
- The customer shall present their account access card to a cashier to withdraw their credits. The cashier shall perform the following:
- (i) Scan the account access card;
  - (ii) Request the customer to enter their PIN, if the PIN was selected by the customer;

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

**(p) Smart cards.**

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

**Sec. 542.14 What are the minimum internal control standards for the cage?**

**(a) Computer applications.**

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

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

- (1) If personal checks, cashier's checks, payroll checks, or counter checks are cashed at the cage, the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply with appropriate controls for purposes of security and integrity. The controls shall require cage cashiers to restrictively endorse all checks when received.
- (2) The Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply with procedures for the acceptance of personal checks, collecting and recording checks returned to the Gaming Facility Operator after deposit, re-deposit, and write-off authorization.
- (3) When counter checks are issued, the following shall be included on the check:
  - (i) The customer's name and signature;
  - (ii) The dollar amount of the counter check (both alpha and numeric);
  - (iii) Customer's bank name and bank account number;
  - (iv) Date of issuance; and
  - (v) Signature or initials of the person approving the counter check transaction.
- (4) When traveler's checks or other guaranteed drafts such as cashier's checks are presented, the cashier shall comply with the examination and documentation procedures as required by the issuer.

**(c) Customer deposited funds.**

If a Gaming Facility Operator permits a customer to deposit funds with the Gaming Facility Operator at the cage, the following standards shall apply.

- (1) The receipt or withdrawal of a customer deposit shall be evidenced by at least a two-part document with one copy going to the customer and one copy remaining in the cage file.
- (2) The multi-part receipt shall contain the following information:
  - (i) Same receipt number on all copies;
  - (ii) Customer's name and signature;
  - (iii) Date of receipt and withdrawal;
  - (iv) Dollar amount of deposit/withdrawal; and
  - (v) Nature of deposit (cash, check, chips); however,
  - (vi) Provided all of the information in paragraph (c)(2)(i) through (v) is available, the only required information for all copies of the receipt is the receipt number.
- (3) The Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply with procedures that:
  - (i) Maintain a detailed record by customer name and date of all funds on deposit;
  - (ii) Maintain a current balance of all customer cash deposits that are in the cage/vault inventory or accountability; and
  - (iii) Reconcile this current balance with the deposits and withdrawals at least daily.
- (4) The Gaming Facility Operator, as approved by the Tribal gaming regulatory authority, shall describe the sequence of the required signatures attesting to the accuracy of the information contained on the customer deposit or withdrawal form ensuring that the form is signed by the cashier.
- (5) All customer deposits and withdrawal transactions at the cage shall be recorded on a cage accountability form on a per-shift basis.
- (6) Only cash, cash equivalents, chips, and tokens shall be accepted from customers for the purpose of a customer deposit.
- (7) The Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply with procedures that verify the customer's identity, including photo identification.
- (8) A file for customers shall be prepared prior to acceptance of a deposit.

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

- (1) All transactions that flow through the cage shall be summarized on a cage accountability form on a per shift basis and shall be supported by documentation. Errors on cage and vault documentation shall be corrected by drawing a single line through the error on the document, writing the correct figure above the original figure, and initialing the correction. All entries shall be recorded in ink or other permanent form of recordation in the Gaming Facility Operator's records. At the end of each shift, all documentation for the shift shall be delivered to the accounting department. Alternatively, the documentation may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department. The Gaming Facility Operator shall establish procedures regarding cashier overages and shortages.
- (2) The cage and vault (including coin room) inventories shall be counted by the oncoming and outgoing cashiers. These employees shall make individual counts for comparison 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 noted

and investigated. On a periodic basis, but no less than once every six months, a person independent of the cage/vault department shall verify the cage /vault inventory.

- (3) The cash-on-hand in a Gaming Facility shall include, but is not limited to, the following components:
  - (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 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).
- (4) The Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply with a minimum bankroll formula to ensure the Gaming Facility Operator maintains cash or cash equivalents (on hand and in the bank, if readily accessible) in an amount sufficient to satisfy obligations to the Gaming Facility Operator's customers as they are incurred. A suggested bankroll formula will be provided by the Commission upon request.
- (5) Coins that are bagged by cage/vault personnel for gaming machine fills shall be sealed and properly tagged (*i.e.* the tag indicates the denomination, the amount, and the initials of the individual sealing the bag).

**(e) Chip and token standards.**

The Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply with procedures for the receipt, inventory, storage, and destruction of gaming chips and tokens.

**(f) Coupon standards.**

Any program for the exchange of coupons for chips, tokens, and/or another coupon program shall be approved by the Tribal gaming regulatory authority prior to implementation. If approved, the Gaming Facility Operator shall establish and comply with procedures that account for and control such programs. The procedures shall require that coupons redeemed by patrons and accepted into the cashier cage shall be voided or canceled in such a manner as to eliminate recycling of the coupons.

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

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

**(h) Extraneous items.**

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

**(i) Added cage and vault access**

The cage and vault shall be required to be secure at all times (e.g., doors locked, surveillance cameras operational, alarm systems operational). A cage access log shall be updated, manually or electronically, each time anyone enters the cage. A vault access log shall be updated, manually or electronically, each time anyone enters the vault.

**Sec. 542.15 Reserved (What are the minimum internal control standards for credit?)**

**Sec. 542.16 What are the minimum internal control standards for information technology?**

**(a) General controls for gaming hardware and software.**

- (1) 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.
  - (i) 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.
  - (ii) Physical security measures shall exist over computer, computer terminals, and storage media to prevent unauthorized access and loss of integrity of data and processing.
  - (iii) Access to systems software and application programs shall be limited to authorized personnel.
  - (iv) Access to computer data shall be limited to authorized personnel.
  - (v) Access to computer communications facilities, or the computer system, and information transmissions shall be limited to authorized personnel.
  - (vi) Standards in paragraph (a)(1) of this section shall apply to each applicable department of the Gaming Facility Operator.
- (2) The main computers (i.e., hardware, software, and data files) for each gaming application (e.g., keno, race and sports, gaming machines, etc.) shall be in a secured area with access restricted to authorized persons, including vendors.
- (3) Access to computer operations shall be restricted to authorized personnel to reduce the risk of loss of integrity of data or processing.
- (4) Incompatible duties shall be adequately segregated and monitored to prevent error in general information technology procedures to go undetected or fraud to be concealed.
- (5) Non-information technology personnel shall be precluded from having unrestricted access to the secured computer areas.
- (6) The computer systems, including application software, shall be secured through the use of passwords or other approved means where applicable. Management personnel or persons independent of the department being controlled shall assign and control access to system functions.
- (7) 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.
  - (8) Adequate backup and recovery procedures shall be in place that include:
    - (i) Frequent backup of data files;
    - (ii) Backup of all programs;
    - (iii) Secured off-site storage of all backup data files and programs, or other adequate protection; and
    - (iv) Recovery procedures, which are tested on a sample basis at least annually with documentation of results.
  - (9) Adequate information technology system documentation shall be maintained, including descriptions of hardware and software, operator manuals, etc.
- (b) Independence of information technology personnel.**
  - (1) The information technology personnel shall be independent of the gaming areas (e.g., cage, pit, count rooms, etc.). Information technology personnel procedures and controls should be documented and responsibilities communicated.
  - (2) Information technology personnel shall be precluded from unauthorized access to:
    - (i) Computers and terminals located in gaming areas;
    - (ii) Source documents; and
    - (iii) Live data files (not test data).
  - (3) Information technology personnel shall be restricted from:
    - (i) Having unauthorized access to cash or other liquid assets; and
    - (ii) Initiating general or subsidiary ledger entries.
- (c) Gaming program changes.**
  - (1) Program changes for in-house developed systems should be documented as follows:
    - (i) Requests for new programs or program changes 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 date the program is to be placed into service, the nature of the change, a description of procedures required in order to bring the new or modified program into service (conversion or input of data, installation procedures, etc.), and an indication of who is to perform all such procedures;
    - (iii) Testing of new and modified programs shall be performed and documented prior to implementation; and
    - (iv) A record of the final program or program changes, including evidence of user acceptance, date in service, programmer, and reason for changes, shall be documented and maintained.
  - (2) [Reserved]
- (d) Security logs.**
  - (1) 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.
  - (2) This paragraph shall not apply to personal computers.

**(e) Remote dial-up.**

- (1) If remote dial-up to any associated equipment is allowed for software support, the Gaming Facility Operator shall maintain an access log that includes:
  - (i) Name of employee authorizing modem access;
  - (ii) Name of authorized programmer or manufacturer representative;
  - (iii) Reason for modem access;
  - (iv) Description of work performed; and
  - (v) Date, time, and duration of access.
- (2) [Reserved]

**(f) Document storage.**

- (1) Documents may be scanned or directly stored to an unalterable storage medium under the following conditions.
  - (i) The storage medium shall contain the exact duplicate of the original document.
  - (ii) All documents stored on the storage medium shall be maintained with a detailed index containing the Gaming Facility Operator's department and date. This index shall be available upon request by the Commission.
  - (iii) Upon request and adequate notice by the Commission, hardware (terminal, printer, etc.) shall be made available in order to perform auditing procedures.
  - (iv) Controls shall exist to ensure the accurate reproduction of records up to and including the printing of stored documents used for auditing purposes.
  - (v) The storage medium shall be retained for a minimum of five years.
  - (vi) Original documents must be retained until the books and records have been audited by an independent certified public accountant.
- (2) [Reserved]

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

- (a)** Each Tribal gaming regulatory authority or Gaming Facility Operator shall establish and the Gaming Facility Operator shall comply with procedures for the authorization, issuance, and tracking of complimentary services and items, including cash and non-cash gifts. Such procedures must be approved by the Tribal gaming regulatory authority and shall include, but shall not be limited to, the procedures by which the Gaming Facility Operator delegates to its employees the authority to approve the issuance of complimentary services and items, and the procedures by which conditions or limits, if any, which may apply to such authority are established and modified (including limits based on relationships between the authorizer and recipient), and shall further include effective provisions for audit purposes.
- (b)** At least monthly, accounting, information technology, or audit personnel that cannot grant or receive complimentary privileges shall prepare reports that include the following information:
  - (1) Name of customer who received the complimentary service or item;
  - (2) Name(s) of authorized issuer of the complimentary service or item;
  - (3) The actual cash value of the complimentary service or item;
  - (4) The type of complimentary service or item (i.e., food, beverage, etc.); and
  - (5) Date the complimentary service or item was issued.
- (c)** The report required by paragraph (b) of this section shall not be required to include complimentary services or items below a reasonable amount to be established by the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority.
- (d)** The internal audit or accounting departments shall review the reports required in paragraph (b) of this section at least monthly. These reports shall be made available to the Tribe, Tribal

gaming regulatory authority, audit committee, other entity designated by the Tribe, and the Commission upon request.

**Sec. 542.18 Reserved (How does a Gaming Facility apply for a variance from the standards of this part?)**

**Sec. 542.19 Reserved**

**Sec. 542.20 What is a Tier A Gaming Facility?**

A Tier A Gaming Facility is one with annual gross gaming revenues of more than \$1 million but not more than \$5 million.

**Sec. 542.21 What are the minimum internal control standards for drop and count for a Tier A Gaming Facility?**

**(a) Computer applications.**

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

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

- (1) The setting out of empty table game drop boxes and the drop shall be a continuous process.
- (2) At the end of each shift:
  - (i) All locked table game drop boxes shall be removed from the tables by a person independent of the pit shift being dropped;
  - (ii) A separate drop box shall be placed on each table opened at any time during each shift or a Gaming Facility Operator may utilize a single drop box with separate openings and compartments for each shift; and
  - (iii) Upon removal from the tables, table game drop boxes shall be transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.
- (3) If drop boxes are not placed on all tables, then the pit department shall document which tables were open during the shift.
- (4) The transporting of table game drop boxes shall be performed by a minimum of two persons, at least one of whom is independent of the pit shift being dropped.
- (5) All table game drop boxes shall be posted with a number corresponding to a permanent number on the gaming table and marked to indicate game, table number, and shift.

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

- (1) The table game soft count and the gaming machine bill acceptor count shall be performed by a minimum of two employees.
- (2) Count room personnel shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. At no time during the count, shall there be fewer than two employees in the count room until the drop proceeds have been accepted into cage/vault accountability.
- (3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same two persons more than four (4) days per week. This standard shall not apply in a Gaming Facility where the Gaming Facility Operator uses a count team of more than two persons.
- (4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments, 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.

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

- (1) The table game soft count shall be performed in a soft count room or other equivalently secure area with comparable controls.
- (2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
- (3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
- (4) The table game drop boxes shall be individually emptied and counted in such a manner to prevent the commingling of funds between boxes until the count of the box has been recorded.
  - (i) The count of each box shall be recorded in ink or other permanent form of recordation.
  - (ii) A second count shall be performed by an employee on the count team who did not perform the initial count.
  - (iii) Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change, unless the count team only has two (2) members in which case the initials of only one (1) verifying member is required.
- (5) If cash counters are utilized and the count room table is used only to empty boxes and sort/stack contents, a count team member shall be able to observe the loading and unloading of all cash at the cash counter, including rejected cash.
- (6) Table game drop boxes, when empty, shall be shown to another member of the count team, or to another person who is observing the count, or to surveillance.
- (7) Orders for fill/credit (if applicable) shall be matched to the fill/credit slips. Fills and credits shall be traced to or recorded on the count sheet.
- (8) Pit marker issue and payment slips (if applicable) removed from the table game drop boxes shall either be:
  - (i) Traced to or recorded on the count sheet by the count team; or
  - (ii) Totaled by shift and traced to the totals documented by the computerized system. Accounting personnel shall verify the issue/payment slip for each table is accurate.
- (9) Foreign currency exchange forms (if applicable) removed from the table game drop boxes shall be reviewed for the proper daily exchange rate and the conversion amount shall be recomputed by the count team. Alternatively, this may be performed by accounting/auditing employees.
- (10) The opening/closing table and marker inventory forms (if applicable) shall either be:
  - (i) Examined and traced to or recorded on the count sheet; or
  - (ii) If a computerized system is used, accounting personnel can trace the opening/closing table and marker inventory forms to the count sheet. Discrepancies shall be investigated with the findings documented and maintained for inspection.
- (11) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder.
- (12) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.

- (13) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
- (14) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.
- (15) Access to stored, full table game drop boxes shall be restricted to authorized members of the drop and count teams.

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

- (1) A minimum of two employees shall be involved in the removal of the gaming machine drop, at least one of whom is independent of the gaming machine department.
- (2) All bill acceptor canisters shall be removed only at the time previously designated by the Gaming Facility Operator and reported to the Tribal gaming regulatory authority, except for emergency drops.
- (3) The bill acceptor canisters shall be removed by a person independent of the gaming machine department then transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.
  - (i) Security shall be provided over the bill acceptor canisters removed from the gaming machines and awaiting transport to the count room.
  - (ii) The transporting of bill acceptor canisters shall be performed by a minimum of two persons, at least one of whom is independent of the gaming machine department.
- (4) All bill acceptor canisters shall be posted with a number corresponding to a permanent number on the gaming machine.

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

- (1) The gaming machine bill acceptor count shall be performed in a soft count room or other equivalently secure area with comparable controls.
- (2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
- (3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
- (4) The bill acceptor canisters shall be individually emptied and counted in such a manner to prevent the commingling of funds between canisters until the count of the canister has been recorded.
  - (i) The count of each canister shall be recorded in ink or other permanent form of recordation.
  - (ii) A second count shall be performed by an employee on the count team who did not perform the initial count.
  - (iii) Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.

- (5) If cash counters are utilized and the count room table is used only to empty canisters and sort/stack contents, a count team member shall be able to observe the loading and unloading of all cash at the cash counter, including rejected cash.
- (6) Canisters, when empty, shall be shown to another member of the count team, or to another person who is observing the count, or to surveillance.
- (7) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder.
- (8) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.
- (9) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
- (10) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.
- (11) Access to stored bill acceptor canisters, full or empty, shall be restricted to:
  - (i) Authorized members of the drop and count teams; and
  - (ii) Authorized personnel in an emergency for resolution of a problem.
- (12) All bill acceptor canisters shall be posted with a number corresponding to a permanent number on the gaming machine.

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

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

- (6) Each gaming machine shall have drop buckets into which coins or tokens that are retained by the gaming machine are collected. Drop bucket contents shall not be used to make change or pay hand-paid payouts.
- (7) The collection procedures may include procedures for dropping gaming machines that have trays instead of drop buckets.

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

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

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

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

- (G) Surveillance shall be notified when the weigh/drop/count begins and shall be capable of monitoring the entire process;
  - (H) An observer independent of the weigh/drop/count teams (independent observer) shall remain by the weigh scale at all times and shall observe the entire weigh/drop/count process;
  - (I) Physical custody of the key(s) needed to access the laptop and video compartment shall require the involvement of two persons, one of whom is independent of the drop and count team;
  - (J) The mule key (if applicable), the laptop and video compartment keys, and the remote control for the VCR shall be maintained by a department independent of the gaming machine department. The appropriate personnel shall sign out these keys;
  - (K) A person independent of the weigh/drop/count teams shall be required to accompany these keys while they are checked out, and observe each time the laptop compartment is opened;
  - (L) The laptop access panel shall not be opened outside the hard count room, except in instances when the laptop must be rebooted as a result of a crash, lock up, or other situation requiring immediate corrective action;
  - (M) User access to the system shall be limited to those employees required to have full or limited access to complete the weigh/drop/count; and
  - (N) When the weigh/drop/count is completed, the independent observer shall access the laptop compartment, end the recording session, eject the videotape, and deliver the videotape to surveillance.
- (ii) [Reserved]
- (3) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
  - (4) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
  - (5) The following functions shall be performed in the counting of the gaming machine drop:
    - (i) Recorder function, which involves the recording of the gaming machine count; and
    - (ii) Count team supervisor function, which involves the control of the gaming machine weigh and wrap process. The supervisor shall not perform the initial recording of the weigh/count unless a weigh scale with a printer is used.
  - (6) The gaming machine drop shall be counted, wrapped, and reconciled in such a manner to prevent the commingling of gaming machine drop coin with coin (for each denomination) from the next gaming machine drop until the count of the gaming machine drop has been recorded. If the coins are not wrapped immediately after being weighed or counted, they shall be secured and not commingled with other coins.
    - (i) The amount of the gaming machine drop from each machine shall be recorded in ink or other permanent form of recordation on a gaming machine count document by the recorder or mechanically printed by the weigh scale.
    - (ii) Corrections to information originally recorded by the count team on gaming machine count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.
      - (A) If a weigh scale interface is used, corrections to gaming machine count data shall be made using either of the following:

- (1) Drawing a single line through the error on the gaming machine document, writing the correct figure above the original figure, and then obtaining the initials of at least two count team employees. If this procedure is used, an employee independent of the gaming machine department and count team shall enter the correct figure into the computer system prior to the generation of related gaming machine reports; or
- (2) During the count process, correct the error in the computer system and enter the passwords of at least two count team employees. If this procedure is used, an exception report shall be generated by the computer system identifying the gaming machine number, the error, the correction, and the count team employees attesting to the correction.

(B) [Reserved]

- (7) If applicable, the weight shall be converted to dollar amounts prior to the reconciliation of the weigh to the wrap.
- (8) If a coin meter is used, a count team member shall convert the coin count for each denomination into dollars and shall enter the results on a summary sheet.
- (9) The recorder and at least one other count team member shall sign the weigh tape and the gaming machine count document attesting to the accuracy of the weigh/count.
- (10) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.
- (11) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
- (12) All gaming machine count and wrap documentation, including any applicable computer storage media, shall be delivered to the accounting department by a count team member or a person independent of the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.
- (13) If the coins are transported off the property, a second (alternative) count procedure shall be performed before the coins leave the property. Any variances shall be documented.
- (14) Variances. Large (by denomination, either \$1,000 or 2% of the drop, whichever is less) or unusual (e.g., zero for weigh/count or patterned for all counts) variances between the weigh/count and wrap shall be investigated by management personnel independent of the gaming machine department, count team, and the cage/vault functions on a timely basis. The results of such investigation shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

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

- (1) If the count room serves as a coin room and coin room inventory is not secured so as to preclude access by the count team, then the following standards shall apply:
  - (i) At the commencement of the gaming machine count the following requirements shall be met:
    - (A) The coin room inventory shall be counted by at least two employees, one of whom is a member of the count team and the other is independent of the weigh/count and wrap procedures;
    - (B) The count in paragraph (j)(1)(i)(A) of this section shall be recorded on an appropriate inventory form;
  - (ii) Upon completion of the wrap of the gaming machine drop:

- (A) At least two members of the count team (wrap team), independently from each other, shall count the ending coin room inventory;
  - (B) The counts in paragraph (j)(1)(ii)(A) of this section shall be recorded on a summary report(s) that evidences the calculation of the final wrap by subtracting the beginning inventory from the sum of the ending inventory and transfers in and out of the coin room;
  - (C) The same count team members shall compare the calculated wrap to the weigh/count, recording the comparison and noting any variances on the summary report;
  - (D) A member of the cage/vault department shall count the ending coin room inventory by denomination and shall reconcile it to the beginning inventory, wrap, transfers, and weigh/count; and
  - (E) At the conclusion of the reconciliation, at least two count/wrap team members and the verifying employee shall sign the summary report(s) attesting to its accuracy.
- (iii) The functions described in paragraph (j)(1)(ii)(A) and (C) of this section may be performed by only one count team member. That count team member must then sign the summary report, along with the verifying employee, as required under paragraph (j)(1)(ii)(E).
- (2) If the count room is segregated from the coin room, or if the coin room is used as a count room and the coin room inventory is secured to preclude access by the count team, all of the following requirements shall be completed, at the conclusion of the count:
- (i) At least two members of the count/wrap team shall count the final wrapped gaming machine drop independently from each other;
  - (ii) The counts shall be recorded on a summary report;
  - (iii) The same count team members (or the accounting department) shall compare the final wrap to the weigh/count, recording the comparison, and noting any variances on the summary report;
  - (iv) A member of the cage/vault department shall count the wrapped gaming machine drop by denomination and reconcile it to the weigh/count;
  - (v) At the conclusion of the reconciliation, at least two count team members and the cage/vault employee shall sign the summary report attesting to its accuracy; and
  - (vi) The wrapped coins (exclusive of proper transfers) shall be transported to the cage, vault or coin vault after the reconciliation of the weigh/count to the wrap.

**(k) Transfers during the gaming machine coin count and wrap.**

- (1) Transfers may be permitted during the count and wrap only if permitted under the internal control standards approved by the Tribal gaming regulatory authority.
- (2) Each transfer shall be recorded on a separate multi-part form with a preprinted or concurrently-printed form number (used solely for gaming machine count transfers) that shall be subsequently reconciled by the accounting department to ensure the accuracy of the reconciled gaming machine drop.
- (3) Each transfer must be counted and signed for by at least two members of the count team and by a person independent of the count team who is responsible for authorizing the transfer.

**(l) Gaming machine drop key control standards.**

- (1) Gaming machine coin drop cabinet keys, including duplicates, shall be maintained by a department independent of the gaming machine department.
- (2) The physical custody of the keys needed to access gaming machine coin drop cabinets, including duplicates, shall require the involvement of two persons, one of whom is independent of the gaming machine department.

- (3) Two employees (separate from key custodian) shall be required to accompany such keys while checked out and observe each time gaming machine drop cabinets are accessed.

**(m) Table game drop box key control standards.**

- (1) Gaming Facility Operators shall be exempt from compliance with this paragraph at Tier A Gaming Facilities if the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, establishes and the Gaming Facility Operator complies with procedures that maintain adequate key control and restricts access to the keys.
- (2) Procedures shall be developed and implemented to insure that unauthorized access to empty table game drop boxes shall not occur from the time the boxes leave the storage racks until they are placed on the tables.
- (3) The involvement of at least two persons independent of the cage department shall be required to access stored empty table game drop boxes.
- (4) The release keys shall be separately keyed from the contents keys.
- (5) At least two count team members are required to be present at the time count room and other count keys are issued for the count.
- (6) All duplicate keys shall be maintained in a manner that provides the same degree of control as is required for the original keys. Records shall be maintained for each key duplicated that indicate the number of keys made and destroyed.
- (7) Logs shall be maintained by the custodian of sensitive keys to document authorization of personnel accessing keys.

**(n) Table game drop box release keys.**

- (1) Gaming Facility Operators shall be exempt from compliance with this paragraph at Tier A Gaming Facilities if the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, establishes and the Gaming Facility Operator complies with procedures that maintain adequate key control and restricts access to the keys.
- (2) The table game drop box release keys shall be maintained by a department independent of the pit department.
- (3) Only the person(s) authorized to remove table game drop boxes from the tables shall be allowed access to the table game drop box release keys; however, the count team members may have access to the release keys during the soft count in order to reset the table game drop boxes.
- (4) Persons authorized to remove the table game drop boxes shall be precluded from having simultaneous access to the table game drop box contents keys and release keys.
- (5) For situations requiring access to a table game drop box at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

**(o) Bill acceptor canister release keys.**

- (1) Gaming Facility Operators shall be exempt from compliance with this paragraph at Tier A Gaming Facilities if the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, establishes and the Gaming Facility Operator complies with procedures that maintain adequate key control and restricts access to the keys.
- (2) The bill acceptor canister release keys shall be maintained by a department independent of the gaming machine department.
- (3) Only the person(s) authorized to remove bill acceptor canisters from the gaming machines shall be allowed access to the release keys.
- (4) Persons authorized to remove the bill acceptor canisters shall be precluded from having simultaneous access to the bill acceptor canister contents keys and release keys.

- (5) For situations requiring access to a bill acceptor canister at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

**(p) Table game drop box storage rack keys.**

- (1) Gaming Facility Operators shall be exempt from compliance with this paragraph at Tier A Gaming Facilities if the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, establishes and the Gaming Facility Operator complies with procedures that maintain adequate key control and restricts access to the keys.
- (2) Persons authorized to obtain table game drop box storage rack keys shall be precluded from having simultaneous access to table game drop box contents keys, with the exception of the count team.

**(q) Bill acceptor canister storage rack keys.**

- (1) Gaming Facility Operators shall be exempt from compliance with this paragraph at Tier A Gaming Facilities if the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, establishes and the Gaming Facility Operator complies with procedures that maintain adequate key control and restricts access to the keys.
- (2) Persons authorized to obtain bill acceptor canister storage rack keys shall be precluded from having simultaneous access to bill acceptor canister contents keys, with the exception of the count team.

**(r) Table game drop box contents keys.**

- (1) Gaming Facility Operators shall be exempt from compliance with this paragraph at Tier A Gaming Facilities if the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, establishes and the Gaming Facility Operator complies with procedures that maintain adequate key control and restricts access to the keys.
- (2) The physical custody of the keys needed for accessing stored, full table game drop box contents shall require the involvement of persons from at least two separate departments, with the exception of the count team.
- (3) Access to the table game drop box contents key at other than scheduled count times shall require the involvement of at least two persons from separate departments, including management. The reason for access shall be documented with the signatures of all participants and observers.
- (4) Only count team members shall be allowed access to table game drop box contents keys during the count process.

**(s) Bill acceptor canister contents keys.**

- (1) Gaming Facility Operators shall be exempt from compliance with this paragraph at Tier A Gaming Facilities if the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, establishes and the Gaming Facility Operator complies with procedures that maintain adequate key control and restricts access to the keys.
- (2) The physical custody of the keys needed for accessing stored, full bill acceptor canister contents shall require involvement of persons from two separate departments, with the exception of the count team.
- (3) Access to the bill acceptor canister contents key at other than scheduled count times shall require the involvement of at least two persons from separate departments, one of whom must be a supervisor. The reason for access shall be documented with the signatures of all participants and observers.
- (4) Only the count team members shall be allowed access to bill acceptor canister contents keys during the count process.

**(t) Emergency drop procedures.**

Emergency drop procedures shall be developed by the Tribal gaming regulatory authority, or the Gaming Facility Operator approved by the Tribal gaming regulatory authority.

**(u) Equipment standards for gaming machine count.**

- (1) A weigh scale calibration module shall be secured so as to prevent unauthorized access (e.g., prenumbered seal, lock and key, etc.).
- (2) A person independent of the cage, vault, gaming machine, and count team functions shall be required to be present whenever the calibration module is accessed. Such access shall be documented and maintained.
- (3) If a weigh scale interface is used, it shall be adequately restricted so as to prevent unauthorized access (passwords, keys, etc.).
- (4) If the weigh scale has a zero adjustment mechanism, it shall be physically limited to minor adjustments (e.g., weight of a bucket) or physically situated such that any unnecessary adjustments to it during the weigh process would be observed by other count team members.
- (5) The weigh scale and weigh scale interface (if applicable) shall be tested by a person or persons independent of the cage, vault, and gaming machine departments and count team at least quarterly. At least annually, this test shall be performed by internal audit in accordance with the internal audit standards. The result of these tests shall be documented and signed by the person or persons performing the test.
- (6) Prior to the gaming machine count, at least two employees shall verify the accuracy of the weigh scale with varying weights or with varying amounts of previously counted coin for each denomination to ensure the scale is properly calibrated (varying weights/coin from drop to drop is acceptable).
- (7) If a mechanical coin counter is used (instead of a weigh scale), the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply, with procedures that are equivalent to those described in paragraphs (u)(4), (u)(5), and (u)(6) of this section.
- (8) If a coin meter count machine is used, the count team member shall record the machine number denomination and number of coins in ink on a source document, unless the meter machine automatically records such information.
  - (i) A count team member shall test the coin meter count machine prior to the actual count to ascertain if the metering device is functioning properly with a predetermined number of coins for each denomination.
  - (ii) [Reserved]

**(v) Equipment standards for gaming machine soft count.**

- (1) If a currency counter interface is used, it is adequately restricted so as to prevent unauthorized access (password, keys, etc.)
- (2) The currency counter and currency counter interface (if applicable) shall be tested by a person or persons independent of the cage, vault, and gaming machine departments and count team at least quarterly. At least annually, this test shall be performed by internal audit in accordance with the internal audit standards. The result of these tests shall be documented and signed by the person or persons performing the test. All denominations of currency and all types of wagering instruments accepted by gaming machines shall be tested.
- (3) Prior to the gaming machine soft count, at least two employees shall verify the accuracy of the currency counter with previously counted currency for each denomination and with each type of wagering instrument accepted by gaming machines to ensure the currency counter is functioning properly. The result of these tests shall be documented and signed by the person or persons performing the test.

- (4) The dollar amount of wagering instruments removed from each drop box shall be recorded, by machine, in the on-line accounting system. The on-line accounting system shall generate a report indicating the wagering instrument drop by gaming machine and in total.
- (5) If a currency counter interface is use, corrections to count data are made using either of the following methods:
  - (i) Drawing a single line through the error on the document, writing the correct figure above the original figure, and then obtaining the initials of at least two count team employees. If this procedure is used, an employee independent of the gaming machine department and count team shall enter the correct figure into the computer system prior to the generation of related gaming machine reports; or
  - (ii) During the count process, correct the error in the computer system and enter the passwords of at least two count team employees. If this procedure is used, an exception report shall be generated by the computer system identifying the gaming machine number, the error, the correction, and the count team employees attesting to the correction.

**Sec. 542.22 What are the minimum internal control standards for internal audit for a Tier A Gaming Facility?**

**(a) Internal audit personnel.**

- (1) For its Tier A Gaming Facilities, a Gaming Facility Operator must maintain a separate internal audit department. Alternatively, designating personnel (who are independent with respect to the departments/procedures being examined) to perform internal audit work satisfies the requirements of this paragraph.
- (2) The internal audit personnel shall report directly to the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe in accordance with the definition of internal audit in Sec. 542.2.

**(b) Audits.**

- (1) Internal audit personnel shall perform audits of all major gaming areas of the Gaming Facility Operator for a Tier A Gaming Facility. The following shall be reviewed at least annually:
  - (i) Bingo, including but not limited to, bingo card control, payout procedures, and cash reconciliation process;
  - (ii) Pull tabs, including but not limited to, statistical records, winner verification, perpetual inventory, and accountability of sales versus inventory;
  - (iii) Card games, including but not limited to, card games operation, cash exchange procedures, skill transactions, and count procedures;
  - (iv) Keno, including but not limited to, game write and payout procedures, sensitive key location and control, and a review of keno auditing procedures;
  - (v) Pari-mutuel wagering, including write and payout procedures, and pari-mutuel auditing procedures;
  - (vi) Table games, including but not limited to, fill and credit procedures, pit credit play procedures, rim credit procedures, soft drop/count procedures and the subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies;
  - (vii) Gaming machines, including but not limited to, jackpot payout and gaming machine fill procedures, gaming machine drop/count and bill acceptor drop/count and subsequent transfer of funds, unannounced testing of weigh scale and weigh scale interface, unannounced testing of count room currency counters and/or currency interface, gaming machine drop cabinet access, tracing of source

documents to summarized documentation and accounting records, reconciliation to restricted copies, location and control over sensitive keys, compliance with EPROM duplication procedures, and compliance with MICS procedures for gaming machines that accept currency or coin(s) and issue cash-out tickets or gaming machines that do not accept currency or coin(s) and do not return currency or coin(s);

- (viii) Cage and credit procedures including all cage, credit, and collection procedures, and the reconciliation of trial balances to physical instruments on a sample basis. Cage accountability shall be reconciled to the general ledger;
  - (ix) Information technology functions, including review for compliance with information technology standards;
  - (x) Complimentary service or item, including but not limited to, procedures whereby complimentary service items are issued, authorized, and redeemed; and
  - (xi) Any other internal audits as required by the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.
- (2) In addition to the observation and examinations performed under paragraph (b)(1) of this section, follow-up observations and examinations shall be performed to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit, the independent accountant, and/or the Commission. The verification shall be performed within six (6) months following the date of notification.
- (3) Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without the employees being forewarned that their activities will be observed). Additionally, if the independent accountant also performs the internal audit function, the accountant shall perform separate observations of the table games/gaming machine drops and counts to satisfy the internal audit observation requirements and independent accountant tests of controls as required by the American Institute of Certified Public Accountants guide.

**(c) Documentation.**

- (1) Documentation (e.g., checklists, programs, reports, etc.) shall be prepared to evidence all internal audit work performed as it relates to the requirements in this section, including all instances of noncompliance.
- (2) The internal audit department shall operate with audit programs, which, at a minimum, address the MICS. Additionally, the department shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. Institute of Internal Auditors standards are recommended but not required.

**(d) Reports.**

- (1) Reports documenting audits performed shall be maintained and made available to the Commission upon request.
- (2) Such audit reports shall include the following information:
  - (i) Audit objectives;
  - (ii) Audit procedures and scope;
  - (iii) Findings and conclusions;
  - (iv) Recommendations, if applicable; and
  - (v) Management's response.

**(e) Material exceptions.**

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

**(f) Role of management.**

- (1) Internal audit findings shall be reported to management.

- (2) Management shall be required to respond to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception.
- (3) Such management responses shall be included in the internal audit report that will be delivered to management, the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.

**Sec. 542.23 What are the minimum internal control standards for surveillance for a Tier A Gaming Facility?**

- (a) The surveillance system shall be maintained and operated by the surveillance department from a staffed surveillance room and shall provide surveillance as required by the Compact and its Appendices.
  - (1) During Gaming Facility operating hours, the surveillance room must be staffed by at least one surveillance department employee trained in the use of the surveillance system. If a Gaming Facility is closed and in a locked down mode (i.e., the facility is locked and no one is present in the facility), the surveillance room is not required to be staffed, but the surveillance system must be set to record overviews of the Gaming Facility. At all other times, the surveillance room must be staffed by at least one surveillance department employee trained in the use of the surveillance system.
  - (2) Notwithstanding the provisions of Subsection 542.23(a)(1), the surveillance room may be unstaffed for brief periods during Gaming Facility operating hours for reasons such as allowing surveillance room personnel to take meal breaks, to take other scheduled breaks, to use restroom facilities, to maintain the surveillance system, to review video, and/or to meet with others regarding surveillance-related matters. These periods may not be scheduled in a manner that creates a regular pattern allowing persons outside the surveillance room to ascertain when the surveillance room will be unstaffed.
  - (3) Notwithstanding the provisions of Subsections 542.23(a)(1) and (2), the surveillance room may be unattended in the event of an emergency requiring evacuation or closure of the surveillance room or if a scheduled surveillance employee(s) is not available for their shift. If an emergency or employee unavailability cause the surveillance room to be left unattended, the surveillance system shall be set to record overviews of the Gaming Facility, the surveillance department shall notify the Tribal gaming regulatory authority immediately, and the surveillance room shall be staffed as soon as practicable.
  - (4) The surveillance system shall continuously record audio from the surveillance room and video of activities in the surveillance room.
- (b) The entrance to the surveillance room shall be located so that it is not readily accessible by either Gaming Facility employees who work primarily on the casino floor or the general public. The entrance to the surveillance room must be secured at all times, except during ingress and egress by authorized personnel.
- (c) Access to the surveillance room shall be limited to surveillance department employees, other designated employees, and other persons authorized in accordance with the surveillance department policy, Appendix C, and the Surveillance Plan. Such policy shall be approved by the Tribal gaming regulatory authority. The surveillance department shall maintain a log of all persons entering the surveillance room. The log may be electronic, written, or a combination thereof. The surveillance department shall provide a copy of the log to the Tribal gaming regulatory authority at least monthly, unless the Tribal gaming regulatory authority requires the log to be provided more or less frequently. The surveillance department's policies and procedures shall prohibit the use of cellular telephones or radio equipment in the surveillance room, except as expressly authorized by those policies and procedures.
- (d) Surveillance room equipment shall have total override capability over all surveillance equipment located outside the surveillance room.
- (e) In the event of a 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 necessary to record the cameras required by the standards in this section.

Auxiliary or backup power sources such as a UPS system, a backup generator, or an alternate utility supplier satisfy this requirement.

- (f) The surveillance system shall have the capability to display the date and time of recorded events on video and/or digital recordings. Recordings of all cameras required by the standards in this section shall include the date and time (in 24 hour format), which shall not significantly obstruct the recorded view.
- (g) The surveillance department employees shall be trained in the use of surveillance equipment, knowledge of the games, and house rules.
- (h) The surveillance system shall be designed in a manner to prevent it from being readily obstructed, tampered with, or disabled by customers or employees. The surveillance system and each camera required by the standards in this section shall be installed in a manner that will prevent them from being readily obstructed, tampered with, or disabled by customers or employees. If the standards in this section require the use of a PTZ camera, the PTZ camera must be placed behind a smoked dome, one-way mirror, or similar material that conceals the camera from view, unless the design of the camera inherently conceals it from view.
  - (1) The policies and procedures of the Gaming Facility Operator and the surveillance department must prohibit employees from intentionally obstructing, tampering with, or disabling surveillance system equipment, excepting only surveillance department employees who have been authorized to disable surveillance system equipment for maintenance, relocation, removal, or the like.
  - (2) Each Gaming Facility must have lighting sufficient to permit clear video reproduction in the hard and soft count rooms, in the cages, in the vaults, and in the other locations set forth in Subsections 542.23(s), (t), and (u), in the surveillance room, and in all areas where class III games, including card games, are being operated.
- (i) The surveillance system shall be capable of displaying the image captured by any camera required by the standards in this section on a monitor and recording that image.
  - (1) Each surveillance room shall be equipped with at least one (1) video monitor that is at least 12-inches in size, which is capable of displaying the image captured by any camera required by the standards in this section, in accordance with the standards in this section for that camera.
  - (2) The surveillance system shall have video recorders that continuously record the images from all cameras required by the standards in this section, except for a brief time when tapes are being changed in analog video tape recorders. For each camera required by the standards in this section, the video recorders must be capable of recording and playing back the image captured by that camera, in accordance with the standards in this section for that camera.
  - (3) For surveillance systems using analog video tape recorders:
    - (i) The surveillance system shall have one (1) video recorder to record each camera that is both required by the standards in this section and:
      - (1) used for surveillance of class III gaming, including card games;
      - (2) located in the hard count room or soft count room;
      - (3) located in a cage, a vault, or another location set forth in Subsections 542.23(s), (t), and (u); or
      - (4) located in the surveillance room.
    - (ii) For all other cameras required by the standards in this section, the surveillance system shall record no more than four (4) cameras on any one (1) video recorder, whether recorded using quads, multiplexers, a combination of both, or otherwise.
  - (4) For surveillance systems using digital video recorders, the digital video recorders shall have functionality that meets or exceeds that required by the standards in Subsections 542.23(i)(3)(i) and (ii).

(j) The surveillance department shall make reasonable efforts to repair each malfunction of surveillance system equipment required by the standards in this section within seventy-two (72) hours after discovering the malfunction. The surveillance department shall notify the Tribal gaming regulatory authority of each required camera that has malfunctioned for more than twenty-four (24) hours.

(1) If a malfunction in the surveillance system affects the ability to monitor or record the images from a camera required by the standards in this section, the Gaming Facility Operator or the surveillance department shall immediately provide alternative camera coverage, other surveillance measures, or other security measures, such as additional supervisory or security personnel, to protect the subject activity. If other security or surveillance measures are taken, the surveillance department shall promptly notify the Tribal gaming regulatory authority.

(2) [Reserved.]

(k) **[Reserved.]**

(1) [Reserved.]

(2) [Reserved.]

(l) **Card games.**

The surveillance system shall monitor and record an overview of activities in each card game area, sufficient to allow the employees performing the different functions to be identified.

(1) At a minimum, the surveillance system shall provide one (1) dedicated camera for each card table and one (1) PTZ camera for every four (4) card tables. (This standard requires, for example, two (2) PTZ cameras for a Gaming Facility with five to eight card tables, three (3) PTZ cameras for nine to twelve card tables, etc.) If a Gaming Facility has fewer than four (4) card tables, the surveillance system shall provide, at a minimum, one (1) dedicated camera for each card table and at least one (1) PTZ camera for the card tables.

(i) The required dedicated camera shall provide an overview of the card table under surveillance sufficient to allow the table surface, the table bank, the placement of wagers, and any shuffling device located at the table to be clearly viewed.

(ii) The dedicated cameras and the PTZ camera(s) in combination must be capable of monitoring and recording the customers, dealer, card suits, card values, and game outcome, sufficient to allow them to be clearly identified.

(iii) If any card games are serviced by a shuffling device that is not located at the table, then the remote shuffling device(s) shall be monitored and recorded by at least one dedicated camera providing a general overview of the shuffler sufficient to allow employees accessing the shuffler to be identified and their activities to be monitored and also sufficient to allow the movement of cards from the table to the shuffler and back to be monitored. This standard does not require one dedicated camera per remote shuffling device if one dedicated camera is able to provide the required coverage for more than one remote shuffling device.

(2) *Gaming Chip Inventories.* The secure location in which unused and/or reserve gaming chip inventories for card games are maintained shall be monitored and recorded by at least one dedicated camera providing a general overview of the area, sufficient to allow employees accessing the inventories to be identified and their activities to be monitored. The surveillance department shall be notified before persons enter the secure location.

(3) *Card Storage.* The secure location in which unissued playing cards for card games are maintained shall be monitored and recorded by at least one dedicated camera providing a general overview of the area sufficient to allow employees accessing the inventories to be identified and their activities to be monitored. The surveillance department shall be notified before persons enter the secure location.

**(m) Progressive card games.**

Surveillance of progressive card games shall meet the requirements of Subsection 542.23(l). In addition, a dedicated camera must record a clear view of the posted jackpot amount for each progressive card game. If several card games are linked to the same progressive jackpot meter, only one meter need be recorded.

**(n) Keno.**

- (1) The keno computer processing unit, or the entrance to the location where it is secured, shall be monitored and recorded by at least one dedicated camera, sufficient to allow persons in the area to be identified and their activities to be monitored. If keno numbers are not drawn by an electronic random number generator contained in the keno computer processing unit, the surveillance system shall possess the capability to monitor the keno ball-drawing device or random number generator, which shall be recorded during the course of the draw by a dedicated camera, sufficient to allow the balls drawn or numbers selected to be determined.
- (2) A dedicated camera shall record one keno board during keno games, sufficient to allow the numbers displayed to be determined.
- (3) Each keno ticket writer and cashier station shall be monitored and recorded by at least one dedicated camera, sufficient to allow persons in those areas to be identified and their activities to be monitored. This standard does not require one dedicated camera per ticket writer or cashier station if one dedicated camera is able to provide the required coverage for more than one ticket writer or cashier station.
- (4) The surveillance system shall be capable of monitoring and recording general activities in each keno game area.

**(o) Pari-mutuel.**

The surveillance system shall be capable of monitoring and recording general activities in each pari-mutuel area. Each pari-mutuel ticket writer and cashier station shall be monitored and recorded by at least one dedicated camera, sufficient to allow persons in those areas to be identified and their activities to be monitored. This standard does not require one dedicated camera per ticket writer or cashier station if one dedicated camera is able to provide the required coverage for more than one ticket writer or cashier station.

**(p) Table games.**

The surveillance system shall monitor and record an overview of activities in each table game area, sufficient to allow the employees performing the different functions to be identified.

- (1) At a minimum, the surveillance system shall provide one (1) dedicated camera for each table game and one (1) PTZ camera for every two (2) table games. (This standard requires, for example, two (2) PTZ cameras for a Gaming Facility with three or four table games, three (3) PTZ cameras for five or six table games, etc.) If a Gaming Facility has only one (1) table game, the surveillance system shall provide one (1) dedicated camera and one (1) PTZ camera for the table game.
  - (i) The required dedicated camera shall provide an overview of the table game under surveillance sufficient to allow the table surface, the table bank, the placement of waters, and any shuffling device located at the table to be clearly viewed.
  - (ii) The dedicated camera and the PTZ cameras in combination must be capable of monitoring and recording the customers, dealer, card suits, card values, game outcome, and chip values (when stacks are broken down for payoff), sufficient to allow them to be clearly identified.
  - (iii) If any table games are serviced by a shuffling device that is not located at the table, then the remote shuffling device(s) shall be monitored and recorded by at least one dedicated camera providing a general overview of the shuffler sufficient to allow employees accessing the shuffler to be identified and their activities to

be monitored and also sufficient to allow the movement of cards from the table to the shuffler and back to be monitored. This standard does not require one dedicated camera per remote shuffling device if one dedicated camera is able to provide the required coverage for more than one remote shuffling device.

- (iv) In addition to the surveillance requirements for table games and progressive table games, if an approved table game utilizes any mechanical, electronic or electromechanical component, including meters, wheels, screens, and variable payout tables, such component(s) shall be monitored and recorded by at least one dedicated camera providing a view of the component sufficient to allow the display of, and outcome represented on, the component (if any). This standard does not require any dedicated cameras in addition those required by Subsections 542.23(p)(1)(i), 542.33(p)(1)(i), 542.43(p)(1)(i), as applicable, if those cameras are able to provide the required coverage.

(2) Craps. [Reserved.]

(3) Roulette. [Reserved.]

(4) Big wheel. [Reserved]

(5) *Gaming Chip Inventories.* The secure location in which unused and/or reserve gaming chip inventories for table games are maintained shall be monitored and recorded by at least one dedicated camera providing a general overview of the area sufficient to allow employees accessing the inventories to be identified and their activities to be monitored. The surveillance department shall be notified before persons enter the secure location.

(6) *Card Storage.* The secure location in which unissued playing cards for table games are maintained shall be monitored and recorded by at least one dedicated camera providing a general overview of the area sufficient to allow employees accessing the inventories to be identified and their activities to be monitored. The surveillance department shall be notified before persons enter the secure location.

**(q) Progressive table games.**

Surveillance of progressive table games shall meet the requirements of Subsection 542.23(p). In addition, a dedicated camera must record a clear view of the posted jackpot amount for each progressive table game. If several table games are linked to the same progressive jackpot meter, only one meter need be recorded.

**(r) Gaming machines.**

The surveillance system must be capable of (i) monitoring, from various vantage points, all gaming machines in a Gaming Facility that are not monitored and recorded by dedicated cameras, (ii) providing overviews of the area(s) in which gaming machines are located, (iii) monitoring activities in the area(s) in which gaming machines are located, and (iv) allowing persons who are being tracked by surveillance to be identified as they move through the areas in which gaming machines are located. The required coverage can be provided by dedicated cameras, PTZ cameras, or a combination of both, but, except as provided below, dedicated cameras are not required.

(1) In-house progressive gaming machines. In-house progressive gaming machines offering a base payout amount (jackpot reset amount) of more than \$25,000 shall be monitored and recorded by at least one dedicated camera to provide coverage of:

- (i) Persons at the gaming machine; and
- (ii) The face of the gaming machine, sufficient to allow the payout line(s) of the gaming machine to be determined.

(2) Wide-area progressive gaming machines. Wide-area progressive gaming machines offering a base payout amount (jackpot reset amount) of more than \$200,000 and monitored by an independent vendor utilizing an on-line progressive computer system shall be monitored and recorded by at least one dedicated camera to provide coverage of:

- (i) Persons at the gaming machine; and
  - (ii) The face of the gaming machine, sufficient to allow the payout line(s) of the gaming machine to be determined.
- (3) Other Large Payout Gaming Machines. Except for in-house progressive gaming machines and wide-area progressive gaming machines, gaming machines offering a payout of more than \$75,000 shall be monitored and recorded by at least one dedicated camera to provide coverage of:
- (i) Persons at the gaming machine; and
  - (ii) The face of the gaming machine, sufficient to allow the payout line(s) of the gaming machine to be determined.
- (4) Multi-game gaming machines. The Tribal gaming regulatory authority, or the Gaming Facility Operator subject to the approval of the Tribal gaming regulatory authority, may develop and implement alternative procedures to verify payouts for multi-game machines in lieu of the surveillance that otherwise would be required by Subsection 542.23(r)(3)(ii).
- (5) The coverage required in Subsections 542.23(r)(1) – (3) does not require one dedicated camera per gaming machine if one dedicated camera is able to provide the required coverage for more than one gaming machine.

**(s) Cage and vault.**

- (1) The surveillance system shall monitor and record, with at least one dedicated camera, a general overview of the activities occurring in each cage and vault area. The overview shall be sufficient to allow employees within the cage and vault areas to be identified and their activities to be monitored.
- (2) The surveillance system shall monitor and record, with at least one dedicated camera, an overview of activities at the cage counters sufficient to allow persons at the cage counters to be identified and their activities to be monitored.
- (3) Each cage cashier station shall be equipped with one (1) dedicated overhead camera covering the customer transaction area and all activity occurring in the customer transaction area.

**(t) Fills and credits.**

- (1) The cage or vault area in which fills and credits are transacted shall be monitored and recorded by at least one dedicated camera or motion activated dedicated camera that provides coverage sufficient to allow the chip values and the amounts on the fill and credit slips to be determined.
- (2) Controls provided by a computerized fill and credit system may be deemed an adequate alternative to viewing the fill and credit slips.

**(u) Currency, coin, chips, and tokens.**

- (1) The surveillance system shall monitor and record all areas where currency, coin, chips, or tokens used for Class III gaming and owned by the Gaming Facility Operator are stored or counted sufficient to allow persons in those areas to be identified and their activities monitored. This provision does not apply to:
  - (i) Currency, coin, chips, or tokens that are not used for Class III gaming;
  - (ii) Areas that are the subject of specific surveillance requirements in this Appendix, including, but not limited to those areas addressed in Section 542.23(u)(2) and, in particular, Section 542.23(u)(2)(iii)(7);
  - (iii) Currency, coin, chips, or tokens inside Gaming Devices;
  - (iv) Imprest banks of cash maintained on the person of employees;
  - (v) Cash registers, including, but not limited to, those in hotels, restaurants, bars, gift shops, showroom box offices, child care facilities, bowling alleys, and other areas ancillary to Class III gaming;

- (vi) Vending machines; and
  - (vii) Tip jars and other tip storage areas.
- (2) Drop and Count Process.
- (i) The surveillance system shall monitor and record all areas where coin, chips, or tokens may be stored or counted during the drop and count process, including the hard count room, all doors to the hard count room, all scales and wrapping machines, and all areas where uncounted coin may be stored during the drop and count process, by either dedicated cameras or motion activated dedicated cameras, sufficient to allow persons in those areas to be identified and their activities to be monitored.
  - (ii) The surveillance system shall record audio from the soft count room.
  - (iii) The surveillance system shall provide for:
    - (1) Coverage of scales sufficient to view any attempted manipulation of the recorded data.
    - (2) Monitoring and recording of the table game drop box storage rack or area by either a dedicated camera or a motion activated dedicated camera, sufficient to allow persons in those areas to be identified and their activities to be monitored.
    - (3) [Reserved.]
    - (4) Monitoring and recording of all areas where the contents of table game drop boxes or bill acceptor canisters may be stored during the drop and count process, including the soft count room and all doors to the soft count room, by either dedicated cameras or motion activated dedicated cameras, sufficient to allow persons in those areas to be identified and their activities to be monitored.
    - (5) Monitoring and recording of all areas where currency is sorted, stacked, counted, verified, or stored during the soft count process by dedicated cameras, sufficient to allow persons in those areas to be identified and their activities to be monitored. The counting surface area must be continuously monitored and recorded by at least one dedicated camera, sufficient to allow persons in the area to be identified and their activities to be monitored during the soft count.
    - (6) Monitoring and recording an overview of activities at the currency counter and/or currency sorter, if the Gaming Facility Operator uses a currency counter or currency sorter in the soft count room, by at least one dedicated camera, sufficient to allow persons in those areas to be identified and their activities to be monitored.
    - (7) The capability of monitoring and recording an overview of the following, sufficient to allow persons involved to be identified and their activities to be monitored:
      - (a) fills or exchanges, as they are transferred from the cage to a card game, table game, or gaming machine;
      - (b) the drop, as it is transferred from card games, table games, or gaming machines to the count room; and
      - (c) credits as they are transferred from a card game or table game to the cage.
- (v) **Gaming machine booths and change banks.**  
 The surveillance system shall monitor and record a general overview of the activities occurring in each gaming machine booth and change bank, each redemption booth, and each automated redemption kiosk with at least one dedicated camera, sufficient to allow persons in those areas to be identified and their activities to be monitored.

**(w) Video recording and/or digital record retention.**

- (1) All video recordings and/or digital records of the images provided by the cameras required by the standards in this section shall be retained for a minimum of seven (7) days. If the Tribal gaming regulatory authority or the State Gaming Agency requests that particular recordings be retained for a longer period of time, the surveillance department shall retain those recordings for the time requested. In the alternative, the surveillance department may provide the requesting entity with the original of an analog tape recording or a digital duplicate of a digital recording.
- (2) Recordings involving suspected or confirmed gaming crimes, unlawful activity, or persons detained in a security detention area must be retained for a minimum of thirty (30) days. If the Tribal gaming regulatory authority or the State Gaming Agency requests that particular recordings be retained for a longer period of time, the surveillance department shall retain those recordings for the time requested. In the alternative, the surveillance department may provide the requesting entity with the original of an analog tape recording or a digital duplicate of a digital recording.
- (3) Duly authenticated copies of video recordings and/or digital records shall be provided to the Commission upon request. Duly authenticated copies of video recordings and/or digital records also shall be provided to the Tribal gaming regulatory authority and/or the State Gaming Agency upon request. Each surveillance department shall be capable of promptly producing a clear still copy or photograph of a clear image depicted on a video recording and/or digital record, using a video printer, still camera, or other comparable means.
- (4) Each Gaming Facility shall have a video monitor and a video player separate from the surveillance system at which the Tribal gaming regulatory authority, the State Gaming Agency, or other authorized persons may review video recordings and/or digital records.

**(x) Video library log.**

- (1) For a surveillance system with analog video tape recorders, the surveillance department shall maintain a log or logs of video recordings demonstrating compliance with the storage, identification, and retention standards required in this section. Video tapes shall be marked with a tape number or other identifying designation. The markings and/or log(s) shall allow the surveillance department to determine the date and time when each video tape was recorded, the camera or cameras recorded on the video tape, who placed the video tape in a video recorder, who removed the video tape from a video recorder, and who placed the video tape in the video tape storage area. The surveillance department also shall maintain a log or logs identifying any video tapes removed from the video tape storage area, who removed the video tape, why the video tape was removed, and when the video tape was returned.
- (2) For a surveillance system with digital video recorders, the surveillance department shall maintain data demonstrating compliance with the storage, identification, and retention standards required in this Section. The data shall include the camera name or number and the date and time each recording was made. The data may be maintained in logs kept by the surveillance department, by the surveillance system, or a combination of both.

**(y) Malfunction and repair log.**

- (1) The surveillance department shall maintain a log or alternative procedure approved by the Tribal gaming regulatory authority documenting each malfunction and repair of the surveillance system as defined in this section.
- (2) The log shall state the time, date, and nature of each malfunction, the efforts expended to repair the malfunction, and the date of each effort, the reasons for any delays in repairing the malfunction, the date the malfunction is repaired, and, if applicable, any alternative security or surveillance measures that were taken.

**(z) Surveillance log.**

- (1) Surveillance department employees shall maintain a log of all surveillance activities, which shall be stored securely and which shall include, at a minimum:
  - (i) The date;
  - (ii) The time surveillance was commenced and terminated;
  - (iii) The activity observed or performed (including any unusual occurrences and violations or suspected violations of the Compact or its appendices, including, but not limited to, the detection of illegal activities or suspected illegal activities, the detection of the presence in a Gaming Facility of Barred Persons or persons who are on the self-excluded list established under Compact Section 3(v)(2), the detection of gambling by persons who were less than twenty-one years of age, the detention of persons, or injuries to a patron or employee); and
  - (iv) the name or license credential number of each person who initiates, performs, or supervises the surveillance.
- (2) Surveillance department employees also shall record a summary of the results of the surveillance of any suspicious activity. This summary may be maintained in a separate log.

**(aa) Floor Plan.**

A floor plan of the Gaming Facility shall be available in the surveillance room. The floor plan shall show the location of and identify: (i) all gaming machines by device number; (ii) all table games and card games by table number; (iii) all gaming machine booths and change banks, redemption booths, and automated redemption kiosks; (iv) all security detention areas; (v) the location and layout of the cage and vault areas; (vi) the location and layout of areas required to be surveilled by Section 542.23(u); and (vii) the location of automatic teller machines. The floor plan also shall show the location of all surveillance cameras and audio recording devices. The floor plan shall be updated promptly with any changes to the location or layout of the foregoing items or areas.

**(bb) Security Detention Areas.**

The surveillance system must be capable of monitoring and recording, in both audio and video, all security detention areas. The video recording system must be sufficient to allow persons in the security detention area to be identified and their activities to be monitored. A notice must be posted in each security detention area advising all persons that the area may be under video and audio surveillance. When a person is detained in a security detention area, the surveillance department must continuously record, in both audio and video, the security detention area.

**(cc) Entrances, exits, and other areas.**

The Tribal gaming regulatory authority, or the surveillance department as approved by the Tribal gaming regulatory authority, shall establish and the surveillance department shall comply with standards for the surveillance of entrances to and exits from each Gaming Facility and the grounds adjacent to each Gaming Facility, including parking lots adjacent to the Gaming Facility primarily used by patrons or employees of the Gaming Facility. Those standards, at a minimum, shall require:

- (1) The surveillance department to monitor and record each public entrance to, and public exit from, the Class III gaming areas in each Gaming Facility with at least one (1) dedicated camera, sufficient to allow persons using those entrances and exits to be distinguished. (A combination entrance/exit will require only one dedicated camera.);
- (2) The surveillance department to be capable of monitoring and recording all other entrances to, and all other exits from, each Gaming Facility sufficient to allow persons using those entrances and exits to be distinguished;
- (3) The surveillance department to be capable of monitoring and recording overviews of the grounds adjacent to each Gaming Facility, including parking lots adjacent to the Gaming Facility primarily used by patrons or employees of the Gaming Facility; and

- (4) The surveillance department to continuously record the images from all cameras required to meet the standards required by Subsection 542.23(cc), except for a brief time when tapes are being changed in analog video tape recorders.

**(dd) Supplemental Surveillance.**

A Gaming Facility may have supplemental surveillance systems, not operated by the surveillance department, providing surveillance in addition to that required of the surveillance system under this Appendix. Supplemental surveillance systems are not subject to the requirements of Appendix C or this Appendix.

**Sec. 542.30 What is a Tier B Gaming Facility?**

A Tier B Gaming Facility is one with gross gaming revenues of more than \$5 million but not more than \$15 million.

**Sec. 542.31 What are the minimum internal control standards for drop and count for a Tier B Gaming Facility?**

**(a) Computer applications.**

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

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

- (1) The setting out of empty table game drop boxes and the drop shall be a continuous process.
- (2) At the end of each shift:
  - (i) All locked table game drop boxes shall be removed from the tables by a person independent of the pit shift being dropped;
  - (ii) A separate drop box shall be placed on each table opened at any time during each shift or a Gaming Facility Operator may utilize a single drop box with separate openings and compartments for each shift; and
  - (iii) Upon removal from the tables, table game drop boxes shall be transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.
- (3) If drop boxes are not placed on all tables, then the pit department shall document which tables were open during the shift.
- (4) The transporting of table game drop boxes shall be performed by a minimum of two persons, at least one of whom is independent of the pit shift being dropped.
- (5) All table game drop boxes shall be posted with a number corresponding to a permanent number on the gaming table and marked to indicate game, table number, and shift.
- (6) Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities.

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

- (1) The table game soft count and the gaming machine bill acceptor count shall be performed by a minimum of two employees.
  - (i) The count shall be viewed live, or on video recording and/or digital record, within seven (7) days by an employee independent of the count.
  - (ii) [Reserved]
- (2) Count room personnel shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. At no time during the count, shall there be fewer than two employees in the count room until the drop proceeds have been accepted into cage/vault accountability. Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.

- (3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same two persons more than four (4) days per week. This standard shall not apply in a Gaming Facility where the Gaming Facility Operator uses a count team of more than two persons.
- (4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments, 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.

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

- (1) The table game soft count shall be performed in a soft count room or other equivalently secure area with comparable controls.
- (2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
- (3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
- (4) The table game drop boxes shall be individually emptied and counted in such a manner to prevent the commingling of funds between boxes until the count of the box has been recorded.
  - (i) The count of each box shall be recorded in ink or other permanent form of recordation.
  - (ii) A second count shall be performed by an employee on the count team who did not perform the initial count.
  - (iii) Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change, unless the count team only has two (2) members in which case the initials of only one (1) verifying count team member is required.
- (5) If currency counters are utilized and the count room table is used only to empty boxes and sort/stack contents, a count team member shall be able to observe the loading and unloading of all currency at the currency counter, including rejected currency.
- (6) Table game drop boxes, when empty, shall be shown to another member of the count team, or to another person who is observing the count, or to surveillance, provided the count is monitored in its entirety by a person independent of the count.
- (7) Orders for fill/credit (if applicable) shall be matched to the fill/credit slips. Fills and credits shall be traced to or recorded on the count sheet.
- (8) Pit marker issue and payment slips (if applicable) removed from the table game drop boxes shall either be:
  - (i) Traced to or recorded on the count sheet by the count team; or
  - (ii) Totaled by shift and traced to the totals documented by the computerized system. Accounting personnel shall verify the issue/payment slip for each table is accurate.
- (9) Foreign currency exchange forms (if applicable) removed from the table game drop boxes shall be reviewed for the proper daily exchange rate and the conversion amount shall be recomputed by the count team. Alternatively, this may be performed by accounting/auditing employees.
- (10) The opening/closing table and marker inventory forms (if applicable) shall either be:
  - (i) Examined and traced to or recorded on the count sheet; or

- (ii) If a computerized system is used, accounting personnel can trace the opening/closing table and marker inventory forms to the count sheet. Discrepancies shall be investigated with the findings documented and maintained for inspection.
  - (11) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder.
  - (12) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.
  - (13) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
  - (14) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.
  - (15) Access to stored, full table game drop boxes shall be restricted to authorized members of the drop and count teams.
- (e) Gaming machine bill acceptor drop standards.**
- (1) A minimum of two employees shall be involved in the removal of the gaming machine drop, at least one of who is independent of the gaming machine department.
  - (2) All bill acceptor canisters shall be removed only at the time previously designated by the Gaming Facility Operator and reported to the Tribal gaming regulatory authority, except for emergency drops.
  - (3) Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities.
  - (4) The bill acceptor canisters shall be removed by a person independent of the gaming machine department then transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.
    - (i) Security shall be provided over the bill acceptor canisters removed from the gaming machines and awaiting transport to the count room.
    - (ii) The transporting of bill acceptor canisters shall be performed by a minimum of two persons, at least one of who is independent of the gaming machine department.
  - (5) All bill acceptor canisters shall be posted with a number corresponding to a permanent number on the gaming machine.
- (f) Gaming machine bill acceptor count standards.**
- (1) The gaming machine bill acceptor count shall be performed in a soft count room or other equivalently secure area with comparable controls.
  - (2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
  - (3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
  - (4) The bill acceptor canisters shall be individually emptied and counted in such a manner to prevent the commingling of funds between canisters until the count of the canister has been recorded.

- (i) The count of each canister shall be recorded in ink or other permanent form of recordation.
  - (ii) A second count shall be performed by an employee on the count team who did not perform the initial count.
  - (iii) Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.
- (5) If currency counters are utilized and the count room table is used only to empty canisters and sort/stack contents, a count team member shall be able to observe the loading and unloading of all currency at the currency counter, including rejected currency.
  - (6) Canisters, when empty, shall be shown to another member of the count team, to another person who is observing the count, or to surveillance, provided that the count is monitored in its entirety by a person independent of the count.
  - (7) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder.
  - (8) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.
  - (9) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
  - (10) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.
  - (11) Access to stored bill acceptor canisters, full or empty, shall be restricted to:
    - (i) Authorized members of the drop and count teams; and
    - (ii) Authorized personnel in an emergency for the resolution of a problem.
  - (12) All bill acceptor canisters shall be posted with a number corresponding to a permanent number on the gaming machine.

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

- (1) A minimum of two employees shall be involved in the removal of the gaming machine drop, at least one of who is independent of the gaming machine department.
- (2) All drop buckets shall be removed only at the time previously designated by the Gaming Facility Operator and reported to the Tribal gaming regulatory authority, except for emergency drops.
- (3) Surveillance shall be notified when the drop is to begin in order that surveillance may monitor the activities.
- (4) Security shall be provided over the buckets removed from the gaming machine drop cabinets and awaiting transport to the count room.
- (5) As each machine is opened, the contents shall be tagged with its respective machine number if the bucket is not permanently marked with the machine number. The contents shall be transported directly to the area designated for the counting of such drop proceeds. If more than one trip is required to remove the contents of the machines, the filled carts of coins shall be securely locked in the room designed for counting or in another equivalently secure area with comparable controls. There shall be a locked covering on any carts in which the drop route includes passage out of doors.

- (i) Alternatively, a smart bucket system that electronically identifies and tracks the gaming machine number, and facilitates the proper recognition of gaming revenue, shall satisfy the requirements of this paragraph.
- (ii) [Reserved]
- (6) Each drop bucket in use shall be:
  - (i) Housed in a locked compartment separate from any other compartment of the gaming machine and keyed differently than other gaming machine compartments; and
  - (ii) Identifiable to the gaming machine from which it is removed. If the gaming machine is identified with a removable tag that is placed in the bucket, the tag shall be placed on top of the bucket when it is collected.
- (7) Each gaming machine shall have drop buckets into which coins or tokens that are retained by the gaming machine are collected. Drop bucket contents shall not be used to make change or pay hand-paid payouts.
- (8) The collection procedures may include procedures for dropping gaming machines that have trays instead of drop buckets.

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

- (1) The weigh/count shall be performed by a minimum of two employees.
  - (i) The count shall be viewed either live, or on video recording and/or digital record within seven (7) days by an employee independent of the count.
  - (ii) [Reserved]
- (2) At no time during the weigh/count shall there be fewer than two employees in the count room until the drop proceeds have been accepted into cage/vault accountability. Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.
  - (i) If the gaming machine count is conducted with a continuous mechanical count meter that is not reset during the count and is verified in writing by at least two employees at the start and end of each denomination count, then one employee may perform the wrap.
  - (ii) [Reserved]
- (3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same two persons more than four (4) days per week. This standard shall not apply in a Gaming Facility where the Gaming Facility Operator uses a count team of more than two persons.
- (4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments, unless they are non-supervisory gaming machine employees and perform the laborer function only (A non-supervisory gaming machine employee is defined as a person below the level of gaming machine shift supervisor). A cage cashier may be used if this person is not allowed to perform the recording function. An accounting representative may be used if there is an independent audit of all count documentation.

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

- (1) Coins shall include tokens.
- (2) The gaming machine coin count and wrap shall be performed in a count room or other equivalently secure area with comparable controls.
  - (i) Alternatively, an on-the-floor drop system utilizing a mobile scale shall satisfy the requirements of this paragraph, subject to the following conditions:
    - (A) The Gaming Facility Operator shall utilize and maintain an effective on-line gaming machine monitoring system, as described in Sec. 542.13(m)(3);

- (B) Components of the on-the-floor drop system shall include, but not be limited to, a weigh scale, a laptop computer through which weigh/count applications are operated, a security camera available for the mobile scale system, and a VCR to be housed within the video compartment of the mobile scale. The system may include a mule cart used for mobile weigh scale system locomotion.
  - (C) The Gaming Facility Operator must obtain the security camera available with the system, and this camera must be added in such a way as to eliminate tampering.
  - (D) Prior to the drop, the drop/count team shall ensure the scale batteries are charged;
  - (E) Prior to the drop, a videotape shall be inserted into the VCR used to record the drop in conjunction with the security camera system and the VCR shall be activated;
  - (F) The weigh scale test shall be performed prior to removing the unit from the hard count room for the start of the weigh/drop/count;
  - (G) Surveillance shall be notified when the weigh/drop/count begins and shall be capable of monitoring the entire process;
  - (H) An observer independent of the weigh/drop/count teams (independent observer) shall remain by the weigh scale at all times and shall observe the entire weigh/drop/count process;
  - (I) Physical custody of the key(s) needed to access the laptop and video compartment shall require the involvement of two persons, one of whom is independent of the drop and count team;
  - (J) The mule key (if applicable), the laptop and video compartment keys, and the remote control for the VCR shall be maintained by a department independent of the gaming machine department. The appropriate personnel shall sign out these keys;
  - (K) A person independent of the weigh/drop/count teams shall be required to accompany these keys while they are checked out, and observe each time the laptop compartment is opened;
  - (L) The laptop access panel shall not be opened outside the hard count room, except in instances when the laptop must be rebooted as a result of a crash, lock up, or other situation requiring immediate corrective action;
  - (M) User access to the system shall be limited to those employees required to have full or limited access to complete the weigh/drop/count; and
  - (N) When the weigh/drop/count is completed, the independent observer shall access the laptop compartment, end the recording session, eject the videotape, and deliver the videotape to surveillance.
- (ii) [Reserved]
- (3) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
  - (4) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
  - (5) The following functions shall be performed in the counting of the gaming machine drop:
    - (i) Recorder function, which involves the recording of the gaming machine count; and

- (ii) Count team supervisor function, which involves the control of the gaming machine weigh and wrap process. The supervisor shall not perform the initial recording of the weigh/count unless a weigh scale with a printer is used.
- (6) The gaming machine drop shall be counted, wrapped, and reconciled in such a manner to prevent the commingling of gaming machine drop coin with coin (for each denomination) from the next gaming machine drop until the count of the gaming machine drop has been recorded. If the coins are not wrapped immediately after being weighed or counted, they shall be secured and not commingled with other coin.
  - (i) The amount of the gaming machine drop from each machine shall be recorded in ink or other permanent form of recordation on a gaming machine count document by the recorder or mechanically printed by the weigh scale.
  - (ii) Corrections to information originally recorded by the count team on gaming machine count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.
    - (A) If a weigh scale interface is used, corrections to gaming machine count data shall be made using either of the following:
      - (1) Drawing a single line through the error on the gaming machine document, writing the correct figure above the original figure, and then obtaining the initials of at least two count team employees. If this procedure is used, an employee independent of the gaming machine department and count team shall enter the correct figure into the computer system prior to the generation of related gaming machine reports; or
      - (2) During the count process, correct the error in the computer system and enter the passwords of at least two count team employees. If this procedure is used, an exception report shall be generated by the computer system identifying the gaming machine number, the error, the correction, and the count team employees attesting to the correction.
    - (B) [Reserved]
- (7) If applicable, the weight shall be converted to dollar amounts before the reconciliation of the weigh to the wrap.
- (8) If a coin meter is used, a count team member shall convert the coin count for each denomination into dollars and shall enter the results on a summary sheet.
- (9) The recorder and at least one other count team member shall sign the weigh tape and the gaming machine count document attesting to the accuracy of the weigh/count.
- (10) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.
- (11) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
- (12) All gaming machine count and wrap documentation, including any applicable computer storage media, shall be delivered to the accounting department by a count team member or a person independent of the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.
- (13) If the coins are transported off the property, a second (alternative) count procedure shall be performed before the coins leave the property. Any variances shall be documented.

- (14) Variances. Large (by denomination, either \$1,000 or 2% of the drop, whichever is less) or unusual (e.g., zero for weigh/count or patterned for all counts) variances between the weigh/count and wrap shall be investigated by management personnel independent of the gaming machine department, count team, and the cage/vault functions on a timely basis. The results of such investigation shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

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

- (1) If the count room serves as a coin room and coin room inventory is not secured so as to preclude access by the count team, then the following standards shall apply:
- (i) At the commencement of the gaming machine count the following requirements shall be met:
    - (A) The coin room inventory shall be counted by at least two employees, one of whom is a member of the count team and the other is independent of the weigh/count and wrap procedures;
    - (B) The count in paragraph (j)(1)(i)(A) of this section shall be recorded on an appropriate inventory form;
  - (ii) Upon completion of the wrap of the gaming machine drop:
    - (A) At least two members of the count team (wrap team), independently from each other, shall count the ending coin room inventory;
    - (B) The counts in paragraph (j)(1)(ii)(A) of this section shall be recorded on a summary report(s) that evidences the calculation of the final wrap by subtracting the beginning inventory from the sum of the ending inventory and transfers in and out of the coin room;
    - (C) The same count team members shall compare the calculated wrap to the weigh/count, recording the comparison and noting any variances on the summary report;
    - (D) A member of the cage/vault department shall count the ending coin room inventory by denomination and shall reconcile it to the beginning inventory, wrap, transfers and weigh/count; and
    - (E) At the conclusion of the reconciliation, at least two count/wrap team members and the verifying employee shall sign the summary report(s) attesting to its accuracy.
  - (iii) The functions described in paragraph (j)(1)(ii)(A) and (C) of this section may be performed by only one count team member. That count team member must then sign the summary report, along with the verifying employee, as required under paragraph (j)(1)(ii)(E).
- (2) If the count room is segregated from the coin room, or if the coin room is used as a count room and the coin room inventory is secured to preclude access by the count team, all of the following requirements shall be completed, at the conclusion of the count:
- (i) At least two members of the count/wrap team shall count the final wrapped gaming machine drop independently from each other;
  - (ii) The counts shall be recorded on a summary report;
  - (iii) The same count team members (or the accounting department) shall compare the final wrap to the weigh/count, recording the comparison, and noting any variances on the summary report;
  - (iv) A member of the cage/vault department shall count the wrapped gaming machine drop by denomination and reconcile it to the weigh/count;
  - (v) At the conclusion of the reconciliation, at least two count team members and the cage/vault employee shall sign the summary report attesting to its accuracy; and

- (vi) The wrapped coins (exclusive of proper transfers) shall be transported to the cage, vault or coin vault after the reconciliation of the weigh/count to the wrap.

**(k) Transfers during the gaming machine coin count and wrap.**

- (1) Transfers may be permitted during the count and wrap only if permitted under the internal control standards approved by the Tribal gaming regulatory authority.
- (2) Each transfer shall be recorded on a separate multi-part form with a preprinted or concurrently-printed form number (used solely for gaming machine count transfers) that shall be subsequently reconciled by the accounting department to ensure the accuracy of the reconciled gaming machine drop.
- (3) Each transfer must be counted and signed for by at least two members of the count team and by a person independent of the count team who is responsible for authorizing the transfer.

**(l) Gaming machine drop key control standards.**

- (1) Gaming machine coin drop cabinet keys, including duplicates, shall be maintained by a department independent of the gaming machine department.
- (2) The physical custody of the keys needed to access gaming machine coin drop cabinets, including duplicates, shall require the involvement of two persons, one of whom is independent of the gaming machine department.
- (3) Two employees (separate from key custodian) shall be required to accompany such keys while checked out and observe each time gaming machine drop cabinets are accessed, unless surveillance is notified each time keys are checked out and surveillance observes the person throughout the period the keys are checked out.

**(m) Table game drop box key control standards.**

- (1) Procedures shall be developed and implemented to insure that unauthorized access to empty table game drop boxes shall not occur from the time the boxes leave the storage racks until they are placed on the tables.
- (2) The involvement of at least two persons independent of the cage department shall be required to access stored empty table game drop boxes.
- (3) The release keys shall be separately keyed from the contents keys.
- (4) At least two count team members are required to be present at the time count room and other count keys are issued for the count.
- (5) All duplicate keys shall be maintained in a manner that provides the same degree of control as is required for the original keys. Records shall be maintained for each key duplicated that indicate the number of keys made and destroyed.
- (6) Logs shall be maintained by the custodian of sensitive keys to document authorization of personnel accessing keys.

**(n) Table game drop box release keys.**

- (1) The table game drop box release keys shall be maintained by a department independent of the pit department.
- (2) Only the person(s) authorized to remove table game drop boxes from the tables shall be allowed access to the table game drop box release keys; however, the count team members may have access to the release keys during the soft count in order to reset the table game drop boxes.
- (3) Persons authorized to remove the table game drop boxes shall be precluded from having simultaneous access to the table game drop box contents keys and release keys.
- (4) For situations requiring access to a table game drop box at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

- (o) **Bill acceptor canister release keys.**
  - (1) The bill acceptor canister release keys shall be maintained by a department independent of the gaming machine department.
  - (2) Only the person(s) authorized to remove bill acceptor canisters from the gaming machines shall be allowed access to the release keys.
  - (3) Persons authorized to remove the bill acceptor canisters shall be precluded from having simultaneous access to the bill acceptor canister contents keys and release keys.
  - (4) For situations requiring access to a bill acceptor canister at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.
- (p) **Table game drop box storage rack keys.**

Persons authorized to obtain table game drop box storage rack keys shall be precluded from having simultaneous access to table game drop box contents keys with the exception of the count team.
- (q) **Bill acceptor canister storage rack keys.**

Persons authorized to obtain bill acceptor canister storage rack keys shall be precluded from having simultaneous access to bill acceptor canister contents keys with the exception of the count team.
- (r) **Table game drop box contents keys.**
  - (1) The physical custody of the keys needed for accessing stored, full table game drop box contents shall require the involvement of persons from at least two separate departments, with the exception of the count team.
  - (2) Access to the table game drop box contents key at other than scheduled count times shall require the involvement of at least two persons from separate departments, including management. The reason for access shall be documented with the signatures of all participants and observers.
  - (3) Only count team members shall be allowed access to table game drop box contents keys during the count process.
- (s) **Bill acceptor canister contents keys.**
  - (1) The physical custody of the keys needed for accessing stored, full bill acceptor canister contents shall require involvement of persons from two separate departments, with the exception of the count team.
  - (2) Access to the bill acceptor canister contents key at other than scheduled count times shall require the involvement of at least two persons from separate departments, one of whom must be a supervisor. The reason for access shall be documented with the signatures of all participants and observers.
  - (3) Only the count team members shall be allowed access to bill acceptor canister contents keys during the count process.
- (t) **Emergency drop procedures.**

Emergency drop procedures shall be developed by the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority.
- (u) **Equipment standards for gaming machine count.**
  - (1) A weigh scale calibration module shall be secured so as to prevent unauthorized access (e.g., prenumbered seal, lock and key, etc.).
  - (2) A person independent of the cage, vault, gaming machine, and count team functions shall be required to be present whenever the calibration module is accessed. Such access shall be documented and maintained.
  - (3) If a weigh scale interface is used, it shall be adequately restricted so as to prevent unauthorized access (passwords, keys, etc.).

- (4) If the weigh scale has a zero adjustment mechanism, it shall be physically limited to minor adjustments (e.g., weight of a bucket) or physically situated such that any unnecessary adjustments to it during the weigh process would be observed by other count team members.
- (5) The weigh scale and weigh scale interface (if applicable) shall be tested by a person or persons independent of the cage, vault, and gaming machine departments and count team at least quarterly. At least annually, this test shall be performed by internal audit in accordance with the internal audit standards. The result of these tests shall be documented and signed by the person or persons performing the test.
- (6) Prior to the gaming machine count, at least two employees shall verify the accuracy of the weigh scale with varying weights or with varying amounts of previously counted coin for each denomination to ensure the scale is properly calibrated (varying weights/coin from drop to drop is acceptable).
- (7) If a mechanical coin counter is used (instead of a weigh scale), the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply with procedures that are equivalent to those described in paragraphs (u)(4), (u)(5), and (u)(6) of this section.
- (8) If a coin meter count machine is used, the count team member shall record the machine number denomination and number of coins in ink on a source document, unless the meter machine automatically records such information.
  - (i) A count team member shall test the coin meter count machine before the actual count to ascertain if the metering device is functioning properly with a predetermined number of coins for each denomination.
  - (ii) [Reserved]

**(v) Equipment standards for gaming machine soft count**

- (1) If a currency counter interface is used, it is adequately restricted so as to prevent unauthorized access (password, keys, etc.)
- (2) The currency counter and currency counter interface (if applicable) shall be tested by a person or persons independent of the cage, vault, and gaming machine departments and count team at least quarterly. At least annually, this test shall be performed by internal audit in accordance with the internal audit standards. The result of these tests shall be documented and signed by the person or persons performing the test. All denominations of currency and all types of wagering instruments accepted by gaming machines shall be tested.
- (3) Prior to the gaming machine soft count, at least two employees shall verify the accuracy of the currency counter with previously counted currency for each denomination and with each type of wagering instrument accepted by gaming machines to ensure the currency counter is functioning properly. The result of these tests shall be documented and signed by the person or persons performing the test.
- (4) The dollar amount of wagering instruments removed from each drop box shall be recorded, by machine, in the on-line accounting system. The on-line accounting system shall generate a report indicating the wagering instrument drop by gaming machine and in total.
- (5) If a currency counter interface is use, corrections to count data are made using either of the following methods:
  - (i) Drawing a single line through the error on the document, writing the correct figure above the original figure, and then obtaining the initials of at least two count team employees. If this procedure is used, an employee independent of the gaming machine department and count team shall enter the correct figure into the computer system prior to the generation of related gaming machine reports; or

- (ii) During the count process, correct the error in the computer system and enter the passwords of at least two count team employees. If this procedure is used, an exception report shall be generated by the computer system identifying the gaming machine number, the error, the correction, and the count team employees attesting to the correction.

**Sec. 542.32 What are the minimum internal control standards for internal audit for a Tier B Gaming Facility?**

**(a) Internal audit personnel.**

- (1) For its Tier B Gaming Facilities, a Gaming Facility Operator must maintain a separate internal audit department. Alternatively, designating personnel (who are independent with respect to the departments/ procedures being examined) to perform internal audit work satisfies the requirements of this paragraph.
- (2) The internal audit personnel shall report directly to the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe in accordance with the definition of internal audit in Sec. 542.2.

**(b) Audits.**

- (1) Internal audit personnel shall perform audits of all major gaming areas of the Gaming Facility Operator for a Tier B Gaming Facility. The following shall be reviewed at least annually:
  - (i) Bingo, including but not limited to, bingo card control, payout procedures, and cash reconciliation process;
  - (ii) Pull tabs, including but not limited to, statistical records, winner verification, perpetual inventory, and accountability of sales versus inventory;
  - (iii) Card games, including but not limited to, card games operation, cash exchange procedures, skill transactions, and count procedures;
  - (iv) Keno, including but not limited to, game write and payout procedures, sensitive key location and control, and a review of keno auditing procedures;
  - (v) Pari-mutuel wagering, including write and payout procedures, and pari-mutuel auditing procedures;
  - (vi) Table games, including but not limited to, fill and credit procedures, pit credit play procedures, rim credit procedures, soft drop/count procedures and the subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies;
  - (vii) Gaming machines, including but not limited to, jackpot payout and gaming machine fill procedures, gaming machine drop/count and bill acceptor drop/count and subsequent transfer of funds, unannounced testing of weigh scale and weigh scale interface, unannounced testing of count room currency counters and/or currency interface, gaming machine drop cabinet access, tracing of source documents to summarized documentation and accounting records, reconciliation to restricted copies, location and control over sensitive keys, compliance with EPROM duplication procedures, and compliance with MICS procedures for gaming machines that accept currency or coin(s) and issue cash-out tickets or gaming machines that do not accept currency or coin(s) and do not return currency or coin(s);
  - (viii) Cage and credit procedures including all cage, credit, and collection procedures, and the reconciliation of trial balances to physical instruments on a sample basis. Cage accountability shall be reconciled to the general ledger;
  - (ix) Information technology functions, including review for compliance with information technology standards;

- (x) Complimentary service or item, including but not limited to, procedures whereby complimentary service items are issued, authorized, and redeemed; and
  - (xi) Any other internal audits as required by the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.
- (2) In addition to the observation and examinations performed under paragraph (b)(1) of this section, follow-up observations and examinations shall be performed to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit, the independent accountant, and/or the Commission. The verification shall be performed within six (6) months following the date of notification.
  - (3) Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without the employees being forewarned that their activities will be observed). Additionally, if the independent accountant also performs the internal audit function, the accountant shall perform separate observations of the table games/gaming machine drops and counts to satisfy the internal audit observation requirements and independent accountant tests of controls as required by the American Institute of Certified Public Accountants guide.

**(c) Documentation.**

- (1) Documentation (e.g., checklists, programs, reports, etc.) shall be prepared to evidence all internal audit work performed as it relates to the requirements in this section, including all instances of noncompliance.
- (2) The internal audit department shall operate with audit programs, which, at a minimum, address the MICS. Additionally, the department shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. Institute of Internal Auditors standards are recommended but not required.

**(d) Reports.**

- (1) Reports documenting audits performed shall be maintained and made available to the Commission upon request.
- (2) Such audit reports shall include the following information:
  - (i) Audit objectives;
  - (ii) Audit procedures and scope;
  - (iii) Findings and conclusions;
  - (iv) Recommendations, if applicable; and
  - (v) Management's response.

**(e) Material exceptions.**

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

**(f) Role of management.**

- (1) Internal audit findings shall be reported to management.
- (2) Management shall be required to respond to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception.
- (3) Such management responses shall be included in the internal audit report that will be delivered to management, the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.

**Sec. 542.33 What are the minimum internal control standards for surveillance for a Tier B Gaming Facility?**

- (a) The surveillance system shall be maintained and operated by the surveillance department from a staffed surveillance room and shall provide surveillance as required by the Compact and its Appendices
  - (1) At all times during Gaming Facility operating hours, the surveillance room must be staffed by at least one surveillance department employee trained in the use of the

surveillance system. If a Gaming Facility is closed and in a locked down mode (i.e., the facility is locked and no one is present in the facility), the surveillance room is not required to be staffed, but the surveillance system must be set to record overviews of the Gaming Facility. At all other times, the surveillance room must be staffed by at least one surveillance department employee trained in the use of the surveillance system.

- (2) Notwithstanding the provisions of Subsections 542.33(a)(1) and (2), the surveillance room may be unattended in the event of an emergency requiring evacuation or closure of the surveillance room. If an emergency causes the surveillance room to be left unattended, the surveillance system shall be set to record overviews of the Gaming Facility and the surveillance department shall notify the Tribal gaming regulatory authority immediately.
  - (3) The surveillance system shall continuously record audio from the surveillance room and video of activities in the surveillance room.
- (b) The entrance to the surveillance room shall be located so that it is not readily accessible by either Gaming Facility employees who work primarily on the casino floor or the general public. The entrance to the surveillance room must be secured at all times, except during ingress and egress by authorized personnel.
  - (c) Access to the surveillance room shall be limited to surveillance department employees, other, designated employees, and other persons authorized in accordance with the surveillance department policy, Appendix C, and the Surveillance Plan. Such policy shall be approved by the Tribal gaming regulatory authority. The surveillance department shall maintain a log of all persons entering the surveillance room. The log may be electronic, written, or a combination thereof. The surveillance department shall provide a copy of the log to the Tribal gaming regulatory authority at least monthly, unless the Tribal gaming regulatory authority requires the log to be provided more or less frequently. The surveillance department's policies and procedures shall prohibit the use of cellular telephones or radio equipment in the surveillance room, except as expressly authorized by those policies and procedures.
  - (d) Surveillance room equipment shall have total override capability over all surveillance equipment 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 necessary to record the cameras required by the standards in this section. Auxiliary or backup power sources such as a UPS system, a backup generator, or an alternate utility supplier satisfy this requirement.
  - (f) The surveillance system shall have the capability to display the date and time of recorded events on video and/or digital recordings. Recordings of all cameras required by the standards in this section shall include the date and time (in 24 hour format), which shall not significantly obstruct the recorded view.
  - (g) The surveillance department employees shall be trained in the use of surveillance equipment, knowledge of the games, and house rules.
  - (h) The surveillance system shall be designed in a manner to prevent it from being readily obstructed, tampered with, or disabled by customers or employees. The surveillance system and each camera required by the standards in this section shall be installed in a manner that will prevent them from being readily obstructed, tampered with, or disabled by customers or employees. If the standards in this section require the use of a PTZ camera, the PTZ camera must be placed behind a smoked dome, one-way mirror, or similar material that conceals the camera from view, unless the design of the camera inherently conceals it from view.
    - (1) The policies and procedures of the Gaming Facility Operator and the surveillance department must prohibit employees from intentionally obstructing, tampering with, or disabling surveillance system equipment, excepting only surveillance department employees who have been authorized to disable surveillance system equipment for maintenance, relocation, removal, or the like.

- (2) Each Gaming Facility must have lighting sufficient to permit clear video reproduction in the hard and soft count rooms, in the cages, in the vaults, and in the other locations set forth in Subsections 542.33(s), (t), and (u), in the surveillance room, and in all areas where class III games, including card games, are being operated.
  - (i) The surveillance system shall be capable of displaying the image captured by any camera required by the standards in this section on a monitor and recording that image.
  - (ii) The surveillance system shall include a sufficient number of monitors to simultaneously display multiple gaming and count room activities. Each surveillance room shall be equipped with at least two (2) video monitors that are at least 12-inches in size, each capable of displaying the image captured by any camera required by the standards in this section, in accordance with the standards in this section for that camera.
  - (iii) The surveillance system shall have video recorders that continuously record the images from all cameras required by the standards in this section, except for a brief time when tapes are being changed in analog video tape recorders. For each camera required by the standards in this section, the video recorders must be capable of recording and playing back the image captured by that camera, in accordance with the standards in this section for that camera. Video switches must be capable of both manual and automatic sequential switching for all cameras required by the standards in this section.
- (3) For surveillance systems using analog video tape recorders:
  - (i) The surveillance system shall have one (1) video recorder to record each camera that is both required by the standards in this section and:
    - (A) used for surveillance of class III gaming, including card games;
    - (B) located in the hard count room or soft count room;
    - (C) located in a cage, a vault, or another location set forth in Subsections 542.33(s), (t), and (u); or
    - (D) located in the surveillance room.
  - (ii) For all other cameras required by the standards in this section, the surveillance system shall record no more than four (4) cameras on any one (1) video recorder, whether recorded using quads, multiplexers, a combination of both, or otherwise.
- (4) For surveillance systems using digital video recorders, the digital video recorders shall have functionality that meets or exceeds that required by the standards in Subsections 542.33(i)(3)(i) and (ii).
- (j) The surveillance department shall make reasonable efforts to repair each malfunction of surveillance system equipment required by the standards in this section within seventy-two (72) hours after discovering the malfunction. The surveillance department shall notify the Tribal gaming regulatory authority of each required camera that has malfunctioned for more than twenty-four (24) hours.
  - (1) If a malfunction in the surveillance system affects the ability to monitor and record the images from a camera required by the standards in this section, the Gaming Facility Operator or the surveillance department shall immediately provide alternative camera coverage, other surveillance measures, or other security measures, such as additional supervisory or security personnel, to protect the subject activity. If other security or surveillance measures are taken, the surveillance department shall promptly notify the Tribal gaming regulatory authority.
  - (2) [Reserved]
- (k) **[Reserved.]**
  - (1) [Reserved.]

(2) [Reserved.]

**(l) Card games.**

The surveillance system shall monitor and record an overview of activities in each card game area, sufficient to allow the employees performing the different functions to be identified.

- (1) At a minimum, the surveillance system shall provide one (1) dedicated camera for each card table and one (1) PTZ camera for every four (4) card tables. (This standard requires, for example, two (2) PTZ cameras for a Gaming Facility with five to eight card tables, three (3) PTZ cameras for nine to twelve card tables, etc.) If a Gaming Facility has fewer than four (4) card tables, the surveillance system shall provide, at a minimum, one (1) dedicated camera for each card table and at least one (1) PTZ camera for the card tables.
  - (i) The required dedicated camera shall provide an overview of the card table under surveillance sufficient to allow the table surface, the table bank, the placement of wagers, and any shuffling device located at the table to be clearly viewed.
  - (ii) The dedicated cameras and the PTZ camera(s) in combination must be capable of monitoring and recording the customers, dealer, card suits, card values, and game outcome, sufficient to allow them to be clearly identified.
  - (iii) If any card games are serviced by a shuffling device that is not located at the table, then the remote shuffling device(s) shall be monitored and recorded by at least one dedicated camera providing a general overview of the shuffler sufficient to allow employees accessing the shuffler to be identified and their activities to be monitored and also sufficient to allow the movement of cards from the table to the shuffler and back to be monitored. This standard does not require one dedicated camera per remote shuffling device if one dedicated camera is able to provide the required coverage for more than one remote shuffling device.
- (2) *Gaming Chip Inventories.* The secure location in which unused and/or reserve gaming chip inventories for card games are maintained shall be monitored and recorded by at least one dedicated camera providing a general overview of the area, sufficient to allow employees accessing the inventories to be identified and their activities to be monitored. The surveillance department shall be notified before persons enter the secure location.
- (3) *Card Storage.* The secure location in which unissued playing cards for card games are maintained shall be monitored and recorded by at least one dedicated camera providing a general overview of the area sufficient to allow employees accessing the inventories to be identified and their activities to be monitored. The surveillance department shall be notified before persons enter the secure location.

**(m) Progressive card games.**

Surveillance of progressive card games shall meet the requirements of Subsection 542.33(l). In addition, a dedicated camera must record a clear view of the posted jackpot amount for each progressive card game. If several card games are linked to the same progressive jackpot meter, only one meter need be recorded.

**(n) Keno.**

- (1) The keno computer processing unit, or the entrance to the location where it is secured, shall be monitored and recorded by at least one dedicated camera, sufficient to allow persons in the area to be identified and their activities to be monitored. If keno numbers are not drawn by an electronic random number generator contained in the keno computer processing unit, the surveillance system shall possess the capability to monitor the keno ball-drawing device or random number generator, which shall be recorded during the course of the draw by a dedicated camera, sufficient to allow the balls drawn or numbers selected to be determined.
- (2) A dedicated camera shall record one keno board during keno games, sufficient to allow the numbers displayed to be determined.

- (3) Each keno ticket writer and cashier station shall be monitored and recorded by at least one dedicated camera, sufficient to allow persons in those areas to be identified and their activities to be monitored. This standard does not require one dedicated camera per ticket writer or cashier station if one dedicated camera is able to provide the required coverage for more than one ticket writer or cashier station.
- (4) The surveillance system shall be capable of monitoring and recording general activities in each keno game area.

**(o) Pari-mutuel.**

The surveillance system shall be capable of monitoring and recording general activities in each pari-mutuel area. Each pari-mutuel ticket writer and cashier station shall be monitored and recorded by at least one dedicated camera, sufficient to allow persons in those areas to be identified and their activities to be monitored. This standard does not require one dedicated camera per ticket writer or cashier station if one dedicated camera is able to provide the required coverage for more than one ticket writer or cashier station.

**(p) Table games.**

The surveillance system shall monitor and record an overview of activities in each table game area, sufficient to allow the employees performing the different functions to be identified.

- (1) At a minimum, the surveillance system shall provide one (1) dedicated camera for each table game and one (1) PTZ camera for every two (2) table games. (This standard requires, for example, two (2) PTZ cameras for a Gaming Facility with three or four table games, three (3) PTZ cameras for five or six table games, etc.) If a Gaming Facility has only one (1) table game, the surveillance system shall provide one (1) dedicated camera and one (1) PTZ camera for the table game.
  - (i) The required dedicated camera shall provide an overview of the table game under surveillance sufficient to allow the table surface, the table bank, the placement of wagers, and any shuffling device located at the table to be clearly viewed.
  - (ii) The dedicated camera and the PTZ cameras in combination must be capable of monitoring and recording the customers, dealer, card suits, card values, game outcome, and chip values (when stacks are broken down for payoff), sufficient to allow them to be clearly identified.
  - (iii) If any table games are serviced by a shuffling device that is not located at the table, then the remote shuffling device(s) shall be monitored and recorded by at least one dedicated camera providing a general overview of the shuffler sufficient to allow employees accessing the shuffler to be identified and their activities to be monitored and also sufficient to allow the movement of cards from the table to the shuffler and back to be monitored. This standard does not require one dedicated camera per remote shuffling device if one dedicated camera is able to provide the required coverage for more than one remote shuffling device.
  - (iv) In addition to the surveillance requirements for table games and progressive table games, if an approved table game utilizes any mechanical, electronic or electromechanical component, including meters, wheels, screens, and variable payout tables, such component(s) shall be monitored and recorded by at least one dedicated camera providing a view of the component sufficient to allow the display of, and outcome represented on, the component (if any). This standard does not require any dedicated cameras in addition those required by Subsections 542.23(p)(1)(i), 542.33(p)(1)(i), 542.43(p)(1)(i), as applicable, if those cameras are able to provide the required coverage.
- (2) Craps. [Reserved.]
- (3) Roulette. [Reserved.]
- (4) Big wheel. [Reserved.]

- (5) *Gaming Chip Inventories.* The secure location in which unused and/or reserve gaming chip inventories for table games are maintained shall be monitored and recorded by at least one dedicated camera providing a general overview of the area sufficient to allow employees accessing the inventories to be identified and their activities to be monitored. The surveillance department shall be notified before persons enter the secure location.
- (6) *Card Storage.* The secure location in which unissued playing cards for table games are maintained shall be monitored and recorded by at least one dedicated camera providing a general overview of the area sufficient to allow employees accessing the inventories to be identified and their activities to be monitored. The surveillance department shall be notified before persons enter the secure location.

**(q) Progressive table games.**

Surveillance of progressive table games shall meet the requirements of Subsection 542.33(p). In addition, a dedicated camera must record a clear view of the posted jackpot amount for each progressive table game. If several table games are linked to the same progressive jackpot meter, only one meter need be recorded.

**(r) Gaming machines.**

The surveillance system must be capable of (i) monitoring, from various vantage points, all gaming machines in a Gaming Facility that are not monitored and recorded by dedicated cameras, (ii) providing overviews of the area(s) in which gaming machines are located, (iii) monitoring activities in the area(s) in which gaming machines are located, and (iv) allowing persons who are being tracked by surveillance to be identified as they move through the areas in which gaming machines are located. The required coverage can be provided by dedicated cameras, PTZ cameras, or a combination of both, but, except as provided below, dedicated cameras are not required.

- (1) In-house progressive gaming machines. In-house progressive gaming machines offering a base payout amount (jackpot reset amount) of more than \$25,000 shall be monitored and recorded by at least one dedicated camera to provide coverage of:
  - (i) Persons at the gaming machine; and
  - (ii) The face of the gaming machine, sufficient to allow the payout line(s) of the gaming machine to be determined.
- (2) Wide-area progressive gaming machines. Wide-area progressive gaming machines offering a base payout amount (jackpot reset amount) of more than \$200,000 and monitored by an independent vendor utilizing an on-line progressive computer system shall be monitored and recorded by at least one dedicated camera to provide coverage of:
  - (i) Persons at the gaming machine; and
  - (ii) The face of the gaming machine, sufficient to allow the payout line(s) of the gaming machine to be determined.
- (3) Other Large Payout Gaming Machines. Except for in-house progressive gaming machines and wide-area progressive gaming machines, gaming machines offering a payout of more than \$75,000 shall be monitored and recorded by at least one dedicated camera to provide coverage of:
  - (i) Persons at the gaming machine; and
  - (ii) The face of the gaming machine, sufficient to allow the payout line(s) of the gaming machine to be determined.
- (4) Multi-game gaming machines. The Tribal gaming regulatory authority, or the Gaming Facility Operator subject to the approval of the Tribal gaming regulatory authority, may develop and implement alternative procedures to verify payouts for multi-game machines in lieu of the surveillance that otherwise would be required by Subsection 542.33(r)(3)(ii).

- (5) The coverage required in Subsections 542.33(r)(1) – (3) does not require one dedicated camera per gaming machine if one dedicated camera is able to provide the required coverage for more than one gaming machine.

**(s) Cage and vault.**

- (1) The surveillance system shall monitor and record, with at least one dedicated camera, a general overview of the activities occurring in each cage and vault area. The overview shall be sufficient to allow employees within the cage and vault areas to be identified and their activities to be monitored.
- (2) The surveillance system shall monitor and record, with at least one dedicated camera, an overview of activities at the cage counters sufficient to allow persons at the cage counters to be identified and their activities to be monitored.
- (3) Each cage cashier station shall be equipped with one (1) dedicated overhead camera covering the transaction area and all activity occurring in the customer transaction area.

**(t) Fills and credits.**

- (1) The cage or vault area in which fills and credits are transacted shall be monitored and recorded by at least one dedicated camera or motion activated dedicated camera that provides coverage sufficient to allow the chip values and the amounts on the fill and credit slips to be determined.
- (2) Controls provided by a computerized fill and credit system may be deemed an adequate alternative to viewing the fill and credit slips.

**(u) Currency, coin, chips, and tokens.**

- (1) The surveillance system shall monitor and record all areas where currency, coin, chips, or tokens used for Class III gaming and owned by the Gaming Facility Operator are stored or counted sufficient to allow persons in those areas to be identified and their activities monitored. This provision does not apply to:
- (i) Currency, coin, chips, or tokens that are not used for Class III gaming;
  - (ii) Areas that are the subject of specific surveillance requirements in this Appendix, including, but not limited to those areas addressed in Section 542.33(u)(2) and, in particular, Section 542.33(u)(2)(iii)(7);
  - (iii) Currency, coin, chips, or tokens inside Gaming Devices;
  - (iv) Imprest banks of cash maintained on the person of employees;
  - (v) Cash registers, including, but not limited to, those in hotels, restaurants, bars, gift shops, showroom box offices, child care facilities, bowling alleys, and other areas ancillary to Class III gaming;
  - (vi) Vending machines; and
  - (vii) Tip jars and other tip storage areas.
- (2) Drop and Count Process.
- (i) The surveillance system shall monitor and record all areas where coin, chips, or tokens may be stored or counted during the drop and count process, including the hard count room, all doors to the hard count room, all scales and wrapping machines, and all areas where uncounted coin may be stored during the drop and count process, by either dedicated cameras or motion activated dedicated cameras, sufficient to allow persons in those areas to be identified and their activities to be monitored.
  - (ii) The surveillance system shall record audio from the soft count room.
  - (iii) The surveillance system shall provide for:
    - (A) Coverage of scales sufficient to view any attempted manipulation of the recorded data.
    - (B) Monitoring and recording of the table game drop box storage rack or area by either a dedicated camera or a motion activated dedicated camera,

sufficient to allow persons in those areas to be identified and their activities to be monitored.

- (C) [Reserved.]
- (D) Monitoring and recording of all areas where the contents of table game drop boxes or bill acceptor canisters may be stored during the drop and count process, including the soft count room and all doors to the soft count room, by either dedicated cameras or motion activated dedicated cameras, sufficient to allow persons in those areas to be identified and their activities to be monitored.
- (E) Monitoring and recording of all areas where currency is sorted, stacked, counted, verified, or stored during the soft count process by dedicated cameras, sufficient to allow persons in those areas to be identified and their activities to be monitored. The counting surface area must be continuously monitored and recorded by at least one dedicated camera, sufficient to allow persons in the area to be identified and their activities to be monitored during the soft count.
- (F) Monitoring and recording an overview of activities at the currency counter and/or currency sorter, if the Gaming Facility Operator uses a currency counter or currency sorter in the soft count room, by at least one dedicated camera, sufficient to allow persons in those areas to be identified and their activities to be monitored.
- (G) The capability of monitoring and recording an overview of the following, sufficient to allow persons involved to be identified and their activities to be monitored:
  - (1) fills or exchanges, as they are transferred from the cage to a card game, table game, or gaming machine;
  - (2) the drop, as it is transferred from card games, table games, or gaming machines to the count room; and
  - (3) credits as they are transferred from a card game or table game to the cage.

**(v) Gaming machine booths and change banks.**

The surveillance system shall monitor and record a general overview of the activities occurring in each gaming machine booth and change bank, each redemption booth, and each automated redemption kiosk with at least one dedicated camera, sufficient to allow persons in those areas to be identified and their activities to be monitored.

**(w) Video recording and/or digital record retention.**

- (1) All video recordings and/or digital records of the images provided by the cameras required by the standards in this section shall be retained for a minimum of seven (7) days. If the Tribal gaming regulatory authority or the State Gaming Agency requests that particular recordings be retained for a longer period of time, the surveillance department shall retain those recordings for the time requested. In the alternative, the surveillance department may provide the requesting entity with the original of an analog tape recording or a digital duplicate of a digital recording.
- (2) Recordings involving suspected or confirmed gaming crimes, unlawful activity, or persons detained in a security detention area must be retained for a minimum of thirty (30) days. If the Tribal gaming regulatory authority or the State Gaming Agency requests that particular recordings be retained for a longer period of time, the surveillance department shall retain those recordings for the time requested. In the alternative, the surveillance department may provide the requesting entity with the original of an analog tape recording or a digital duplicate of a digital recording.

- (3) Duly authenticated copies of video recordings and/or digital records shall be provided to the Commission upon request. Duly authenticated copies of video recordings and/or digital records also shall be provided to the Tribal gaming regulatory authority and/or the State Gaming Agency upon request. Each surveillance department shall be capable of promptly producing a clear still copy or photograph of a clear image depicted on a video recording and/or digital record, using a video printer, still camera, or other comparable means.
- (4) The surveillance department shall have an area outside of the surveillance room with a video monitor and a video player at which the Tribal gaming regulatory authority, the State Gaming Agency, or other authorized persons may review video recordings and/or digital records.

**(x) Video library log.**

- (1) For a surveillance system with analog video tape recorders, the surveillance department shall maintain a log or logs of video recordings demonstrating compliance with the storage, identification, and retention standards required in this section. Video tapes shall be marked with a tape number or other identifying designation. The markings and/or log(s) shall allow the surveillance department to determine the date and time when each video tape was recorded, the camera or cameras recorded on the video tape, who placed the video tape in a video recorder, who removed the video tape from a video recorder, and who placed the video tape in the video tape storage area. The surveillance department also shall maintain a log or logs identifying any video tapes removed from the video tape storage area, who removed the video tape, why the video tape was removed, and when the video tape was returned.
- (2) For a surveillance system with digital video recorders, the surveillance department shall maintain data demonstrating compliance with the storage, identification, and retention standards required in this Section. The data shall include the camera name or number and the date and time each recording was made. The data may be maintained in logs kept by the surveillance department, by the surveillance system, or a combination of both.

**(y) Malfunction and repair log.**

- (1) The surveillance department shall maintain a log or alternative procedure approved by the Tribal gaming regulatory authority documenting each malfunction and repair of the surveillance system as defined in this section.
- (2) The log shall state the time, date, and nature of each malfunction, the efforts expended to repair the malfunction, and the date of each effort, the reasons for any delays in repairing the malfunction, the date the malfunction is repaired, and, if applicable, any alternative security or surveillance measures that were taken.

**(z) Surveillance log.**

- (1) Surveillance department employees shall maintain a log of all surveillance activities, which shall be stored securely and which shall include, at a minimum.
  - (i) The date;
  - (ii) the time surveillance was commenced and terminated;
  - (iii) The activity observed or performed (including any unusual occurrences and violations or suspected violations of the Compact or its appendices, including, but not limited to, the detection of illegal activities or suspected illegal activities, the detection of the presence in a Gaming Facility of Barred Persons or persons who are on the self-excluded list established under Compact Section 3(v)(2), the detection of gambling by persons who were less than twenty-one years of age, the detention of persons, or injuries to a patron or employee); and
  - (iv) The name or license credential number of each person who initiates, performs, or supervises the surveillance.

- (2) Surveillance department employees also shall record a summary of the results of the surveillance of any suspicious activity. This summary may be maintained in a separate log.

**(aa) Floor Plan.**

A floor plan of the Gaming Facility shall be available in the surveillance room. The floor plan shall show the location of and identify: (i) all gaming machines by device number; (ii) all table games and card games by table number; (iii) all gaming machine booths and change banks, redemption booths, and automated redemption kiosks; (iv) all security detention areas; (v) the location and layout of the cage and vault areas; (vi) the location and layout of areas required to be surveilled by Section 542.33(u); and (vii) the location of automatic teller machines. The floor plan also shall show the location of all surveillance cameras and audio recording devices. The floor plan shall be updated promptly with any changes to the location or layout of the foregoing items or areas.

**(bb) Security Detention Areas.**

The surveillance system must be capable of monitoring and recording, in both audio and video, all security detention areas. The video recording system must be sufficient to allow persons in the security detention area to be identified and their activities to be monitored. A notice must be posted in each security detention area advising all persons that the area may be under video and audio surveillance. When a person is detained in a security detention area, the surveillance department must continuously record, in both audio and video, the security detention area.

**(cc) Entrances, exits, and other areas.**

The Tribal gaming regulatory authority, or the surveillance department as approved by the Tribal gaming authority, shall establish and the surveillance department shall comply with standards for the surveillance of entrances to and exits from each Gaming Facility and the grounds adjacent to each Gaming Facility, including parking lots adjacent to the Gaming Facility primarily used by patrons or employees of the Gaming Facility. Those standards, at a minimum, shall require:

- (1) The surveillance department to monitor and record each public entrance to, and public exit from, the Class III gaming areas in each Gaming Facility with at least one (1) dedicated camera, sufficient to allow persons using those entrances and exits to be distinguished. (A combination entrance/exit will require only one dedicated camera.);
- (2) The surveillance department to be capable of monitoring and recording all other entrances to, and all other exits from, each Gaming Facility sufficient to allow persons using those entrances and exits to be distinguished;
- (3) The surveillance department to be capable of monitoring and recording overviews of the grounds adjacent to each Gaming Facility, including parking lots adjacent to the Gaming Facility primarily used by patrons or employees of the Gaming Facility; and
- (4) The surveillance department to continuously record the images from all cameras required to meet the standards required by Subsection 542.33(cc), except for a brief time when tapes are being changed in analog video tape recorders.

**(dd) Supplemental Surveillance**

A Gaming Facility may have supplemental surveillance systems, not operated by the surveillance department, providing surveillance in addition to that required of the surveillance system under this Appendix. Supplemental surveillance systems are not subject to the requirements of Appendix C or this Appendix.

**Sec. 542.40 What is a Tier C Gaming Facility?**

A Tier C Gaming Facility is one with annual gross gaming revenues of more than \$15 million.

**Sec. 542.41 What are the minimum internal control standards for drop and count for a Tier C Gaming Facility?**

**(a) Computer applications.**

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

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

- (1) The setting out of empty table game drop boxes and the drop shall be a continuous process.
- (2) At the end of each shift:
  - (i) All locked table game drop boxes shall be removed from the tables by a person independent of the pit shift being dropped;
  - (ii) A separate drop box shall be placed on each table opened at any time during each shift or a Gaming Facility Operator may utilize a single drop box with separate openings and compartments for each shift; and
  - (iii) Upon removal from the tables, table game drop boxes shall be transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.
- (3) If drop boxes are not placed on all tables, then the pit department shall document which tables were open during the shift.
- (4) The transporting of table game drop boxes shall be performed by a minimum of two persons, at least one of whom is independent of the pit shift being dropped.
- (5) All table game drop boxes shall be posted with a number corresponding to a permanent number on the gaming table and marked to indicate game, table number, and shift.
- (6) Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities.

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

- (1) The table game soft count and the gaming machine bill acceptor count shall be performed by a minimum of three employees.
- (2) Count room personnel shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. At no time during the count, shall there be fewer than three employees in the count room until the drop proceeds have been accepted into cage/vault accountability. Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.
- (3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same three persons more than four (4) days per week. This standard shall not apply in a Gaming Facility where the Gaming Facility Operator uses a count team of more than three persons.
- (4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments, however, an accounting representative may be used if there is an independent audit of all soft count documentation.

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

- (1) The table game soft count shall be performed in a soft count room or other equivalently secure area with comparable controls.
- (2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.

- (3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
- (4) The table game drop boxes shall be individually emptied and counted in such a manner to prevent the commingling of funds between boxes until the count of the box has been recorded.
  - (i) The count of each box shall be recorded in ink or other permanent form of recordation.
  - (ii) A second count shall be performed by an employee on the count team who did not perform the initial count.
  - (iii) Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.
- (5) If currency counters are utilized and the count room table is used only to empty boxes and sort/stack contents, a count team member shall be able to observe the loading and unloading of all currency at the currency counter, including rejected currency.
- (6) Table game drop boxes, when empty, shall be shown to another member of the count team, or to another person who is observing the count, or to surveillance, provided the count is monitored in its entirety by a person independent of the count.
- (7) Orders for fill/credit (if applicable) shall be matched to the fill/credit slips. Fills and credits shall be traced to or recorded on the count sheet.
- (8) Pit marker issue and payment slips (if applicable) removed from the table game drop boxes shall either be:
  - (i) Traced to or recorded on the count sheet by the count team; or
  - (ii) Totaled by shift and traced to the totals documented by the computerized system. Accounting personnel shall verify the issue/payment slip for each table is accurate.
- (9) Foreign currency exchange forms (if applicable) removed from the table game drop boxes shall be reviewed for the proper daily exchange rate and the conversion amount shall be recomputed by the count team. Alternatively, this may be performed by accounting/auditing employees.
- (10) The opening/closing table and marker inventory forms (if applicable) shall either be:
  - (i) Examined and traced to or recorded on the count sheet; or
  - (ii) If a computerized system is used, accounting personnel can trace the opening/closing table and marker inventory forms to the count sheet. Discrepancies shall be investigated with the findings documented and maintained for inspection.
- (11) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder.
- (12) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.
- (13) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
- (14) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which

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

- (15) Access to stored, full table game drop boxes shall be restricted to authorized members of the drop and count teams.

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

- (1) A minimum of three employees shall be involved in the removal of the gaming machine drop, at least one of who is independent of the gaming machine department.
- (2) All bill acceptor canisters shall be removed only at the time previously designated by the Gaming Facility Operator and reported to the Tribal gaming regulatory authority, except for emergency drops.
- (3) Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities.
- (4) The bill acceptor canisters shall be removed by a person independent of the gaming machine department then transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.
  - (i) Security shall be provided over the bill acceptor canisters removed from the gaming machines and awaiting transport to the count room.
  - (ii) The transporting of bill acceptor canisters shall be performed by a minimum of two persons, at least one of who is independent of the gaming machine department.
- (5) All bill acceptor canisters shall be posted with a number corresponding to a permanent number on the gaming machine.

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

- (1) The gaming machine bill acceptor count shall be performed in a soft count room or other equivalently secure area with comparable controls.
- (2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
- (3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
- (4) The bill acceptor canisters shall be individually emptied and counted in such a manner to prevent the commingling of funds between canisters until the count of the canister has been recorded.
  - (i) The count of each canister shall be recorded in ink or other permanent form of recordation.
  - (ii) A second count shall be performed by an employee on the count team who did not perform the initial count.
  - (iii) Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.
- (5) If currency counters are utilized and the count room table is used only to empty canisters and sort/stack contents, a count team member shall be able to observe the loading and unloading of all currency at the currency counter, including rejected currency.
- (6) Canisters, when empty, shall be shown to another member of the count team, or to another person who is observing the count, or to surveillance, provided that the count is monitored in its entirety by a person independent of the count.

- (7) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder.
- (8) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.
- (9) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
- (10) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.
- (11) Access to stored bill acceptor canisters, full or empty, shall be restricted to:
  - (i) Authorized members of the drop and count teams; and
  - (ii) Authorized personnel in an emergency for the resolution of a problem.
- (12) All bill acceptor canisters shall be posted with a number corresponding to a permanent number on the gaming machine.

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

- (1) A minimum of three employees shall be involved in the removal of the gaming machine drop, at least one of who is independent of the gaming machine department.
- (2) All drop buckets shall be removed only at the time previously designated by the Gaming Facility Operator and reported to the Tribal gaming regulatory authority, except for emergency drops.
- (3) Surveillance shall be notified when the drop is to begin in order that surveillance may monitor the activities.
- (4) Security shall be provided over the buckets removed from the gaming machine drop cabinets and awaiting transport to the count room.
- (5) As each machine is opened, the contents shall be tagged with its respective machine number if the bucket is not permanently marked with the machine number. The contents shall be transported directly to the area designated for the counting of such drop proceeds. If more than one trip is required to remove the contents of the machines, the filled carts of coins shall be securely locked in the room designed for counting or in another equivalently secure area with comparable controls. There shall be a locked covering on any carts in which the drop route includes passage out of doors.
  - (i) Alternatively, a smart bucket system that electronically identifies and tracks the gaming machine number, and facilitates the proper recognition of gaming revenue, shall satisfy the requirements of this paragraph.
  - (ii) [Reserved]
- (6) Each drop bucket in use shall be:
  - (i) Housed in a locked compartment separate from any other compartment of the gaming machine and keyed differently than other gaming machine compartments; and
  - (ii) Identifiable to the gaming machine from which it is removed. If the gaming machine is identified with a removable tag that is placed in the bucket, the tag shall be placed on top of the bucket when it is collected.
- (7) Each gaming machine shall have drop buckets into which coins or tokens that are retained by the gaming machine are collected. Drop bucket contents shall not be used to make change or pay hand-paid payouts.

- (8) The collection procedures may include procedures for dropping gaming machines that have trays instead of drop buckets.

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

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

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

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

- (H) An observer independent of the weigh/drop/count teams (independent observer) shall remain by the weigh scale at all times and shall observe the entire weigh/drop/count process;
  - (I) Physical custody of the key(s) needed to access the laptop and video compartment shall require the involvement of two persons, one of whom is independent of the drop and count team;
  - (J) The mule key (if applicable), the laptop and video compartment keys, and the remote control for the VCR shall be maintained by a department independent of the gaming machine department. The appropriate personnel shall sign out these keys;
  - (K) A person independent of the weigh/drop/count teams shall be required to accompany these keys while they are checked out, and observe each time the laptop compartment is opened;
  - (L) The laptop access panel shall not be opened outside the hard count room, except in instances when the laptop must be rebooted as a result of a crash, lock up, or other situation requiring immediate corrective action;
  - (M) User access to the system shall be limited to those employees required to have full or limited access to complete the weigh/drop/count; and
  - (N) When the weigh/drop/count is completed, the independent observer shall access the laptop compartment, end the recording session, eject the videotape, and deliver the videotape to surveillance.
- (ii) [Reserved]
- (3) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
  - (4) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.
  - (5) The following functions shall be performed in the counting of the gaming machine drop:
    - (i) Recorder function, which involves the recording of the gaming machine count; and
    - (ii) Count team supervisor function, which involves the control of the gaming machine weigh and wrap process. The supervisor shall not perform the initial recording of the weigh/count unless a weigh scale with a printer is used.
  - (6) The gaming machine drop shall be counted, wrapped, and reconciled in such a manner to prevent the commingling of gaming machine drop coin with coin (for each denomination) from the next gaming machine drop until the count of the gaming machine drop has been recorded. If the coins are not wrapped immediately after being weighed or counted, they shall be secured and not commingled with other coin.
    - (i) The amount of the gaming machine drop from each machine shall be recorded in ink or other permanent form of recordation on a gaming machine count document by the recorder or mechanically printed by the weigh scale.
    - (ii) Corrections to information originally recorded by the count team on gaming machine count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.
      - (A) If a weigh scale interface is used, corrections to gaming machine count data shall be made using either of the following:
        - (1) Drawing a single line through the error on the gaming machine document, writing the correct figure above the original figure, and

then obtaining the initials of at least two count team employees. If this procedure is used, an employee independent of the gaming machine department and count team shall enter the correct figure into the computer system prior to the generation of related gaming machine reports; or

- (2) During the count process, correct the error in the computer system and enter the passwords of at least two count team employees. If this procedure is used, an exception report shall be generated by the computer system identifying the gaming machine number, the error, the correction, and the count team employees attesting to the correction.

(B) [Reserved]

- (7) If applicable, the weight shall be converted to dollar amounts before the reconciliation of the weigh to the wrap.
- (8) If a coin meter is used, a count team member shall convert the coin count for each denomination into dollars and shall enter the results on a summary sheet.
- (9) The recorder and at least one other count team member shall sign the weigh tape and the gaming machine count document attesting to the accuracy of the weigh/count.
- (10) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.
- (11) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/employee independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
- (12) All gaming machine count and wrap documentation, including any applicable computer storage media, shall be delivered to the accounting department by a count team member or a person independent of the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.
- (13) If the coins are transported off the property, a second (alternative) count procedure shall be performed before the coins leave the property. Any variances shall be documented.
- (14) Variances. Large (by denomination, either \$1,000 or 2% of the drop, whichever is less) or unusual (e.g., zero for weigh/count or patterned for all counts) variances between the weigh/count and wrap shall be investigated by management personnel independent of the gaming machine department, count team, and the cage/vault functions on a timely basis. The results of such investigation shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

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

- (1) If the count room serves as a coin room and coin room inventory is not secured so as to preclude access by the count team, then the following standards shall apply:
  - (i) At the commencement of the gaming machine count the following requirements shall be met:
    - (A) The coin room inventory shall be counted by at least two employees, one of whom is a member of the count team and the other is independent of the weigh/count and wrap procedures;
    - (B) The count in paragraph (j)(1)(i)(A) of this section shall be recorded on an appropriate inventory form;
  - (ii) Upon completion of the wrap of the gaming machine drop:
    - (A) At least two members of the count team (wrap team), independently from each other, shall count the ending coin room inventory;

- (B) The counts in paragraph (j)(1)(ii)(A) of this section shall be recorded on a summary report(s) that evidences the calculation of the final wrap by subtracting the beginning inventory from the sum of the ending inventory and transfers in and out of the coin room;
  - (C) The same count team members shall compare the calculated wrap to the weigh/count, recording the comparison and noting any variances on the summary report;
  - (D) A member of the cage/vault department shall count the ending coin room inventory by denomination and shall reconcile it to the beginning inventory, wrap, transfers, and weigh/count; and
  - (E) At the conclusion of the reconciliation, at least two count/wrap team members and the verifying employee shall sign the summary report(s) attesting to its accuracy.
- (2) If the count room is segregated from the coin room, or if the coin room is used as a count room and the coin room inventory is secured to preclude access by the count team, all of the following requirements shall be completed, at the conclusion of the count:
- (i) At least two members of the count/wrap team shall count the final wrapped gaming machine drop independently from each other;
  - (ii) The counts shall be recorded on a summary report;
  - (iii) The same count team members (or the accounting department) shall compare the final wrap to the weigh/count, recording the comparison and noting any variances on the summary report;
  - (iv) A member of the cage/vault department shall count the wrapped gaming machine drop by denomination and reconcile it to the weigh/count;
  - (v) At the conclusion of the reconciliation, at least two count team members and the cage/vault employee shall sign the summary report attesting to its accuracy; and
  - (vi) The wrapped coins (exclusive of proper transfers) shall be transported to the cage, vault or coin vault after the reconciliation of the weigh/count to the wrap.

**(k) Transfers during the gaming machine coin count and wrap.**

- (1) Transfers may be permitted during the count and wrap only if permitted under the internal control standards approved by the Tribal gaming regulatory authority.
- (2) Each transfer shall be recorded on a separate multi-part form with a preprinted or concurrently-printed form number (used solely for gaming machine count transfers) that shall be subsequently reconciled by the accounting department to ensure the accuracy of the reconciled gaming machine drop.
- (3) Each transfer must be counted and signed for by at least two members of the count team and by a person independent of the count team who is responsible for authorizing the transfer.

**(l) Gaming machine drop key control standards.**

- (1) Gaming machine coin drop cabinet keys, including duplicates, shall be maintained by a department independent of the gaming machine department.
- (2) The physical custody of the keys needed to access gaming machine coin drop cabinets, including duplicates, shall require the involvement of two persons, one of whom is independent of the gaming machine department.
- (3) Two employees (separate from key custodian) shall be required to accompany such keys while checked out and observe each time gaming machine drop cabinets are accessed, unless surveillance is notified each time keys are checked out and surveillance observes the person throughout the period the keys are checked out.

**(m) Table game drop box key control standards.**

- (1) Procedures shall be developed and implemented to insure that unauthorized access to empty table game drop boxes shall not occur from the time the boxes leave the storage racks until they are placed on the tables.
- (2) The involvement of at least two persons independent of the cage department shall be required to access stored empty table game drop boxes.
- (3) The release keys shall be separately keyed from the contents keys.
- (4) At least three (two for table game drop box keys in operations with three tables or fewer) count team members are required to be present at the time count room and other count keys are issued for the count.
- (5) All duplicate keys shall be maintained in a manner that provides the same degree of control as is required for the original keys. Records shall be maintained for each key duplicated that indicate the number of keys made and destroyed.
- (6) Logs shall be maintained by the custodian of sensitive keys to document authorization of personnel accessing keys.

**(n) Table game drop box release keys.**

- (1) The table game drop box release keys shall be maintained by a department independent of the pit department.
- (2) Only the person(s) authorized to remove table game drop boxes from the tables shall be allowed access to the table game drop box release keys; however, the count team members may have access to the release keys during the soft count in order to reset the table game drop boxes.
- (3) Persons authorized to remove the table game drop boxes shall be precluded from having simultaneous access to the table game drop box contents keys and release keys.
- (4) For situations requiring access to a table game drop box at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

**(o) Bill acceptor canister release keys.**

- (1) The bill acceptor canister release keys shall be maintained by a department independent of the gaming machine department.
- (2) Only the person(s) authorized to remove bill acceptor canisters from the gaming machines shall be allowed access to the release keys.
- (3) Persons authorized to remove the bill acceptor canisters shall be precluded from having simultaneous access to the bill acceptor canister contents keys and release keys.
- (4) For situations requiring access to a bill acceptor canister at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

**(p) Table game drop box storage rack keys.**

- (1) A person independent of the pit department shall be required to accompany the table game drop box storage rack keys and observe each time table game drop boxes are removed from or placed in storage racks.
- (2) Persons authorized to obtain table game drop box storage rack keys shall be precluded from having simultaneous access to table game drop box contents keys with the exception of the count team.

**(q) Bill acceptor canister storage rack keys.**

- (1) A person independent of the gaming machine department shall be required to accompany the bill acceptor canister storage rack keys and observe each time canisters are removed from or placed in storage racks.

- (2) Persons authorized to obtain bill acceptor canister storage rack keys shall be precluded from having simultaneous access to bill acceptor canister contents keys with the exception of the count team.

**(r) Table game drop box contents keys.**

- (1) The physical custody of the keys needed for accessing stored, full table game drop box contents shall require the involvement of persons from at least two separate departments, with the exception of the count team.
- (2) Access to the table game drop box contents key at other than scheduled count times shall require the involvement of at least three persons from separate departments, including management. The reason for access shall be documented with the signatures of all participants and observers.
- (3) Only count team members shall be allowed access to table game drop box content keys during the count process.

**(s) Bill acceptor canister contents keys.**

- (1) The physical custody of the keys needed for accessing stored, full bill acceptor canister contents shall require involvement of persons from two separate departments, with the exception of the count team.
- (2) Access to the bill acceptor canister contents key at other than scheduled count times shall require the involvement of at least three persons from separate departments, one of whom must be a supervisor. The reason for access shall be documented with the signatures of all participants and observers.
- (3) Only the count team members shall be allowed access to bill acceptor canister contents keys during the count process.

**(t) Emergency drop procedures.**

Emergency drop procedures shall be developed by the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority.

**(u) Equipment standards for gaming machine count.**

- (1) A weigh scale calibration module shall be secured so as to prevent unauthorized access (e.g., prenumbered seal, lock and key, etc.).
- (2) A person independent of the cage, vault, gaming machine, and count team functions shall be required to be present whenever the calibration module is accessed. Such access shall be documented and maintained.
- (3) If a weigh scale interface is used, it shall be adequately restricted so as to prevent unauthorized access (passwords, keys, etc.).
- (4) If the weigh scale has a zero adjustment mechanism, it shall be physically limited to minor adjustments (e.g., weight of a bucket) or physically situated such that any unnecessary adjustments to it during the weigh process would be observed by other count team members.
- (5) The weigh scale and weigh scale interface (if applicable) shall be tested by a person or persons independent of the cage, vault, and gaming machine departments and count team at least quarterly. At least annually, this test shall be performed by internal audit in accordance with the internal audit standards. The result of these tests shall be documented and signed by the person or persons performing the test.
- (6) Prior to the gaming machine count, at least two employees shall verify the accuracy of the weigh scale with varying weights or with varying amounts of previously counted coin for each denomination to ensure the scale is properly calibrated (varying weights/coin from drop to drop is acceptable).
- (7) If a mechanical coin counter is used (instead of a weigh scale), the Tribal gaming regulatory authority, or the Gaming Facility Operator as approved by the Tribal gaming regulatory authority, shall establish and the Gaming Facility Operator shall comply with

procedures that are equivalent to those described in paragraphs (u)(4), (u)(5), and (u)(6) of this section.

- (8) If a coin meter count machine is used, the count team member shall record the machine number denomination and number of coins in ink on a source document, unless the meter machine automatically records such information.
  - (i) A count team member shall test the coin meter count machine before the actual count to ascertain if the metering device is functioning properly with a predetermined number of coins for each denomination.
  - (ii) [Reserved]

**(v) Equipment standards for gaming machine soft count**

- (1) If a currency counter interface is used, it is adequately restricted so as to prevent unauthorized access (password, keys, etc.)
- (2) The currency counter and currency counter interface (if applicable) shall be tested by a person or persons independent of the cage, vault, and gaming machine departments and count team at least quarterly. At least annually, this test shall be performed by internal audit in accordance with the internal audit standards. The result of these tests shall be documented and signed by the person or persons performing the test. All denominations of currency and all types of wagering instruments accepted by gaming machines shall be tested.
- (3) Prior to the gaming machine soft count, at least two employees shall verify the accuracy of the currency counter with previously counted currency for each denomination and with each type of wagering instrument accepted by gaming machines to ensure the currency counter is functioning properly. The result of these tests shall be documented and signed by the person or persons performing the test.
- (4) The dollar amount of wagering instruments removed from each drop box shall be recorded, by machine, in the on-line accounting system. The on-line accounting system shall generate a report indicating the wagering instrument drop by gaming machine and in total.
- (5) If a currency counter interface is use, corrections to count data are made using either of the following methods:
  - (i) Drawing a single line through the error on the document, writing the correct figure above the original figure, and then obtaining the initials of at least two count team employees. If this procedure is used, an employee independent of the gaming machine department and count team shall enter the correct figure into the computer system prior to the generation of related gaming machine reports; or
  - (ii) During the count process, correct the error in the computer system and enter the passwords of at least two count team employees. If this procedure is used, an exception report shall be generated by the computer system identifying the gaming machine number, the error, the correction, and the count team employees attesting to the correction.

**Sec. 542.42 What are the minimum internal control standards for internal audit for a Tier C Gaming Facility?**

**(a) Internal audit personnel.**

- (1) For its Tier C Gaming Facility, the Gaming Facility Operator must maintain a separate internal audit department whose primary function is performing internal audit work and that is independent with respect to the departments subject to audit.
- (2) The internal audit personnel shall report directly to the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe in accordance with the definition of internal audit in Sec. 542.2.

**(b) Audits.**

- (1) Internal audit personnel shall perform audits of all major gaming areas of the Gaming Facility Operator for a Tier C Gaming Facility. The following shall be reviewed at least annually:
  - (i) Bingo, including but not limited to, bingo card control, payout procedures, and cash reconciliation process;
  - (ii) Pull tabs, including but not limited to, statistical records, winner verification, perpetual inventory, and accountability of sales versus inventory;
  - (iii) Card games, including but not limited to, card games operation, cash exchange procedures, skill transactions, and count procedures;
  - (iv) Keno, including but not limited to, game write and payout procedures, sensitive key location and control, and a review of keno auditing procedures;
  - (v) Pari-mutuel wagering, including write and payout procedures, and pari-mutuel auditing procedures;
  - (vi) Table games, including but not limited to, fill and credit procedures, pit credit play procedures, rim credit procedures, soft drop/count procedures and the subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies;
  - (vii) Gaming machines, including but not limited to, jackpot payout and gaming machine fill procedures, gaming machine drop/count and bill acceptor drop/count and subsequent transfer of funds, unannounced testing of weigh scale and weigh scale interface, unannounced testing of count room currency counters and/or currency interface, gaming machine drop cabinet access, tracing of source documents to summarized documentation and accounting records, reconciliation to restricted copies, location and control over sensitive keys, compliance with EPROM duplication procedures, and compliance with MICS procedures for gaming machines that accept currency or coin(s) and issue cash-out tickets or gaming machines that do not accept currency or coin(s) and do not return currency or coin(s);
  - (viii) Cage and credit procedures including all cage, credit, and collection procedures, and the reconciliation of trial balances to physical instruments on a sample basis. Cage accountability shall be reconciled to the general ledger;
  - (ix) Information technology functions, including review for compliance with information technology standards;
  - (x) Complimentary service or item, including but not limited to, procedures whereby complimentary service items are issued, authorized, and redeemed; and
  - (xi) Any other internal audits as required by the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.
- (2) In addition to the observation and examinations performed under paragraph (b)(1) of this section, follow-up observations and examinations shall be performed to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit, the independent accountant, and/or the Commission. The verification shall be performed within six (6) months following the date of notification.
- (3) Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without the employees being forewarned that their activities will be observed). Additionally, if the independent accountant also performs the internal audit function, the accountant shall perform separate observations of the table games/gaming machine drops and counts to satisfy the internal audit observation requirements and independent

accountant tests of controls as required by the American Institute of Certified Public Accountants guide.

**(c) Documentation.**

- (1) Documentation (e.g., checklists, programs, reports, etc.) shall be prepared to evidence all internal audit work performed as it relates to the requirements in this section, including all instances of noncompliance.
- (2) The internal audit department shall operate with audit programs, which, at a minimum, address the MICS. Additionally, the department shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. Institute of Internal Auditors standards are recommended but not required.

**(d) Reports.**

- (1) Reports documenting audits performed shall be maintained and made available to the Commission upon request.
- (2) Such audit reports shall include the following information:
  - (i) Audit objectives;
  - (ii) Audit procedures and scope;
  - (iii) Findings and conclusions;
  - (iv) Recommendations, if applicable; and
  - (v) Management's response.

**(e) Material exceptions.**

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

**(f) Role of management.**

- (1) Internal audit findings shall be reported to management.
- (2) Management shall be required to respond to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception.
- (3) Such management responses shall be included in the internal audit report that will be delivered to management, the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.

**Sec. 542.43 What are the minimum internal control standards for surveillance for a Tier C Gaming Facility?**

- (a)** The surveillance system shall be maintained and operated by the surveillance department from a staffed surveillance room and shall provide surveillance as required by the Compact and its Appendices
- (1) At all times during Gaming Facility operating hours the surveillance room must be staffed by at least two surveillance department employees trained in the use of the surveillance system. If a Gaming Facility is closed and in a locked down mode (i.e., the facility is locked and no one is present in the facility), the surveillance room is not required to be staffed, but the surveillance system must be set to record overviews of the Gaming Facility. At all other times, the surveillance room must be staffed by at least one surveillance department employee trained in the use of the surveillance system.
  - (2) Notwithstanding the provisions of Subsection 542.43(a)(1), the surveillance room may be staffed by only one surveillance department employee for brief periods during Gaming Facility operating hours for reasons such as allowing surveillance room personnel to take meal breaks, to take other scheduled breaks, to use restroom facilities, to maintain the surveillance system, to review video, and/or to meet with others regarding surveillance-related matters. These periods may not be scheduled in a manner that creates a regular pattern allowing persons outside the surveillance room to ascertain when the surveillance room will be staffed by only one person.

- (2) Notwithstanding the provisions of Subsections 542.43(a)(1) and (2), the surveillance room may be unattended in the event of an emergency requiring evacuation or closure of the surveillance room. If an emergency causes the surveillance room to be left unattended, the surveillance system shall be set to record overviews of the Gaming Facility and the surveillance department shall notify the Tribal gaming regulatory authority immediately.
  - (3) The surveillance system shall continuously record audio from the surveillance room and video of activities in the surveillance room.
- (b) The entrance to the surveillance room shall be located so that it is not readily accessible by either Gaming Facility employees who work primarily on the casino floor or the general public. The entrance to the surveillance room must be secured at all times, except during ingress and egress by authorized personnel.
  - (c) Access to the surveillance room shall be limited to surveillance department employees, other designated employees, and other persons authorized in accordance with the surveillance department policy, Appendix C, and the Surveillance Plan. Such policy shall be approved by the Tribal gaming regulatory authority. The surveillance department shall maintain a log of all persons entering the surveillance room. The log may be electronic, written, or a combination thereof. The surveillance department shall provide a copy of the log to the Tribal gaming regulatory authority at least monthly, unless the Tribal gaming regulatory authority requires the log to be provided more or less frequently. The surveillance department's policies and procedures shall prohibit the use of cellular telephones or radio equipment in the surveillance room, except as expressly authorized by those policies and procedures.
  - (d) Surveillance room equipment shall have total override capability over all surveillance equipment 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 necessary to record the cameras required by the standards in this section. Auxiliary or backup power sources such as a UPS system, a backup generator, or an alternate utility supplier satisfy this requirement.
  - (f) The surveillance system shall have the capability to display the date and time of recorded events on video and/or digital recordings. Recordings of all cameras required by the standards in this section shall include the date and time (in 24 hour format), which shall not significantly obstruct the recorded view.
  - (g) The surveillance department employees shall be trained in the use of surveillance equipment, knowledge of the games, and house rules.
  - (h) The surveillance system shall be designed in a manner to prevent it from being readily obstructed, tampered with, or disabled by customers or employees. The surveillance system and each camera required by the standards in this section shall be installed in a manner that will prevent them from being readily obstructed, tampered with, or disabled by customers or employees. If the standards in this section require the use of a PTZ camera, the PTZ camera must be placed behind a smoked dome, one-way mirror, or similar material that conceals the camera from view, unless the design of the camera inherently conceals it from view.
    - (1) The policies and procedures of the Gaming Facility Operator and the surveillance department must prohibit employees from intentionally obstructing, tampering with, or disabling surveillance system equipment, excepting only surveillance department employees who have been authorized to disable surveillance system equipment for maintenance, relocation, removal, or the like.
    - (2) Each Gaming Facility must have lighting sufficient to permit clear video reproduction in the hard and soft count rooms, in the cages, in the vaults, and in the other locations set forth in Subsections 542.43(s), (t), and (u), in the surveillance room, and in all areas where class III games, including card games, are being operated.

- (i) The surveillance system shall be capable of displaying the image captured by any camera required by the standards in this section on a monitor and recording that image.
  - (1) The surveillance system shall include a sufficient number of monitors to simultaneously display multiple gaming and count room activities. Each surveillance room shall be equipped with at least two (2) video monitors that are at least 12-inches in size, each capable of displaying the image captured by any camera required by the standards in this section, in accordance with the standards in this section for that camera.
  - (2) The surveillance system shall have video recorders that continuously record the images from all cameras required by the standards in this section, except for a brief time when tapes are being changed in analog video tape recorders. For each camera required by the standards in this section, the video recorders must be capable of recording and playing back the image captured by that camera, in accordance with the standards in this section for that camera. Video switches must be capable of both manual and automatic sequential switching for all cameras required by the standards in this section.
  - (3) For surveillance systems using analog video tape recorders:
    - (i) The surveillance system shall have one (1) video recorder to record each camera that is both required by the standards in this section and:
      - (A) used for surveillance of class III gaming, including card games;
      - (B) located in the hard count room or soft count room;
      - (C) located in a cage, a vault, or another location set forth in Subsections 542.43(s), (t), and (u); or
      - (D) located in the surveillance room.
    - (ii) For all other cameras required by the standards in this section, the surveillance system shall record no more than four (4) cameras on any one (1) video recorder, whether recorded using quads, multiplexers, a combination of both, or otherwise.
  - (4) For surveillance systems using digital video recorders, the digital video recorders shall have functionality that meets or exceeds that required by the standards in Subsections 542.43(i)(3)(i) and (ii).
- (j) The surveillance department shall make reasonable efforts to repair each malfunction of surveillance system equipment required by the standards in this section within seventy-two (72) hours after discovering the malfunction. The surveillance department shall notify the Tribal gaming regulatory authority of each required camera that has malfunctioned for more than twenty-four (24) hours.
  - (1) If a malfunction in the surveillance system affects the ability to monitor and record the images from a camera required by the standards in this section, the Gaming Facility Operator or the surveillance department shall immediately provide alternative camera coverage, other surveillance measures, or other security measures, such as additional supervisory or security personnel, to protect the subject activity. If other security or surveillance measures are taken, the surveillance department shall promptly notify the Tribal gaming regulatory authority.
  - (2) [Reserved.]
- (k) **[Reserved.]**
  - (1) [Reserved.]
  - (2) [Reserved.]
- (l) **Card games.**

The surveillance system shall monitor and record an overview of activities in each card game area, sufficient to allow the employees performing the different functions to be identified.

  - (1) At a minimum, the surveillance system shall provide one (1) dedicated camera for each card table and one (1) PTZ camera for every four (4) card tables. (This standard requires, for example, two (2) PTZ cameras for a Gaming Facility with five to eight card

tables, three (3) PTZ cameras for nine to twelve card tables, etc.) If a Gaming Facility has fewer than four (4) card tables, the surveillance system shall provide, at a minimum, one (1) dedicated camera for each card table and at least one (1) PTZ camera for the card tables.

- (i) The required dedicated camera shall provide an overview of the card table under surveillance sufficient to allow the table surface, the table bank, the placement of wagers, and any shuffling device located at the table to be clearly viewed.
  - (ii) The dedicated cameras and the PTZ camera(s) in combination must be capable of monitoring and recording the customers, dealer, card suits, card values, and game outcome, sufficient to allow them to be clearly identified.
  - (iii) If any card games are serviced by a shuffling device that is not located at the table, then the remote shuffling device(s) shall be monitored and recorded by at least one dedicated camera providing a general overview of the shuffler sufficient to allow employees accessing the shuffler to be identified and their activities to be monitored and also sufficient to allow the movement of cards from the table to the shuffler and back to be monitored. This standard does not require one dedicated camera per remote shuffling device if one dedicated camera is able to provide the required coverage for more than one remote shuffling device.
- (2) *Gaming Chip Inventories.* The secure location in which unused and/or reserve gaming chip inventories for card games are maintained shall be monitored and recorded by at least one dedicated camera providing a general overview of the area, sufficient to allow employees accessing the inventories to be identified and their activities to be monitored. The surveillance department shall be notified before persons enter the secure location.
  - (3) *Card Storage.* The secure location in which unissued playing cards for card games are maintained shall be monitored and recorded by at least one dedicated camera providing a general overview of the area sufficient to allow employees accessing the inventories to be identified and their activities to be monitored. The surveillance department shall be notified before persons enter the secure location.

**(m) Progressive card games.**

Surveillance of progressive card games shall meet the requirements of Subsection 542.43(l). In addition, a dedicated camera must record a clear view of the posted jackpot amount for each progressive card game. If several card games are linked to the same progressive jackpot meter, only one meter need be recorded.

**(n) Keno.**

- (1) The keno computer processing unit, or the entrance to the location where it is secured, shall be monitored and recorded by at least one dedicated camera, sufficient to allow persons in the area to be identified and their activities to be monitored. If keno numbers are not drawn by an electronic random number generator contained in the keno computer processing unit, the surveillance system shall possess the capability to monitor the keno ball-drawing device or random number generator, which shall be recorded during the course of the draw by a dedicated camera, sufficient to allow the balls drawn or numbers selected to be determined.
- (2) A dedicated camera shall record one keno board during keno games, sufficient to allow the numbers displayed to be determined.
- (3) Each keno ticket writer and cashier station shall be monitored and recorded by at least one dedicated camera, sufficient to allow persons in those areas to be identified and their activities to be monitored. This standard does not require one dedicated camera per ticket writer or cashier station if one dedicated camera is able to provide the required coverage for more than one ticket writer or cashier station.
- (4) The surveillance system shall be capable of monitoring and recording general activities in each keno game area.

**(o) Pari-mutuel.**

The surveillance system shall be capable of monitoring and recording general activities in each pari-mutuel area. Each pari-mutuel ticket writer and cashier station shall be monitored and recorded by at least one dedicated camera, sufficient to allow persons in those areas to be identified and their activities to be monitored. This standard does not require one dedicated camera per ticket writer or cashier station if one dedicated camera is able to provide the required coverage for more than one ticket writer or cashier station.

**(p) Table games.**

The surveillance system shall monitor and record an overview of activities in each table game area, sufficient to allow the employees performing the different functions to be identified.

(1) At a minimum, the surveillance system shall provide one (1) dedicated camera for each table game and one (1) PTZ camera for every two (2) table games. (This standard requires, for example, two (2) PTZ cameras for a Gaming Facility with three or four table games, three (3) PTZ cameras for five or six table games, etc.) If a Gaming Facility has only one (1) table game, the surveillance system shall provide one (1) dedicated camera and one (1) PTZ camera for the table game.

- (i) The required dedicated camera shall provide an overview of the table game under surveillance sufficient to allow the table surface, the table bank, the placement of wagers, and any shuffling device located at the table to be clearly viewed.
- (ii) The dedicated camera and the PTZ cameras in combination must be capable of monitoring and recording the customers, dealer, card suits, card values, game outcome, and chip values (when stacks are broken down for payoff), sufficient to allow them to be clearly identified.
- (iii) If any table games are serviced by a shuffling device that is not located at the table, then the remote shuffling device(s) shall be monitored and recorded by at least one dedicated camera providing a general overview of the shuffler sufficient to allow employees accessing the shuffler to be identified and their activities to be monitored and also sufficient to allow the movement of cards from the table to the shuffler and back to be monitored. This standard does not require one dedicated camera per remote shuffling device if one dedicated camera is able to provide the required coverage for more than one remote shuffling device.
- (iv) In addition to the surveillance requirements for table games and progressive table games, if an approved table game utilizes any mechanical, electronic or electromechanical component, including meters, wheels, screens, and variable payout tables, such component(s) shall be monitored and recorded by at least one dedicated camera providing a view of the component sufficient to allow the display of, and outcome represented on, the component (if any). This standard does not require any dedicated cameras in addition those required by Subsections 542.23(p)(1)(i), 542.33(p)(1)(i), 542.43(p)(1)(i), as applicable, if those cameras are able to provide the required coverage.

(2) Craps. [Reserved.]

(3) Roulette. [Reserved.]

(4) Big wheel. [Reserved.]

(5) *Gaming Chip Inventories.* The secure location in which unused and/or reserve gaming chip inventories for table games are maintained shall be monitored and recorded by at least one dedicated camera providing a general overview of the area sufficient to allow employees accessing the inventories to be identified and their activities to be monitored. The surveillance department shall be notified before persons enter the secure location.

(6) *Card Storage.* The secure location in which unissued playing cards for table games are maintained shall be monitored and recorded by at least one dedicated camera providing a general overview of the area sufficient to allow employees accessing the inventories to

be identified and their activities to be monitored. The surveillance department shall be notified before persons enter the secure location.

**(q) Progressive table games.**

Surveillance of progressive table games shall meet the requirements of Subsection 542.43(p). In addition, a dedicated camera must record a clear view of the posted jackpot amount for each progressive table game. If several table games are linked to the same progressive jackpot meter, only one meter need be recorded.

**(r) Gaming machines.**

The surveillance system must be capable of (i) monitoring, from various vantage points, all gaming machines in a Gaming Facility that are not monitored and recorded by dedicated cameras, (ii) providing overviews of the area(s) in which gaming machines are located, (iii) monitoring activities in the area(s) in which gaming machines are located, and (iv) allowing persons who are being tracked by surveillance to be identified as they move through the areas in which gaming machines are located. The required coverage can be provided by dedicated cameras, PTZ cameras, or a combination of both, but, except as provided below, dedicated cameras are not required.

- (1) In-house progressive gaming machines. In-house progressive gaming machines offering a base payout amount (jackpot reset amount) of more than \$25,000 shall be monitored and recorded by at least one dedicated camera to provide coverage of:
  - (i) Persons at the gaming machine; and
  - (ii) The face of the gaming machine, sufficient to allow the payout line(s) of the gaming machine to be determined.
- (2) Wide-area progressive gaming machines. Wide-area progressive gaming machines offering a base payout amount (jackpot reset amount) of more than \$200,000 and monitored by an independent vendor utilizing an on-line progressive computer system shall be monitored and recorded by at least one dedicated camera to provide coverage of:
  - (i) Persons at the gaming machine; and
  - (ii) The face of the gaming machine, sufficient to allow the payout line(s) of the gaming machine to be determined.
- (3) Other Large Payout Gaming Machines. Except for in-house progressive gaming machines and wide-area progressive gaming machines, gaming machines offering a payout of more than \$75,000 shall be monitored and recorded by at least one dedicated camera to provide coverage of:
  - (i) Persons at the gaming machine; and
  - (ii) The face of the gaming machine, sufficient to allow the payout line(s) of the gaming machine to be determined.
- (4) Multi-game gaming machines. The Tribal gaming regulatory authority, or the Gaming Facility Operator subject to the approval of the Tribal gaming regulatory authority, may develop and implement alternative procedures to verify payouts for multi-game machines in lieu of the surveillance that otherwise would be required by Subsection 542.43(r)(3)(ii).
- (5) The coverage required in Subsections 542.43(r)(1) – (3) does not require one dedicated camera per gaming machine if one dedicated camera is able to provide the required coverage for more than one gaming machine.

**(s) Cage and vault.**

- (1) The surveillance system shall monitor and record, with at least one dedicated camera, a general overview of the activities occurring in each cage and vault area. The overview shall be sufficient to allow employees within the cage and vault areas to be identified and their activities to be monitored.

- (2) The surveillance system shall monitor and record, with at least one dedicated camera, an overview of activities at the cage counters sufficient to allow persons at the cage counters to be identified and their activities to be monitored.
- (3) Each cage cashier station shall be equipped with one (1) dedicated overhead camera covering the customer transaction area and all activity occurring in the customer transaction area.

**(t) Fills and credits.**

- (1) The cage or vault area in which fills and credits are transacted shall be monitored and recorded by at least one dedicated camera or motion activated dedicated camera that provides coverage sufficient to allow the chip values and the amounts on the fill and credit slips to be determined.
- (2) Controls provided by a computerized fill and credit system may be deemed an adequate alternative to viewing the fill and credit slips.

**(u) Currency, coin, chips, and tokens.**

- (1) The surveillance system shall monitor and record all areas where currency, coin, chips, or tokens used for Class III gaming and owned by the Gaming Facility Operator are stored or counted sufficient to allow persons in those areas to be identified and their activities monitored. This provision does not apply to:
  - (i) Currency, coin, chips, or tokens that are not used for Class III gaming;
  - (ii) Areas that are the subject of specific surveillance requirements in this Appendix, including, but not limited to those areas addressed in Section 542.43(u)(2) and, in particular, Section 542.43(u)(2)(iii)(7);
  - (iii) Currency, coin, chips, or tokens inside Gaming Devices;
  - (iv) Imprest banks of cash maintained on the person of employees;
  - (v) Cash registers, including, but not limited to, those in hotels, restaurants, bars, gift shops, showroom box offices, child care facilities, bowling alleys, and other areas ancillary to Class III gaming;
  - (vi) Vending machines; and
  - (vii) Tip jars and other tip storage areas.
- (2) Drop and Count Process.
  - (i) The surveillance system shall monitor and record all areas where coin, chips, or tokens may be stored or counted during the drop and count process, including the hard count room, all doors to the hard count room, all scales and wrapping machines, and all areas where uncounted coin may be stored during the drop and count process, by either dedicated cameras or motion activated dedicated cameras, sufficient to allow persons in those areas to be identified and their activities to be monitored.
  - (ii) The surveillance system shall record audio from the soft count room.
  - (iii) The surveillance system shall provide for:
    - (1) Coverage of scales sufficient to view any attempted manipulation of the recorded data.
    - (2) Monitoring and recording of the table game drop box storage rack or area by either a dedicated camera or a motion activated dedicated camera, sufficient to allow persons in those areas to be identified and their activities to be monitored.
    - (3) [Reserved.]
    - (4) Monitoring and recording of all areas where the contents of table game drop boxes or bill acceptor canisters may be stored during the drop and count process, including the soft count room and all doors to the soft count room, by either dedicated cameras or motion activated dedicated

cameras, sufficient to allow persons in those areas to be identified and their activities to be monitored.

- (5) Monitoring and recording of all areas where currency is sorted, stacked, counted, verified, or stored during the soft count process by dedicated cameras, sufficient to allow persons in those areas to be identified and their activities to be monitored. The counting surface area must be continuously monitored and recorded by at least one dedicated camera, sufficient to allow persons in the area to be identified and their activities to be monitored during the soft count.
- (6) Monitoring and recording an overview of activities at the currency counter and/or currency sorter, if the Gaming Facility Operator uses a currency counter or currency sorter in the soft count room, by at least one dedicated camera, sufficient to allow persons in those areas to be identified and their activities to be monitored.
- (7) The capability of monitoring and recording an overview of the following, sufficient to allow persons involved to be identified and their activities to be monitored:
  - (1) fills or exchanges, as they are transferred from the cage to a card game, table game, or gaming machine;
  - (2) the drop, as it is transferred from card games, table games, or gaming machines to the count room; and
  - (3) credits as they are transferred from a card game or table game to the cage.

**(v) Gaming machine booths and change banks.**

The surveillance system shall monitor and record a general overview of the activities occurring in each gaming machine booth and change bank, each redemption booth, and each automated redemption kiosk with at least one dedicated camera, sufficient to allow persons in those areas to be identified and their activities to be monitored.

**(w) Video recording and/or digital record retention.**

- (1) All video recordings and/or digital records of the images provided by the cameras required by the standards in this section shall be retained for a minimum of seven (7) days. If the Tribal gaming regulatory authority or the State Gaming Agency requests that particular recordings be retained for a longer period of time, the surveillance department shall retain those recordings for the time requested. In the alternative, the surveillance department may provide the requesting entity with the original or an analog tape recording or a digital duplicate of a digital recording.
- (2) Recordings involving suspected or confirmed gaming crimes, unlawful activity, or persons detained in a security detention area must be retained for a minimum of thirty (30) days. If the Tribal gaming regulatory authority or the State Gaming Agency requests that particular recordings be retained for a longer period of time, the surveillance department shall retain those recordings for the time requested. In the alternative, the surveillance department may provide the requesting entity with the original of an analog tape recording or a digital duplicate of a digital recording.
- (3) Duly authenticated copies of video recordings and/or digital records shall be provided to the Commission upon request. Duly authenticated copies of video recordings and/or digital records also shall be provided to the Tribal gaming regulatory authority and/or the State Gaming Agency upon request. Each surveillance department shall be capable of promptly producing a clear still copy or photograph of a clear image depicted on a video recording and/or digital record, using a video printer, still camera, or other comparable means.
- (4) The surveillance department shall have an area outside of the surveillance room with a video monitor and a video player at which the Tribal gaming regulatory authority, the

State Gaming Agency, or other authorized persons may review video recordings and/or digital records.

**(x) Video library log.**

- (1) For a surveillance system with analog video tape recorders, the surveillance department shall maintain a log or logs of video recordings demonstrating compliance with the storage, identification, and retention standards required in this section. Video tapes shall be marked with a tape number or other identifying designation. The markings and/or log(s) shall allow the surveillance department to determine the date and time when each video tape was recorded, the camera or cameras recorded on the video tape, who placed the video tape in a video recorder, who removed the video tape from a video recorder, and who placed the video tape in the video tape storage area. The surveillance department also shall maintain a log or logs identifying any video tapes removed from the video tape storage area, who removed the video tape, why the video tape was removed, and when the video tape was returned.
- (2) For a surveillance system with digital video recorders, the surveillance department shall maintain data demonstrating compliance with the storage, identification, and retention standards required in this Section. The data shall include the camera name or number and the date and time each recording was made. The data may be maintained in logs kept by the surveillance department, by the surveillance system, or a combination of both.

**(y) Malfunction and repair log.**

- (1) The surveillance department shall maintain a log or alternative procedure approved by the Tribal gaming regulatory authority documenting each malfunction and repair of the surveillance system as defined in this section.
- (2) The log shall state the time, date, and nature of each malfunction, the efforts expended to repair the malfunction, and the date of each effort, the reasons for any delays in repairing the malfunction, the date the malfunction is repaired, and, if applicable, any alternative security or surveillance measures that were taken.

**(z) Surveillance log.**

- (1) Surveillance department employees shall maintain a log of all surveillance activities, which shall be stored securely and which shall include, at a minimum.
  - (i) The date;
  - (ii) The time surveillance was commenced and terminated;
  - (iii) The activity observed or performed (including any unusual occurrences and violations or suspected violations of the Compact or its appendices, including, but not limited to, the detection of illegal activities or suspected illegal activities, the detection of the presence in a Gaming Facility of Barred Persons or persons who are on the self-excluded list established under Compact Section 3(v)(2), the detection of gambling by persons who were less than twenty-one years of age, the detention of persons, or injuries to a patron or employee); and
  - (iv) The name or license credential number of each person who initiates, performs, or supervises the surveillance.
- (2) Surveillance department employees also shall record a summary of the results of the surveillance of any suspicious activity. This summary may be maintained in a separate log.

**(aa) Floor Plan.**

A floor plan of the Gaming Facility shall be available in the surveillance room. The floor plan shall show the location of and identify: (i) all gaming machines by device number; (ii) all table games and card games by table number; (iii) all gaming machine booths and change banks, redemption booths, and automated redemption kiosks; (iv) all security detention areas; (v) the location and layout of the cage and vault areas; (vi) the location and layout of areas required to

be surveilled by Section 542.43(u); and (vii) the location of automatic teller machines. The floor plan also shall show the location of all surveillance cameras and audio recording devices. The floor plan shall be updated promptly with any changes to the location or layout of the foregoing items or areas.

**(bb) Security Detention Areas.**

The surveillance system must be capable of monitoring and recording, in both audio and video, all security detention areas. The video recording system must be sufficient to allow persons in the security detention area to be identified and their activities to be monitored. A notice must be posted in each security detention area advising all persons that the area may be under video and audio surveillance. When a person is detained in a security detention area, the surveillance department must continuously record, in both audio and video, the security detention area.

**(cc) Entrances, exits, and other areas.**

The Tribal gaming regulatory authority, or the surveillance department as approved by the Tribal gaming regulatory authority, shall establish and the surveillance department shall comply with standards for the surveillance of entrances to and exits from each Gaming Facility and the grounds adjacent to each Gaming Facility, including parking lots adjacent to the Gaming Facility primarily used by patrons or employees of the Gaming Facility. Those standards, at a minimum, shall require:

- (1) The surveillance department to monitor and record each public entrance to, and public exit from, the Class III gaming areas in each Gaming Facility with at least one (1) dedicated camera, sufficient to allow persons using those entrances and exits to be distinguished. (A combination entrance/exit will require only one dedicated camera.);
- (2) The surveillance department to be capable of monitoring and recording all other entrances to, and all other exits from, each Gaming Facility sufficient to allow persons using those entrances and exits to be distinguished;
- (3) The surveillance department to be capable of monitoring and recording overviews of the grounds adjacent to each Gaming Facility, including parking lots adjacent to the Gaming Facility primarily used by patrons or employees of the Gaming Facility; and
- (4) The surveillance department to continuously record the images from all cameras required to meet the standards required by Subsection 542.43(cc), except for a brief time when tapes are being changed in analog video tape recorders.

**(dd) Supplemental Surveillance**

A Gaming Facility may have supplemental surveillance systems, not operated by the surveillance department, providing surveillance in addition to that required of the surveillance system under this Appendix. Supplemental surveillance systems are not subject to the requirements of Appendix C or this Appendix.

**Sec. 542.50 Periodic Increases in Dollar Limitations.**

During the term of the Compact, all the dollar limitations set forth in Section 542 (excepting only the thresholds for Tier A, Tier B, and Tier C in Sections 542.2, 542.20, 542.30, and 542.40) shall be automatically increased (but not decreased) without the need to amend this Appendix on each five-year anniversary of the Effective Date to an amount equal to the dollar limitations specified multiplied by the CPI Adjustment Rate (with all amounts rounded up to the nearest ten dollars). The Tribe will notify the State Gaming Agency of such dollar limitation adjustments as soon as reasonably possible after the CPI Adjustment Rate has been determined. For purposes of this Section 542.50, the terms "Effective Date" and "CPI Adjustment Rate" shall be defined as in the Compact. The thresholds for Tier A, Tier B, and Tier C in Sections 542.2, 542.20, 542.30, and 542.40 shall be automatically adjusted without the need to amend this Appendix upon any amendments to the corresponding thresholds in the Commission's regulations so that the thresholds in Sections 542, 542.20, 542.30, and 542.40 remain equal to the Tier A, Tier B, and Tier C thresholds under the Commissions regulations.