

## **CHAPTER 6 MINIMUM INTERNAL CONTROL STANDARDS**

### **ADOPTION OF MIMIMUM INTERNAL CONTROLS**

Each gaming operator shall ensure the safeguarding of assets of the casino operation through the design, adoption, and implementation of a comprehensive set of internal controls approved by the Choctaw Gaming Commission. The following are the Gaming Commission's Minimum Internal Control Standards for Class II and Class III gaming operators. All gaming operators must be in compliance with these Standards. Further, for any new game approved by the Gaming Commission, the gaming operator shall submit for the Commission's review and approval, or rejection, a comprehensive set of Minimum Internal Controls for that new game. If approved, such Minimum Internal Controls shall be incorporated herein by reference and a gaming operator's violation of the same will subject it to notices of violation and civil assessments as set forth in Chapter 10 of these Regulations, as it may be amended from time to time. Inquiries regarding these Standards may be directed to the Choctaw Gaming Commission at:

**Post Office Box 6045  
Choctaw, MS 39350  
(601) 656-6038**

## **PART 1: TABLE GAMES**

### **SECTION 1 TABLE GAMES; CREDIT SYSTEMS**

- A. Throughout the table games section, all references to dealers include boxperson. For Choctaw Gaming Commission authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these standards will be acceptable.
  
- B. Credit Systems.

There are two basic credit play systems available. A “marker system” allows for credit to be both issued and repaid in the pit. A “name credit system” allows for the issuance of credit; however, payments in the pit are not permitted. Gaming operators wishing to extend credit are to select one or both of these systems if credit play in the pit is desired.

**SECTION 2 MARKER CREDIT PLAY STANDARDS (EXCLUSIVE OF RIM CREDIT AND CALL BETS)**

NOTE: If a gaming operator allows marker credit play (exclusive of rim and call bets) the following standards shall apply. A marker system allows for credit to be both issued and repaid in the pit.

- A. Prior to the issuance of gaming credit to a player, the employee extending the credit contacts the cashier or other independent source to determine if the player's credit limit has been properly established and remaining credit available is sufficient for the advance.
- B. Proper authorization of credit extension in excess of the previously established limit is documented.
- C. The amount of credit extended is communicated to the cage or another independent source with the amount documented within a reasonable time subsequent to each issuance.
- D. A record is maintained which details the following: (An example of such a document would be a master credit play record retained at the pit podium).
  - 1. The signature or initials of the individual(s) approving the extension of credit (unless such information is contained elsewhere for each issuance);
  - 2. The legible name of the individual receiving the credit;
  - 3. The date and shift upon which the credit was granted;
  - 4. The table on which the credit was extended;
  - 5. The amount of credit issued;
  - 6. The marker number;
  - 7. The amount of credit remaining after each issuance or the total credit available for all issuances;
  - 8. The amount of payment received and nature of settlement (*e.g.*, credit slip number, cash, chips, etc.);
  - 9. The signature or initials of the individual receiving payment/ settlement.

- E. The above-mentioned forms and forms mentioned in I, J, and L below are safeguarded, and adequate procedures are employed to control the distribution, use and access to these forms.
- F. All credit extensions are initially evidenced by lammer buttons which are displayed on the table in public view and placed there by supervisory personnel.
- G. Marker preparation is initiated and other records updated within approximately one hand of play following the initial issuance of credit to the player.
- H. Lammer buttons are removed only by the dealer or boxperson employed at the table upon completion of a marker transaction.
- I. The marker form is prepared in at least triplicate form (triplicate form being defined as three parts performing the functions delineated in the standard below), with a preprinted or concurrently printed marker number, and utilized in numerical sequence. This requirement does not preclude the distribution of batches of markers to various pits.
- J. At least three parts of each separately numbered marker form are utilized as follows:
  - 1. Original- maintained in the pit until settled or transferred to the cage.
  - 2. Payment Slip maintained in the pit until the marker is paid, settled or transferred to the cage. If paid in the pit, the slip is inserted in the table game drop box. If not paid in the pit, the slip is transferred to the cage with the original.
  - 3. Issuance Slip – inserted into the appropriate table game drop box when credit is extended or when the player has signed the original.
- K. When marker documentation (*e.g.*, payment slip and issue slip) is inserted in the table game drop box, such action is performed by the dealer or boxperson at the table.
- L. A record shall be maintained which details the following (*e.g.*, master credit record retained at the pit podium):
  - 1. The signature or initials of the individual(s) approving the extension of credit (unless such information is contained elsewhere for each issuance);
  - 2. The legible name of the individual receiving credit;
  - 3. The date and shift of granting the credit;
  - 4. The table on which the credit was extended;

5. The amount of credit issued;
  6. The marker number;
  7. The amount of credit remaining after each issuance or the total credit available for all issuances;
  8. The amount of payment received and nature of settlement (*e.g.*, credit slip number, cash, chips, etc.); and
  9. The signature or initials of the individual receiving payment/ settlement.
- M. The original marker contains at least the following information; preprinted marker number, player's name and signature, date and amount of credit issued.
- N. The issue slip or stub includes the same preprinted marker number as the original, the table number, date and time of issuance, and amount of credit issued. The issue slip or stub also includes the signature of the individual 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.
- O. The payment slip includes the same preprinted marker number as the original. When the marker is paid in full in the pit, it will 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 also includes 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.
- P. When partial payments are made in the pit, a new marker is completed reflecting the remaining balance and the marker number of the marker originally issued.
- Q. When partial payments are made in the pit, the payment slip of the marker which was originally issued is properly cross-referenced to the new marker number, completed with all information required by part S, and inserted into the drop box.
- R. The cashier's cage or another independent source is notified when payments (full or partial) are made in the pit so cage records can be updated for such transaction(s). Notification is made no later than when the patron's play is completed or at shift's end, whichever is earlier.
- S. The gaming operator shall implement appropriate controls for purpose of security and integrity. The gaming operator shall establish and comply with procedures for collecting and recording checks returned to the gaming operation after deposit which

include redeposit procedures. These procedures shall provide notification of cage/credit departments and custodianship of returned checks.

- T. All portions of markers, both issued and un-issued, are safeguarded and procedures are employed to control the distribution, use and access to the forms.
- U. An investigation is performed to determine the cause and responsibility for loss whenever marker forms, or any part thereof, are missing, and result of the investigation is documented and maintained for inspection and provided to the Choctaw Gaming Commission upon request.
- V. When markers are transferred to the cage, marker transfer forms or marker credit slips (or similar documentation) are utilized and such documents 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 the cashier verifying receipt of the instruments at the cage.

NOTE: All markers will be transferred to the cage within twenty-four (24) hours of issuance.

- W. Markers are transported to the cashier's cage by an individual who is independent of the marker issuance and payment functions (pit clerks may perform this function).

### **SECTION 3 NON-MARKER CREDIT PLAY (A.K.A. NAME CREDITS)**

- A. If personal checks, payroll checks, customer checks (a.k.a. counter checks or hold checks), traveler's checks or any other similar credit instruments, other than markers, are accepted in the pit as a form of credit issuance to a player with an approved credit limit, then the following standards shall apply if name credit instruments are accepted in the pit:
1. Prior to accepting the transacting name credit instruments (except traveler's checks) with a player, the employee extending the credit contacts 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.
  2. All name credit instruments are 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.)
  3. The order for credit (if applicable) and the credit slip shall include the patron'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 cashier verifying receipt of instrument at the cage.
  4. The standards used for table credits are strictly adhered to for "name credits," where applicable, including patron's name and the amount of the credit instrument.
  5. The acceptance of payments in the pit for non-marker credit instruments is strictly prohibited.

#### **SECTION 4 CALL BETS AND RIM CREDIT**

NOTE: The following standards shall apply if call bets are accepted in the pit:

- A. A call bet is 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. The placement of the Lammer button, chips, or other identifiable designation is performed by supervisory/boxperson personnel only. The placement may be performed by a dealer only if the supervisor physically observes and gives specific authorization. An exception exists in baccarat where a dealer may physically place the lammer only after receiving a supervisor's specific authorization. The call bet is 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. Lammer buttons, chips, or other identifiable designation are removed only by the dealer/boxperson employed at the table upon completion of the call bet transaction. Call bets extending beyond one hand of play are prohibited.

NOTE: A "call bet" is a wager made without chips or cash. For the purpose of settling a call bet, a "hand of play" in craps is defined as a "natural winner" (*e.g.*, a 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.

- B. All other extensions of credit that are not evidenced by an immediate preparation of a marker are:
1. 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 patron for the patron to wager, or to the dealer to wager for the patron.
  2. Evidenced by the placement of a lammer button (or other identifiable designation) in the amount equal to that of the chips extended.
  3. Rim credit shall be recorded on a pre-numbered document (*e.g.*, player card) or concurrently numbered and accounted for by a department independent of the pit. All such extensions, and subsequent repayments, will be recorded individually on this document. However, this document is not a substitute for other pit documents used to control credit in the pit.
  4. Evidenced by the recording of the initials or signatures of a supervisor and the dealer on the player card attesting to the validity of all credit extensions and repayments.



5. Evidenced by an indication of the settlement method on the player card (*e.g.*, serial number of marker issued, “chips,” or “cash”).
  6. Settled no later than when the patron leaves the table at which the card is prepared;
  7. Transferred to the accounting department on a daily basis.
  8. Reconciled with other forms utilized to control the issuance of pit credit (*e.g.*, master credit records, table cards).
- C. Player cards, or similarly used documents are:
1. Pre-numbered and accounted for by a department independent of the pit;
  2. Reconciled with other forms utilized to control the issuance of pit credit (*e.g.*, master credit records, table cards);
  3. Transferred to accounting on a daily basis where the periodic and random testing is performed to insure compliance with the above requirements;
  4. Tested during the internal audit and review of table games procedure;
  5. Settled as in Standard B(5) no later than when the patron leaves the table at which the card is prepared.

## **SECTION 5 FILL AND CREDIT STANDARDS**

- A. Fill/credit slips are in at least triplicate form, in a continuous numerical series, and pre-numbered and concurrently numbered by the printer in a form utilizing the alphabet and only in one series at a time.

NOTE: The alphabet need not be used if the numerical series is not repeated during the business year.

- B. Un-issued and issued fill/credit slips are safeguarded and adequate procedures are employed in the distribution, use and control of same.
- C. Personnel from the cashier or pit departments have no access to the secured (control) copies of the fill/credit slips.
- D. When a fill/credit slip is voided, the cashier clearly marks “void” across the face of the “original” and first copy, the cashier and one other person independent of transaction shall sign the original and first copy, and the cashier shall submit them to the accounting department for retention and accountability.
- E. Fill transactions are authorized by pit supervisory personnel prior to 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.
- F. At least three parts of each fill are utilized as follows:
1. One part is transported to the pit with the fill after the appropriate signatures are obtained and deposited in the table game drop box.
  2. One part is retained in the cage for reconciliation of the cashier bank.
  3. For manual systems, one part is retained intact by the second secured locked machine and thereafter in a continuous unbroken form. For computer systems, one part shall be retained in a secure manner to insure that only authorized persons may gain access to it.

NOTE: The part that is placed in the table game drop box is 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 is not a “clearly distinguishable” indicator.)

- G. The table number, shift, and amount of fill by denomination and in total are noted on all copies of the fill slip. The correct date and time is indicated on at least two copies.

- H. All fills are carried from the cashier's cage by an individual who is independent of the transaction cage or pit.
- I. The fill slip is signed by at least the following individuals (as an indication that each has counted the amount of the fill and the amount agrees with the fill slip):
1. Cashier – person who prepared the fill slip and issued the chips, tokens or cash equivalents.
  2. Runner – person who carried the chips, tokens or cash equivalents from the cage to the pit.
  3. Dealer/Boxperson – person who received the chips, tokens or cash equivalents at the gaming table.
  4. Pit Supervisory Personnel – person who supervised the transaction.
- J. 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.
- K. All fill slips requesting chips or money shall be prepared at the time a fill is made.
- L. A copy of the fill slip is deposited in the table game drop box by the dealer, where it shall appear in the soft count room with the cash receipts for the shift.
- M. When table credits are transacted, a two-part order for credit is prepared by the pit supervisor for transferring chips, tokens or monetary equivalents from the pit to the cashier area or other secure area of accountability. Table credit transactions shall be authorized by a pit supervisor before the issuance of credit slips and transfer of chips, tokens, or other cash equivalents. The credit request shall be communicated to the cage where the credit slip is prepared.
- N. The duplicate copy of an order for credit is retained in the pit to check the credit slip for proper entries and to document the total amount of chips, tokens and cash equivalents removed from the table.
- O. At least three parts of each credit slip are utilized as follows:
1. One part is retained for reconciliation of the cashier bank.
  2. 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 case equivalent from the pit to the cage for verification and signature of the cashier.

3. 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.
4. However, if chips, tokens and cash equivalents are transported accompanied by a credit slip, an order for credit shall not be required.

NOTE: The part that is placed in the table game drop box is of a different color for fills than for credits, unless the type of transaction is clearly distinguishable in another manner. The (checking if a box on the form is not a “clearly distinguishable” indicator).

- P. The table number, shift, and the amount of credit by denomination and in total are noted on all copies of the credit slip. The correct date and time is indicated on at least two copies.
- Q. Chips, tokens, and/or cash equivalents are removed from the table tray by the dealer or boxperson and are broken down and verified by the dealer or boxperson in public view prior to placing them in the racks for transfer to the cage.
- R. All chips, tokens, and cash equivalents removed from the tables and markers removed from the pit are carried to the cashier’s cage by an individual who is independent of the cage or pit.
- S. The credit slip is signed by at least the following individuals (as an indication that each has counted or in the case of markers, reviewed the items transferred):
  1. Cashier – person who received the items transferred from the pit and prepared the credit slip.
  2. Runner –person who carried the items transferred from the pit to the cage and returned to the pit with the credit slip.
  3. Dealer – person who had custody of the items prior to transfer to the cage.
  4. Pit Supervisor – person who supervised the credit transaction.
- T. The credit slip is inserted in the table game drop box by the dealer.

- U. Chips, tokens or other cash equivalents, are deposited on or removed from gaming tables only when accompanied by the appropriate fill/credit or marker form documentation.
- V. Inadequately documented cross-fills, the transfer of chips between table games, even cash exchanges, and foreign money currency exchanges are strictly prohibited in the pit.

## **SECTION 6 TABLE DROP STANDARDS: COMPUTER APPLICATIONS**

NOTE: For any computer application utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards on this section, as approved by the Choctaw Gaming Commission will be acceptable.

- A. At the close of each shift:
  - 1. Each table's chip, token, coin and marker inventory is counted and recorded on a table inventory form: or
  - 2. If the table banks are maintained on an imprest basis, a final fill or credit is made to bring the bank back to par.
- B. If final fills are not made, beginning and ending inventories are recorded on the master game sheet for shift win calculation purposes.
- C. The accuracy of inventory forms prepared at shift end is verified by two pit supervisors. Verifications shall be evidenced by signature on the inventory form.
- D. If inventory forms are placed in the table game drop box, such action is performed by someone other than a pit supervisor.
- E. The setting out of empty table game drop boxes and the table game drop shall be a continuous process.
- F. Procedures are 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.
- G. At the end of each shift:
  - 1. All locked "table game drop boxes" are removed from the tables by an individual independent of the pit shift being dropped. If approved by the Gaming Commission, the use of multi-shift drop boxes reduces this requirement to one shift per day.
  - 2. A separate table game drop box shall be placed on each table, each shift or a gaming operation operator may utilize a single drop box with the separate openings and compartments for each shift; and
- H. If table game drop boxes are not placed on all tables, then the pit department documents which tables were open during the shift.

- I. Upon removal from tables, all table game drop boxes are transported directly to the count room or other secure place via a route to the count room, along with surveillance procedures along the route. The route and surveillance procedures shall be approved in advance by the Choctaw Gaming Commission. The boxes shall be locked in a secure manner until the count takes place.
- J. The transporting of table games drop boxes is performed by a minimum of two individuals, at least one of whom is independent of the pit shift being dropped.
- K. 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.
- L. Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities.
- M. Emergency drop procedures shall be developed by the gaming operator and submitted to the Choctaw Gaming Commission for approval prior to implementation of any emergency drop procedures.
- N. If the table game drop boxes cannot be removed at the time designated herein due to a lack of personnel or other situations making such removal not necessary, impractical or impossible, the casino shall obtain the approval of a Choctaw Gaming Commission Commissioner prior to cancelling the scheduled drop.

## **SECTION 7 SOFT COUNT STANDARDS**

- A. If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect which prevent the commingling of funds from different revenue centers.
- B. The table game soft count is performed by a minimum of three employees. A second count shall be performed by an employee on the count team who did not perform the initial count.
- C. At no time during the count shall there be fewer than three employees in the count room until the table game drop proceeds have been accepted into cage/vault accountability. Count room personnel shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. Surveillance shall be notified whenever the count room personnel exit or enter the count room during the count. The table game soft count shall be performed in a soft count room or other equivalently secure area with comparable control.
- D. Count team members are rotated on a routine basis. (Rotation is such that the count team is not consistently the same three individuals more than four days per week).
- E. The count team is independent of transactions being reviewed and counted and the subsequent accountability of soft drop proceeds.

NOTE: The use of a dealer is acceptable. A cage cashier may be used if this person is not allowed to perform the recording function. 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.

- F. The table game drop box are individually emptied and counted in such a manner on the count table and funds are transferred to currency counters for the initial count in such a manner to prevent commingling of funds between boxes until the count of the box has been recorded, and then re-verified by a second machine.
- G. As the contents of each table game drop box are counted and verified by the counting employees, the count of each box is recorded on the count sheet in ink or other permanent form of recordation prior to commingling the funds from other boxes. If multi-shift drop boxes are used, the amount from each section of the box must be recorded separately prior to commingling of the funds from the entire box or with funds from other boxes. A second count shall be performed by an employee on the count team who did not perform the initial count.



- H. 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.
- I. Table game drop boxes, when empty, are shown to 1) Surveillance and 2) Either another member of the count team or to another person who is observing the count, provided the count is monitored in its entirety by someone independent of the count.
- J. 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.
- K. Original and first copies of fill/credit slips are matched or otherwise reconciled by the count team to verify that the total dollar amounts for the shift are identical.
- L. Orders for fill/credit are matched to the fill/credit slips.
- M. Fills and credits are traced to or recorded on the count sheet and examined for corrections.
- N. Pit marker issue and payment slips (if applicable) removed from the table game drop boxes shall either be:
  - 1. Traced to or recorded on the count sheet by the count team; or
  - 2. Totaled by shift and traced to the totals documented by the computerized system. Accounting personnel shall verify the issue/payment slip for each table for accuracy.
- O. The opening/closing table and marker inventory forms (if applicable) shall either be:
  - 1. Examined and traced to or recorded on the count sheet; or
  - 2. If a computerized system is used, accounting personnel can trace the opening/closing table and marker inventory forms (if applicable) to the count sheet. Discrepancies shall be investigated with the findings documented and maintained for inspection.
- P. Correction to information originally recorded by the county team soft count documentation are made by drawing a single line through the error, without the correct figure above the original figure, and then obtaining the initials of at least two count team members verifying the change.

- Q. The count sheet shall be reconciled to the total drop by a count team which shall not function as the sole recorded.
- R. After the count sheet has been reconciled to the currency, all members of the count team attest by signature to the accuracy of the games' drop count and to their participation in the games drop. Three verifying signatures on the count sheet are adequate if all additional count team personnel sign a supplemental document evidencing their involvement in the count process. The count team supervisor shall attest to the accuracy of the table games drop.
- S. All drop proceeds and cash equivalents that were counted are turned over to the cage or vault cashier (who is independent of the count team) or to an authorized person independent of the revenue generation and the count process for verification.
- T. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.
- U. Access to stored table game drop boxes, full or empty, is restricted to authorized members of the drop and count teams.
- V. Access to the count room during the count is restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
- W. The count sheet is retained by the count team until delivery to the accounting department.
- X. The count sheet, with all supporting documents, is promptly delivered to the accounting department by a count team member or someone other than 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.
- Y. The use of scanners for counting currency during the soft count is acceptable provided:
1. The currency is run through two separate scanners to verify the count; and,
  2. A detailed soft count scanner procedure is forwarded to the Choctaw Gaming Commission for its review and approval prior to its implementation.

## **SECTION 8 KEY CONTROL STANDARDS: MISCELLANEOUS**

A. The involvement of at least two individuals independent of the cage department shall be required to access stored empty table game drop boxes. 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.

B. Drop Box Release Keys:

1. Table game drop box release keys are maintained by a department independent of the pit department.
2. Only the person authorized to remove the table game drop boxes from the tables is allowed access to the table game drop box.

NOTE 1: However, the count team members may have access to the release keys during the soft count in order to reset the table game drop box.

NOTE 2: A Pit Technician may have access to the release keys to perform repairs.

3. Persons authorized to drop the table games drop boxes are precluded from having access to drop box contents 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 the employee signing out/in the release key must be documented.
5. The release keys shall be separately keyed from the contents keys.

C. The physical custody of the keys needed for accessing stored full table game drop box contents requires the involvement of persons from three separate departments.

D. Drop Box Storage Rack Keys:

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

E. Drop Box Contents Keys:

1. Only count team members are allowed access to table game drop box contents keys during the count process.
2. Access to table game drop box contents keys at other than scheduled count times or in the case of emergency shall require the involvement of at least three persons from separate departments, including management, and the reason for access shall be documented with the signature of all participants and observes.

F. Count Room Keys:

1. At least three (two for three tables or less) count team members are required to be present at the time count room and other soft count keys are issued for the soft count.

G. Duplicate Keys:

1. All duplicate keys are maintained in a manner which provides the same degree of control over drop boxes as is required for the original keys. Records shall be maintained for each key duplicated which indicate the number of keys made and destroyed.

H. Emergency drop procedures shall be developed by the Choctaw Gaming Commission, or the gaming operation as approved by the Choctaw Gaming Commission.

I. Computerized key security systems which restrict access to the table game drop and count keys through the use of passwords, keys or other means, other than a key custodian, must provide the same degree of control as indicated in the aforementioned key control standards. Note: This standard does not apply to the system administrator. The system administrator is defined in paragraph 8(I)(1)(a).

1. For computerized key security systems, the following additional table games key control procedures apply:
  - a. Management personnel independent of the table game department assign and control user access to keys in the computerized key security system (*i.e.*, system administrator) to ensure that the table game drop and count keys are restricted to authorized employees.
  - b. In the event of an emergency or the key box is inoperable, access to the emergency manual key(s) (a.k.a. override key), used to access the box containing the table game drop box and count keys, requires the physical involvement of at least three persons from separate departments,

including management. The date, time, and reason for access, must be documented with the signatures of all participating employees signing out/in emergency manual key(s).

- c. The custody of the keys issued pursuant to paragraph 8I, 1 of this section requires the presence of two persons from separate departments from the time of their issuance to the time of their return.
  - d. Routine physical maintenance that requires accessing the emergency manual key(s) (override key) and does not involve the accessing of the table game drop box and count keys, only require the presence of two persons from separate departments. The date, time, and reason for access must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
2. For computerized key security systems controlling access to table games drop and count keys, accounting/audit personnel, independent of the system administrator, will perform the following procedures:
- a. Daily, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes user's access within the system (*i.e.*, system administrator). Determine whether the transactions completed by the system administrator provide an adequate control over the access of the table game drop and count keys. Also, determine whether any table game drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized.
  - b. For at least one day each month, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual table game drop and count key removals or key returns occurred.
  - c. At least quarterly, review a sample of users that are assigned access to the table game drop and count keys to determine that their access to the assigned keys is adequate relative to their job position.
  - d. All noted improper transactions or unusual occurrences are investigated with the results documented.
- J. Quarterly, an inventory of all count room, table game drop box release, storage rack and contents keys is performed, and reconciled to records of keys made, issued, and destroyed. Investigations are performed for all keys unaccounted for, with the investigations being documented.

- K. Logs are maintained by the custodian of sensitive keys to document authorization of personnel accessing keys.
- L. The involvement of at least two individuals independent of the cage department is required to access stored empty drop boxes.
- M. 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. This documentation shall include, at a minimum, system exception information (*e.g.*, appropriate system parameter information, corrections, voids, etc.); and
  - 4. Personnel access listing which includes, at a minimum:
    - a. Employee name;
    - b. Employee identification number (if applicable); and
    - c. Listing of functions employees can perform or equivalent means of identifying the same.

NOTE: For any unauthorized computer application utilized, alternate documentation and/or procedures which provide at least the level of control described by the standards in this section will be acceptable.

- N. Playing cards and dice, not yet issued to the pit, are maintained in a secure location to prevent unauthorized access and reduce the possibility of tampering. Used cards and dice shall be maintained in a secure location until marked, scored, or destroyed in a manner as approved by the Choctaw Gaming Commission, to prevent unauthorized access and reduce the possibility of tampering. Used playing cards and dice shall be canceled or destroyed in a timely manner not to exceed seven (7) days. The Choctaw Gaming Commission, or the gaming operation as approved by the Choctaw Gaming Commission, shall establish and the gaming operation shall comply with a reasonable time period within which to mark, cancel, or destroy cards and dice from play. However, this standard shall not apply when playing cards or dice are retained for investigation. A card control log shall be maintained that documents when cards and dice are received on site, distributed to and returned from tables, and removed from play by the gaming operation.

- O. Pit supervisory personnel (with authority equal to or greater than those being supervised) provide supervision of all table games.
  
- P. The following standards shall apply if foreign currency is accepted in the pit:
  - 1. 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;
  - 2. Foreign currency exchange forms include the country of origin, total face value, amount of chips/tokens extended (*i.e.*, conversion amount), signature of supervisor/box person, and the dealer completing the transaction;
  - 3. Foreign currency exchange forms and the foreign currency shall be inserted in the drop box by the dealer; and
  - 4. Alternate procedures specific to the use of foreign valued gaming chips shall be developed by the Choctaw Gaming Commission, or the gaming operation as approved by the Choctaw Gaming Commission.
  
- Q. Notwithstanding paragraph N of this section, if a gaming operation uses plastic cards (not plastic-coated cards), the cards may be used for up to three (3) months if the plastic cards are routinely inspected and washed or cleaned in a manner and time frame approved by the Choctaw Gaming Commission.

## **SECTION 9 STATISTICS**

- A. Analysis of table game performance standards.
1. Records shall be maintained by day and shift indicating any single deck blackjack games which 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, who shall investigate any unusual fluctuations in hold percentage with pit supervisory personnel.
  4. The results of such investigations shall be documented in writing and maintained for inspection and be available upon request by the Choctaw Gaming Commission.
- B. Records reflecting statistical drop, statistical win and statistical win to statistical drop hold percentage by table and type of game are maintained by shift, by day, cumulative month-to-date, and cumulative year-to-date.

NOTE 1: Statistical drop can be computed by either of the following methods:

- a. Drop + marker credit slips + pit credit repaid with chips in the pit;
- b. Drop + pit credit issues – pit credit issues not in exchange for chips – pit credit paid with cash in the pit.

NOTE 2: Statistical win equals table games gross revenues plus marker credit slips.

- C. This information is presented to and reviewed by management independent of the pit department on at least a monthly basis.
- D. The above referenced management investigates any unusual statistical fluctuations with pit supervisory personnel.

NOTE: At a minimum, investigations are performed for all statistical percentage fluctuations from the base level for a month in excess of:

- a. + 3% for locations with \$10 million or more in annual gross gaming revenue.



- b. + 5% for locations with less than \$10 million in annual gross gaming revenues.
  - c. The “base level” is defined as the gaming operator’s statistical win to statistical drop percentage for the previous business year.
- E. The results of such investigations are documented in writing and maintained for at least five years by the gaming operator.

## **SECTION 10 TABLE GAMES ACCOUNTING/AUDITING PROCEDURES**

- A. The accounting and auditing procedures shall be performed by personnel who are independent of the transactions being audited/accounted for.
- B. If a table game has the capability to determine drop (*e.g.*, bill-in/coin-drop meters, currency acceptor, computerized record, etc.) the dollar amount of the drop shall be reconciled to the actual drop by shift.
- C. Accounting/auditing employees shall review exception reports for all computerized table games systems at least monthly for propriety of transactions and unusual occurrences.
- D. All noted improper transactions or unusual occurrences shall be investigated with the results documented.
- E. Evidence of table games auditing procedures and any follow-up performed shall be documented, maintained for inspection, and be available upon request by the Choctaw Gaming Commission.
- F. A daily recap shall be prepared for the day and month-to-date which shall include the following information:
  - 1. Pit credit issues;
  - 2. Pit credit payments in ships;
  - 3. Pit credit payments in cash;
  - 4. Drop;
  - 5. Win, and
  - 6. Gross revenue.
- G. For any computer applications utilized, alternate documentation and/or procedures which provide at least the level of control described by the standards in this section as approved by the Choctaw Gaming Commission will be acceptable.

## PART II: GAMING MACHINES

### SECTION 1 COMPUTERIZED APPLICATIONS; COIN DROP STANDARDS

#### A. Computerized Applications:

1. Any Choctaw Gaming Commission – authorized computer application that provides controls comparable to the following standards will be acceptable. The controls in effect for participation machines will provide at least the level of control described by these standards.

- B. 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 patron.

NOTE: Coin shall include tokens.

#### C. Coin Drop Standards:

1. A minimum of three employees are involved in the removal of the gaming drop box, at least one of whom is independent of the gaming machine department.
2. Security shall be provided over the buckets removed from the gaming machine drop cabinets prior to being transported, via a route to the count room, along with surveillance procedures along the route. The route and surveillance procedures shall be approved in advance by the Choctaw Gaming Commission.
3. If more than one trip is required to remove the gaming machine drop from all of the machines, the filled carts of coins are either locked in the count room or secured in another equivalent manner.
4. Count room personnel shall not be allowed to exit or enter the count room during the count except for maintenance or scheduled breaks. At no time when uncounted funds are present shall there be less than three (3) persons in the count room.
5. Each gaming operation shall maintain on file the time when the drop buckets and currency acceptor canisters will be removed and the time when the contents are to be counted.
6. All drop buckets or canisters shall be removed only at the time previously designated by the gaming operation and reported to the Choctaw Gaming commission, except for emergency drops.

7. The gaming machine drop supervisor shall notify surveillance when the drop is to begin in order that surveillance may monitor the activities.
8. Surveillance shall record in a proper log or journal in a legible manner any exceptions or variations to established procedures observed during the drop. Such log or journal shall be made available for review to authorized persons only.
9. 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 monies. There shall be a locked covering on any carts in which the drop route includes passage out of doors. Alternatively, a smart bucket system that electronically identifies and tracks the gaming machine number and facilitates the proper reorganization of gaming revenue, shall satisfy the requirements of this paragraph.
10. Each drop bucket in use shall be:
  - a. Housed in a locked compartment separate from any other compartment of the gaming machine and keyed differently than other gaming machine components.
  - b. Identifiable to the gaming machine from which it is removed (*i.e.*, permanently marked with the gaming machine I.D. number, or barcoded labels, printed tags, etc.). If the gaming machine is identified with a removable tag which is placed in the bucket the tag shall be placed on top of the bucket when it is collected.
11. Each gaming machine that accepts or pays out coins or tokens 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.
12. The collection procedures may include procedures for dropping gaming machines which have trays instead of drop buckets.
13. If the drop buckets or canisters cannot be removed at the time designated herein due to a lack of personnel or other situations making such removal not necessary, impractical or impossible, the casino shall obtain the approval of a Choctaw Gaming Commission Commissioner prior to cancelling the scheduled drop.
14. Emergency drop procedures shall be developed by the gaming operator and submitted to the Choctaw Gaming Commission for approval prior to implementation of any emergency drop procedures.

## **SECTION 2 EQUIPMENT STANDARDS**

- A. A weigh scale calibration module is secured so as to prevent unauthorized access (*e.g.*, pre-numbered seal, lock and key, etc.).
- B. Someone independent of the cage, vault, gaming machine and count team functions is required to be present whenever the calibration module is accessed.
- C. Such access is documented and maintained.
- D. If a weigh scale interface is used, it is adequately restricted so as to prevent unauthorized access (passwords, keys, etc.).
- E. If a weigh scale has a “zero adjustment mechanism,” it is either physically limited to minor adjustments (*e.g.*, weight of bucket) or physically situated to insure that any unnecessary adjustments made during the weigh process would be observed by other count team members.
- F. The weigh scale and weigh interface (if applicable) are tested by the internal auditors or someone else who is independent of the cage, vault, and gaming machine departments and count team at least on a quarterly basis with the test results being documented. (At least semiannually the above test is performed by internal audit in accordance with the internal audit section of these standards. The result of these tests shall be documented and signed by the person(s) performing the test.)
- G. Prior to the gaming machine count, at least two employees 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.)
- H. The preceding weigh scale and weigh scale interface test results are documented and maintained.
- I. If a mechanical coin counter is used (instead of a weigh scale), the Choctaw Gaming Commission, or the gaming operator as approved by the Choctaw Gaming Commission, shall establish and the gaming operation shall comply with procedures that are equivalent to those described in Sections 2, E, F, G, and H.
- J. If a coin meter count machine is used the count team member shall record the machine number, denomination, and the number of coins in ink on a source document, unless the meter machine automatically records such information. 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.

### **SECTION 3 GAMING MACHINE COUNT AND WRAP STANDARDS**

NOTE: Coin shall include tokens:

- A. The gaming machine coin count and wrap shall be performed in a count room or other equivalently secure area with comparable controls. At no time during the weight/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.
- B. The initial weigh/count is performed by a minimum of three employees.
- C. The gaming machine count team is independent of the generation of gaming machine revenue, transactions being reviewed, and the subsequent accountability of gaming machine count proceeds.

NOTE: If gaming machine department employees are involved in the gaming machine count and/or subsequent transfer to the wrap, 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.)

- D. 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.
- E. If the 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.
- F. The following functions are performed in the counting of the gaming machine drop:
  - 1. Recorder function, which involves the recording of the initial gaming machine count.
  - 2. Count team supervisor function, which involves the control of the gaming machine weigh and wrap process. The supervisor is precluded from performing the initial recording of the weigh/count unless a weigh scale with a printer is used.
- G. The amount of the gaming machine drop from each machine is 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. If a weigh scale interface is used, the gaming machine drop figures are transferred via direct line or computer storage media.

- H. The recorder and at least one other count team member sign the gaming machine count document and weigh tape attesting to the accuracy of the initial weigh/count.
- I. At least three employees who participate in the weigh/count and/or wrap process sign the gaming machine count document or a summary report to attest to their presence. All members of the count team shall sign the gaming machine count document or a summary report to attest to their participation in the weigh/count and/or wrap.
- J. The coins are wrapped, counted, and reconciled in such a manner which precludes the commingling (for each denomination) of gaming machine drop coin (for each denomination) with coin from the next gaming machine drop until the count of the gaming machine drop has been recorded.
- K. At least two employees are present throughout the wrapping of the gaming machine drop.

NOTE: If the gaming machine count is conducted with a continuous mechanical count meter which 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 count.

- L. Count team members shall be rotated on a routine basis such that the count team is not consistently the same three (3) persons more than four (4) days per week.
- M. The coins shall be wrapped immediately after being weighed or counted. As the coin is being wrapped, it shall be maintained in such a manner so as to be able to obtain an accurate count when the wrap is completed. At the completion of the wrap, a count team member shall independently count the wrap and reconcile it with the weigh/meter count.
- N. If the coins are transported off the property, a second (alternative) count procedure must be performed before the coins leave the property and any variances are documented.
- O. Transfers out of the count room during the gaming machine count and wrap process are either strictly prohibited or if transfers are permitted during the count and wrap, each transfer is recorded on a separate multi-part preprinted or concurrently-printed pre-numbered form (used solely for gaming machine count transfers) which is subsequently reconciled by the accounting department to ensure the accuracy of the reconciled wrapped gaming machine drop. Transfers may be permitted during the count and wrap only if permitted under the internal control standards approved by the Choctaw Gaming Commission.

- P. Each transfer, as noted above, must be counted and signed for by at least two members of the count team and by someone independent of the count team who is responsible for authorizing the transfer.
- Q. If the count room serves as a coin room and the coin room inventory is not secured so as to preclude access by the count team, then the following shall apply:
1. At the commencement of the gaming machine count the following standards 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 above count is recorded on an appropriate inventory form.
  2. Upon completion of the wrap of the gaming machine drop, the following standards shall be met:
    - a. At least two members of the count team (wrap team), independently from each other, count the ending coin room inventory.
    - b. The above counts are recorded on a summary report(s) which 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 as discussed above compare the calculated wrap to the initial weigh/count, recording the comparison and noting any variances on the summary report.
    - d. A member of the cage/vault department counts the ending coin room inventory by denomination. This count is reconciled to the beginning inventory, wrap, transfers and initial weigh/count on a timely basis by the cage/vault.
    - e. At the conclusion of the reconciliation, at least two count/wrap team members and the verifying employee sign the summary report(s) attesting to its accuracy.
- R. 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, the following requirement shall be completed, at the conclusion of the count/wrap of the gaming machine drop:



1. At least two members of the count/wrap team count the final wrapped gaming machine drop independently from each other.
  2. The above counts are recorded on summary report.
  3. The same count team members as discussed above (or the accounting department) compare the final wrap to the weigh/count recording the comparison and noting any variances on the summary report.
  4. A member of the cage/vault department counts the wrapped gaming machine drop by denomination and reconciles it to the weigh/count.
  5. At the conclusion of the reconciliation, at least two count team members and the cage/vault employee sign the summary report attesting to its accuracy.
  6. The wrapped coins (exclusive of proper transfers) are transported to the cage, vault or coin vault after the reconciliation of the weigh/count to the wrap.
  7. 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.
- S. Large (by denomination, either \$1,000 or 2% of the drop, whichever is less) or unusual (zero for weigh/count or patterned for all counts) variances between the weigh/count and wrap are 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 investigations shall be documented, maintained for inspection, and provided to the Choctaw Gaming Commission upon request.
- T. All gaming machine count and wrap documentation, including any applicable computer storage media, is immediately delivered to the accounting department by a count team member or 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.
- U. If applicable, the weight shall be converted to dollar amounts prior to the reconciliation of the weight to the wrap.
- V. A count team member shall test the metered count machine (if used) prior to the actual count to ascertain if the metering device is functioning properly with a predetermined number of coins for each denomination.

- W. 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.
- X. Immediately upon receiving the funds, an independent person shall count the gaming machine drop by denomination and shall sign the count sheet attesting to the accuracy of the total and the denomination of the funds received.
- Y. After the weigh/wrap count has been completed, the count/wrap amount shall be posted to cage accountability.
- Z. Gaming machine analysis reports which compare actual hold to theoretical hold by gaming machine shall be prepared on at least a monthly basis.
- AA. Such reports shall provide all data on both month-to-date and year-to-date basis.
- BB. The gaming machine hopper loads and coin in the drop cabinet shall be secured and accounted for during the removal and maintenance of gaming machines.
- CC. Cashier/change banks shall be counted and reconciled for each shift.
- DD. Corrections to information originally recorded by the count team on gaming machine count documentation are 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 employees who verified the change. If a weigh scale interface is used, corrections to gaming machine count data are 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 enters 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 is generated by the computer system identifying the gaming machine number, the error, the correction and the count team employees attesting to the correction.

#### **SECTION 4 CURRENCY ACCEPTOR DROP AND COUNT STANDARDS**

- A. Devices accepting U.S. currency for credit on, or change from, gaming machines must provide a locked canister whose contents are separately keyed from the drop bucket cabinet.
- B. A minimum of three (3) employees shall be involved in the removal of the gaming machine drop, at least one (1) of whom is independent of the gaming machine department.
- C. All currency acceptor canisters shall be removed only at a time previously designated by the gaming operation and approved by the Choctaw Gaming Commission, except for emergency drops. If the currency acceptor canisters cannot be removed at the designated time due to a lack of personnel or other situations making such removal not necessary, impractical or impossible, the casino shall obtain the approval of a Choctaw Gaming Commission Commissioner prior to cancelling the scheduled drop.
- D. Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities.
- E. The currency acceptor canister must be removed by an employee independent of the gaming machine department.
- F. Upon removal, currency acceptor canisters are then transported directly to the soft count room or other equivalently restricted location via a route to the count room, along with surveillance procedures along the route. The route and surveillance procedures shall be approved in advance by the Choctaw Gaming Commission. The canisters shall be locked in a secure manner until the count takes place.
- G. Security shall be provided over the currency acceptor canisters removed from the gaming machines and awaiting transport to the count room.
- H. The transporting of currency acceptor canisters is performed by a minimum of two employees, at least one of whom is independent of the gaming machine department.
- I. All currency acceptor canisters shall be posted with a number corresponding to a permanent number on the gaming machine.
- J. The gaming machine currency acceptor count is performed in the soft count room or other equivalently secure area with comparable controls.
- K. The gaming machine currency acceptor count is performed by a minimum of three employees consisting of a recorder, counter and verifier.

- L. Count room personnel shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. At no time during the count, shall there be fewer than three (3) employees in the count room until the drop proceeds have been accepted into the cage/vault accountability. Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.
- M. Currency acceptor count team members are rotated on a routine basis. (Rotation is such that the count team is not consistently the same three (3) employees more than for (4) days per week.)
- N. The currency acceptor count team is independent of transactions being reviewed and counted, and the subsequent accountability of currency drop proceeds. 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.
- O. The currency acceptor canisters are individually emptied and counted in such a manner as to prevent the commingling of funds between canisters until the count of the canister has been recorded.
- P. As the contents of each canister are counted and verified by the counting employees, the count is recorded on the count sheet in ink or other permanent form of recordation prior to commingling the funds with funds from other canisters.
- Q. A second count shall be performed by an employee on the count team who did not perform the initial count.
- R. Currency acceptor canisters, when empty, are shown to another member of the count team, to another person who is observing the count, or to recorded or live surveillance, provided the count is monitored in its entirety by someone independent of the count.
- S. Corrections to information originally recorded by the count team on currency acceptor soft count documentation are made by drawing a single line through the error, entering the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.
- T. After the count sheet has been reconciled to the currency, all members of the count team attest by signature to the accuracy of the currency acceptor drop count. Three verifying signatures on the count sheet are adequate if all additional count team employees sign a supplemental document evidencing their involvement in the count process. All members of the count team shall sign the count documentation or a summary report to attest to their participation in the count.

- U. All drop proceeds and cash equivalents that were counted are turned over to the cage or vault cashier (who is independent of the count team) or to an authorized employee independent of the revenue generation and count process for verification.
- V. The above-mentioned employee certifies by signature as to the accuracy of the currency delivered and received.
- W. Access to stored currency acceptor canisters is restricted to authorized members of the drop and count teams and authorized personnel in an emergency for the resolution of a problem.
- X. Access to the count room during the count is restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
- Y. The count sheet is retained by the count team until delivery to the accounting department.
- Z. 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.
- AA. The count sheet, with all supporting documents, is promptly 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.
- BB. If currency counters are utilized and the count room table is used only to empty currency acceptor canisters and sort/stack contents, a count team member shall be able to witness the loading and unloading of all currency at the currency counter, including rejected currency.
- CC. The count sheet shall be reconciled to the drop by a count team member who shall not function as the sole recorder.
- DD. Emergency drop procedures shall be developed by the gaming operator and submitted to the Choctaw Gaming Commission for approval prior to implementation of any emergency drop procedures.

**SECTION 5 JACKPOTS, PAYOUTS, GAMING MACHINE FILLS AND SHORT PAYS**

A. For jackpot payouts and gaming machine fills, the payout form/documentation includes the following information:

1. Date and time
2. Machine number
3. Dollar amount of cash payout or gaming machine fill (both alpha and numeric), or description of personal property awarded, including fair market value (both alpha and numeric).

NOTE: Alpha is optional if another unalterable method is used for evidencing the amount of the jackpot or fill.

4. Game outcome (including reel symbols, card values and suits, etc.) for jackpot payouts only.
5. Signatures of at least two employees verifying and witnessing the payout or gaming machine fill.

NOTE: With regard to jackpot payouts and hopper fills, the signature of one gaming machine employee is sufficient if an on-line accounting system is utilized and the jackpot or fill is less than \$1,200.

6. Preprinted or concurrently printed sequential number on forms.

B. Jackpot payouts over a predetermined amount require the signature and verification of a supervisory or management employee independent of the gaming machine department in addition to the two (2) signatures required in (A) above. This predetermined amount is authorized by management as approved by the Choctaw Gaming Commission, documented and maintained.

C. For short pays of \$10.00 or more and payouts required for accumulated credits, the payout form includes the following information:

1. Date and time
2. Machine number
3. Dollar amount of payout (both alpha and numeric).

4. Signatures of at least two employees verifying and witnessing the payout.

NOTE: Short pays involving a single token in a denomination higher than \$10.00 may be handled without the above documentation.

- D. Computerized jackpot/fill systems are restricted so as to prevent unauthorized access and fraudulent payouts by one individual as required by Part XI: Information Technology.
- E. Payout forms are controlled and routed in a manner that precludes any one individual from producing a fraudulent payout by foregoing signatures, or by altering the amount paid out subsequent to the payout, and misappropriating the funds.
- F. If a gaming operation offers promotional payout and awards that are not reflected on the gaming machine pay tables, then the payout form/documentation includes the following information:
  1. Date and time;
  2. Machine and denomination;
  3. Dollar amount of payout or description of personal property (*e.g.*, jacket, toaster, car, etc.) including fair market value;
  4. Type of promotion (*e.g.*, double jackpots, four-of-a-kind bonus, etc.); and
  5. Signature of at least one employee authorizing and completing the transaction.

## **SECTION 6 GAMING MACHINE DEPARTMENT FUNDS STANDARDS**

- A. The gaming machine booths and change banks, which are active during the shift, are counted down and reconciled each shift utilizing appropriate accountability documentation.
- B. The wrapping of loose gaming machine booth and cashier cage coin is performed at a time or location that does not interfere with the hard county/wrap process or the accountability of that process.
- C. A record is maintained evidencing the transfers of wrapped and unwrapped coin and retained for 5 years.



## **SECTION 7 EPROM DUPLICATION**

NOTE 1: If duplication of gaming device program storage media is performed and Commission approval has been received, or the licensee is a licensed manufacturer, then procedures A through E must be performed.

NOTE 2: The EPROMs of some manufacturers may be protected by federal copyright laws. The gaming operator should insure that all applicable laws are followed when duplicating EPROMs.

NOTE 3: Equivalent controls must be in place should gaming device program storage media approved by the Choctaw Gaming Commission, other than EPROMS, be duplicated.

A. As authorized by the Choctaw Gaming Commission or the gaming operator subject to the approval of the Choctaw Gaming Commission, procedures are developed and implemented for the following:

1. Removal of EPROMS, or other equivalent game software media, from devices, the certification of the existence of errors as applicable, and the correction via duplication from the master game program EPROM or other equivalent game software media.
2. Copying one gaming device program to another approved program.
3. Verification of duplicated EPROMS, or other equivalent game software media, prior to being offered for play.
4. Receipt and destruction, as needed, of EPROMS, or other equivalent game software media, with electrical failures.
5. Securing the EPROM, or other equivalent game software media, duplicator and master game EPROMS, or other equivalent “game software media” from unrestricted access.

B. The master game program number, per percentage and the pay table verified when initially received from the manufacture to the par sheet.

C. Gaming machines with potential jackpots in excess of \$100,000.00 must have the gaming software circuit boards locked or physically sealed. The lock or seal should necessitate the presence of an individual 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 should be pre-numbered.

- D. Records must be maintained documenting the above procedure. The documentation must include the following information:
1. Date;
  2. Machine number (source and destination);
  3. Manufacturer;
  4. Program number;
  5. Personnel involved;
  6. Reason for duplication;
  7. Disposition of any permanently removed EPROMS, or other equivalent game software media;
  8. Seal numbers;
  9. CGC or other approved testing lab approval number, if applicable.
- E. EPROMS, or other equivalent game software media, returned to gaming devices must 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 individual replacing the EPROM, or other equivalent game software media.
- F. 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 operation or the machines being tested.

## **SECTION 8 THEORETICAL/ACTUAL HOLD PERCENTAGES**

- A. Accurate and current theoretical hold worksheets are maintained for each gaming machine.
- B. For those slot machines or groups of identical machines (excluding multigame 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 slot department shall perform the following:
  - 1. On at least an annual basis, calculate the actual hold percentage for each gaming machine.
  - 2. On at least an annual basis, adjust the machine(s) theoretical hold percentage in the gaming machine statistical report to the previously calculated actual hold percentage; and
  - 3. The adjusted theoretical hold percentage shall be within the spread between the minimum and maximum theoretical payback percentage.
- C. For multi-game-denominational machines, an employee or department independent of the gaming machine department shall:
  - 1. Weekly record the total coin-in meter.
  - 2. Quarterly record the coin-in meters for each game contained in the machine.
  - 3. On an annual basis, adjust the theoretical hold percentage in the gaming machine statistical report to a weighted average based upon the ration of coin-in for each game.
- D. For those gaming operators that are unable to perform the weighted average calculation as required in paragraph (C) above of this section, the following procedures apply:
  - 1. On at least an annual basis, calculate the actual percentage for each gaming machine.
  - 2. On at least an annual basis, adjust the theoretical hold percentage in the gaming machine statistical report for each gaming machine to the previously calculated actual hold percentage; and
  - 3. The adjusted theoretical hold percentage shall be within the spread between the minimum and the maximum theoretical payback percentage.

- E. The adjusted theoretical hold percentage for multi-game/multi-denominational machines may be continued for machines with exactly the same game mix throughout the year.
- F. The theoretical hold percentages used in the gaming machine analysis reports should be within the performance standards set by the manufacturer.
- G. Records are maintained for each machine which indicate the dates and type of changes made and the recalculation of theoretical hold as a result of the changes.
- H. Records are maintained for each machine which indicate the date the machine was placed into service, the date the machine was removed from operation, the date the machine was placed back into operation, and any changes in machine numbers and designations.
- I. All of the gaming machines shall contain functioning meters that shall record the “coin-in” or “credit-in” meters and an on-line gaming machine monitoring system that captures similar data.
- J. All gaming machines with currency acceptors approved by the Choctaw Gaming Commission shall contain functioning “bill-in” meters which record the dollar amounts or number of currency accepted by denomination.
- K. Gaming machine in-meter readings are recorded at least weekly immediately prior to or subsequent to a gaming machine drop (an on-line gaming machine monitoring system can satisfy this requirement). (Exception: 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.) In-meter readings should be retained for at least five (5) years.
- L. The employee who records the in-meter readings shall either be independent of the hard count team or is assigned on a rotating basis unless the in-meter readings are randomly verified quarterly for all gaming machines and currency acceptors by someone other than the regular in-meter reader.
- M. Upon receipt of the meter reading summary, the accounting department shall review all meter readings for reasonableness using pre-established parameters.
- N. Prior to final preparation of statistical reports, meter readings which do not appear reasonable are 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. A preliminary statistical report may be run daily and shared with the Gaming Machine Department employees so other machine malfunctions may be fixed in a timely manner.

- O. A report is produced at least monthly showing month-to-date and year-to-date (previous twelve (12) months data preferred), actual hold percentage computations for individual machines and a comparison to each machine's theoretical hold percentage previously discussed.

NOTE 1: If practicable, the report should include the actual hold percentage for the entire time the machine has been in operation.

NOTE 2: 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 (B) of this section.

NOTE 3: Actual hold equals dollar amount of win divided by dollar amount of coin-in.

- P. If promotional payouts or awards are included on the gaming machine statistical reports, it shall be in a manner which prevents distorting the actual hold percentages of the affected machines.

- Q. A report shall be produced at least monthly showing the year-to-date combined gaming machine performance by denomination. The report shall include the following for each denomination:

1. Floor par;
2. Combined actual hold percentage;
3. Percentage variance; and
4. Projected dollar variance (*i.e.*, coin-in times the percentage variance).

- R. The statistical reports shall be reviewed by both gaming machine department management and management employed independent of the gaming machine department on at least a monthly basis.

- S. For those machines that have experienced at least \$100,000 wagering transactions, large variances (four percent 4% and greater) 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 Choctaw Gaming Commission upon request in a timely manner.

- T. For purposes of analyzing large variances between actual hold and theoretical hold percentages, information to create floor par reports by machine type shall be maintained.
- U. 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 by employees independent of the gaming machine department on a monthly basis.
- V. 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.

## **SECTION 9 MISCELLANEOUS**

- A. A currency cassette or financial instrument storage component is a compartment that contains a specified denomination of currency. Currency cassettes or financial instrument storage component are inserted into kiosks, allowing them to dispense currency.
  
- B. When machines are permanently removed from the floor, the gaming machine drop and hopper contents are 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.

## **SECTION 10 GAMING MACHINE DROP KEYS**

- A. Gaming machine coin drop cabinet keys for drop cabinets that house drop buckets, including duplicates, are maintained by a department independent of the gaming machine department. The physical custody of the keys needed to access gaming machine coin drop cabinets, including duplicates, requires the involvement of two persons, one of whom is independent of the gaming machine department.
- B. Two employees (separate from key custodian) are 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.

NOTE: Subsections C and H only apply to those locations with 20 or more machines equipped with currency acceptors approved by the Choctaw Gaming Commission.

- C. The physical custody of the keys needed for accessing stored, full currency acceptor canister contents, including duplicates, require involvement of persons from three (3) separate departments.
- D. Currency Acceptor Canister Release Keys
  - 1. Currency acceptor canister release keys are maintained by a department independent of the gaming machine department.
  - 2. Only the employee authorized to remove currency acceptor canisters from the currency acceptor is allowed access to release keys. For situations that require access to the currency acceptor canister at other than scheduled drop time, the date, time, and signature of employee signing out/in the release key must be documented. The currency acceptor canister release keys are separately keyed from the currency acceptor contents keys. (The count team members may have access to the release keys during the count in order to reset the canister if necessary.)
- E. Currency Acceptor Canister Storage Rack Keys
  - 1. Someone independent of the gaming machine department is required to accompany currency acceptor canister storage rack keys and observe each time canisters are removed from or placed in storage racks.
  - 2. Employees authorized to obtain currency acceptor canister storage rack keys are precluded from having simultaneous access to currency acceptor canister contents keys (with the exception of the count team).



F. Currency Acceptor Canister Contents Keys

Only count team members are allowed access to currency acceptor canister contents keys during the count process.

NOTE: This standard does not affect emergency situations which require currency acceptor canister access at other than scheduled count times. Access to the currency acceptor canister contents key at other than scheduled count times shall require the involvement of at least three employees from separate departments, one of whom must be a supervisor including management, must participate in these situations. The reason for access must be documents with the signatures of all participants and observers.

G. Currency Acceptor Count Room Keys

At least three count team members are required to be present at the time count room and other keys are issued for the count.

H. Currency Acceptor Duplicate Keys

Duplicate keys maintained in such a manner as to provide the same degree of control over canisters as is required for the original keys. Records shall be maintained for each key duplicated which indicate the number of keys made and destroyed.

I. Gaming Machine Computerized Key Security Systems

1. Computerized key security systems which restrict access to the gaming machine drop and count keys through the use of passwords, keys or other means, other than a key custodian, must provide the same degree of control as indicated in the aforementioned key control standards.

NOTE: This standard does not apply to the system administrator. The system administrator is defined in I(2)(a) of this Section.

2. For computerized key security systems, the following additional gaming machine key control procedures apply:
  - a. Management personnel independent of the gaming machine department assign the control user access to keys in the computerized key security system (*i.e.*, system administrator) to ensure that gaming machine drop and count keys are restricted to authorized employees.

- b. In the event of an emergency or the key box is inoperable, access to the emergency manual key(s) (a.k.a. override key) used to access the box containing the gaming machine drop and count keys, requires the physical involvement of at least three persons from separate departments, including management. The date, time, and reason for access must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
  - c. The custody of the keys issued pursuant to paragraph I, 2, b. of this section requires the presence of two persons from separate departments from the time of their issuance until the time of their return.
  - d. Routine physical maintenance that requires accessing the emergency manual key(s) (override key) and does not involve the accessing of the gaming machine drop and count keys, only requires the presence of two persons from separate departments. The date, time, and reason for access must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
3. For computerized key security systems controlling access to gaming machine drop and count keys, accounting/auditing personnel, independent of the system administrator, will perform the following procedures:
- a. Daily, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes the user's access within the system (*i.e.*, system administrator). Determine whether the transactions completed by the system administrator provide an adequate control over the access to the gaming machine drop and count keys. Also, determine whether any gaming machine drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized.
  - b. For at least one day each month, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual gaming machine drop and count key removals or key returns occurred.
  - c. At least quarterly, review a sample of users that are assigned access to the gaming machine drop and count keys to determine their access to the assigned keys is adequate relative to their job position.
  - d. All noted improper transactions or unusual occurrences are investigated with the results documented.

J. Quarterly, an inventory of all count room, canister release, storage rack and contents keys is performed, and reconciled to records of keys made, issued, and destroyed. Investigations are performed for all keys unaccounted for, with the investigation being documented.

K. Emergency Drop Procedures

Emergency drop procedures shall be developed by the Choctaw Gaming Commission or the gaming operation as approved by the Choctaw Gaming Commission.

## **SECTION 11 PLAYER TRACKING SYSTEMS AND GAMING PROMOTIONS**

- A. The following standards shall apply if a player tracking system is utilized:
1. The player tracking system is secured so as to prevent unauthorized access (*e.g.* changing passwords at least quarterly and physical access to computer hardware, etc.).
  2. The addition of points to members' accounts other than through actual gaming machine play must be sufficiently documented (including substantiation of reasons for increase) and authorized by a department independent of the player tracking and gaming machine. 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.
  3. Employees who redeem points for members cannot have access to lost cards.
  4. Changes to the player tracking systems, promotion and external bonusing system parameters, which control features such as the awarding of bonuses, the issuance of cashable credits, non-cashable credits, coupons and vouchers, must be performed under the authority of supervisory employees, independent of the department initiating the change. Alternatively, the changes may be performed by supervisory employees of the department initiating the change if sufficient documentation is generated and the propriety of the changes are randomly verified by supervisory agents independent of the department initiating the change on a monthly basis.
  5. All other changes to the player tracking system must be appropriately documented.
  6. Variances. The operation must establish, as approved by the Commission, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.
- B. Gaming promotions. The rules of the gaming promotion must be displayed or made readily available to patrons upon request. Gaming promotion rules require Commission approval and must include the following:
1. The rules of play;
  2. The nature and value of the associated prize(s) or cash award(s);
  3. Any restrictions or limitations on participant eligibility;

4. The date(s), time(s), and location(s) for the associated promotional activity or activities;
5. Any other restrictions or limitations, including any related to the claim of prizes or cash awards;
6. The announcement date(s), time(s), and location(s) for the winning entry or entries; and
7. Rules governing promotions offered across multiple gaming operations, third party sponsored promotions, and joint promotions involving third parties.

**SECTION 12 IN-HOUSE PROGRESSIVE GAMING MACHINES AND WIDE AREA PROGRESSIVE GAMING MACHINES (INTERCASINO LINKED PROGRESSIVES)**

- A. For in-house progressive gaming machines, a meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies. This standard does not apply to wide area progressive machines.
1. At least once each day, each gaming operation shall record the amount shown on each progressive jackpot that can be paid directly from the machine's hopper;
  2. Explanations for meter reading decreases shall be maintained with the progressive meter reading sheets, and where the payment of a jackpot is the explanation for a decrease, the gaming operation shall record the jackpot payout number on the sheet or have the number reasonably available;
  3. Each gaming operation shall record the base amount of each progressive jackpot the gaming operation offers; and
  4. The Choctaw Gaming Commission shall approve procedures specific to the transfer of progressive amounts in excess of the base amount to other slot machines. Such procedures may also include other methods of distribution that accrue to the benefits of the gaming public via an award or prize.
- B. The wide area progressive gaming machine system must be adequately restricted to prevent unauthorized access (*e.g.*, changing passwords at least quarterly, restrict access to EPROMS, or other equivalent game software media, and restrict physical access to computer hardware, etc.)
- C. For wide area progressive gaming machine, a meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.
- D. The Choctaw Gaming Commission shall approve procedures for the wide area progressive system that are developed, implemented and documented for:
1. Reconciliation of meters and jackpot payouts;
  2. Collection/drop of gaming machine funds;
  3. Jackpot verification and payment and billing to gaming operations on pro-rata basis;

4. System maintenance;
  5. System accuracy; and
  6. System security.
- E. Reports where applicable, adequately documenting the procedures required in (D.) above are generated and retained.

### **SECTION 13 GAMING MACHINE AUDIT PROCEDURES; GENERAL**

- A. Gaming machine accounting/auditing procedures shall be performed by employees who are independent of the transactions being reviewed.
- B. For computerized jackpot/fill systems, accounting/auditing employees shall perform the following procedures at least one day per month:
  - 1. Foot jackpot and fill slips for all booth cashiers and trace totals to those produced by the system.
  - 2. Review all slips written (from the restricted copy) for continuous sequencing.
- C. For computerized player tracking system, an accounting/auditing employee shall perform the following procedures at least one day per month:
  - 1. Foot all points-redeemed documentation and trace to the system generated totals.
  - 2. Review all points-redeemed documentation for propriety.
- D. For on-line computerized gaming machine monitoring systems, procedures are 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.
- E. For weigh scale and currency interface systems, for at least one drop period per month, accounting/auditing employees shall compare the weigh tape to the system-generated weigh, as recorded in the slot statistical report, in total. Discrepancies should be resolved prior to the generation/distribution of slot reports.
- F. For each drop period, accounting/auditing personnel shall compare the “coin-in drop” to the actual coin drop amount. Discrepancies shall be resolved before the generation/distribution of on-line gaming machine statistical reports.
- G. Follow-up shall be performed for any one machine having an unresolved variance between actual 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 and maintained for inspection, and provided to the Choctaw Gaming Commission upon request.
- H. For each period, accounting/auditing employees compare the bill-in meter reading to the total currency acceptor drop amount for each drop. Discrepancies are resolved prior to the generation/distribution of gaming machine statistical reports.



- I. Follow-up shall be performed for any one machine having an unresolved variance between actual currency drop and bill-in meter reading in excess of an amount that is both more than \$25 and at least three percent (3%) of the actual currency drop. The follow-up performed and results of the investigation shall be documented, maintained for inspection, and provided to the Choctaw Gaming Commission upon request.
- J. At least annually, accounting/auditing personnel randomly verify that EPROM, or other equivalent game software media, changes are properly reflected in the gaming machine analysis report.
- K. Accounting/auditing employees review exception reports for all computerized gaming machine systems on a daily basis for proprietary of transactions and unusual occurrences.
- L. All gaming machine auditing procedures and any follow-up performed is to be documented and retained for at least five years for inspection, and provided to the Choctaw Gaming Commission upon request.
- M. For all computerized gaming machine systems, a personnel access listing will be maintained which includes at a minimum:
  - 1. Employee name;
  - 2. Employee identification number (or equivalent); and
  - 3. Listing of functions employee can perform or equivalent means of identifying same.
- N. The gaming operator shall be required to register with the United States Attorney General pursuant to 15 U.S.C. § 1173 et al. (“Johnson Act”). The gaming operator shall for any calendar year, on and after the date of such registration or the first day of such year (whichever last occurs), maintain a record by calendar month for all periods thereafter in such year of:
  - 1. each gambling device manufactured, purchased, or otherwise acquired by him;
  - 2. each gambling device owned or possessed by him or in his custody; and
  - 3. each gambling device sold, delivered, or shipped by him in intrastate, interstate, or foreign commerce.
  - 4. in case of each such gambling device defined in 15 U.S.C. 1171, the record shall contain the information required to be affixed on such gambling device by

15 U.S.C. 1173 or, if such gambling device does not have affixed on it any such information, its catalog listing, description, and, in the case of each such device owned or possessed by him or in his custody, its location. Such record shall also show:

- a. in the case of any such gambling device described, the name and address of the person from whom such device was purchased or acquired and the name and address of the carrier; and
  - b. in the case of any such gambling device described, the name and address of the buyer and consignee thereof and the name and address of the carrier.
- O. All records required to be maintained by this section shall be kept by the gaming operator for a period of at least five (5) years.

## **SECTION 14 CASH-OUT TICKET PROCEDURES**

A. For gaming machines that utilize cash-out tickets, the following standards apply:

1. In addition to the applicable accounting and auditing standards in Section 13: Gaming Machine Audit Procedures, on a quarterly basis, the gaming operation shall foot all jackpot cash-out tickets and trace totals to those produced by the system.
2. The customer may request a cash-out ticket from the gaming machine which reflects all remaining credits. The cash-out ticket is printed at the gaming machine by an internal document printer. The cash-out ticket shall be valid for a time period specified by the Choctaw Gaming Commission. The cash-out tickets may only be redeemed for payment in person 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 cashier's cage. Alternatively, if a gaming operation utilizes a remote computer validation system, the Choctaw Gaming Commission, or the gaming operation as approved by the Choctaw Gaming Commission shall develop alternate standards for the maximum amount that can be redeemed, which shall not exceed \$2,999.99 per cash-out transaction. Once presented for redemption, the cashier shall:
  - a. Scan the bar code via an optical reader or its equivalent; or
  - b. Input the cash-out ticket validation number into the computer.
4. The information contained in paragraph (3) 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 change booth or cashier cage terminal.
5. If valid, the cashier (redeemer of the cash-out ticket) pays the customer the appropriate amount and the cash-out ticket is electronically noted "paid" in the system. The "paid" cash-out ticket shall remain in the cashier's bank for reconciliation purposes. The host validation computer system shall electronically reconcile the cashier's banks for the paid cash out tickets.
6. If invalid, the host computer shall notify the cashier (redeemer of the cash-out ticket) that one of the following conditions exists:
  - a. Serial number cannot be found on file (stale date, forgery, etc.);

- b. Cash-out ticket has already been paid; or
  - c. Amount of cash-out ticket differs from amount on file.
7. If invalid, 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 coinless/cashless gaming machine system temporarily goes down, cashiers may redeem cash-out tickets at a change booth or cashier's cage after recording the following:
- a. Serial number of the cash-out ticket;
  - b. Date and time;
  - c. Dollar amount;
  - d. Issuing gaming machine number;
  - e. Marking ticket "paid"; and
  - f. Ticket shall remain in cashier's bank for reconciliation purposes.
9. Cash-out tickets shall be validated as expeditiously as possible when the coinless/cashless gaming machine system is restored.
10. The Choctaw Gaming Commission or the gaming operation as approved by the Choctaw Gaming Commission shall establish, develop, and implement procedures and the gaming operation shall comply with procedures to control cash-out ticket paper which shall include the procedures which:
- a. Mitigate the risk of counterfeiting of cash-out ticket paper;
  - b. Adequately control the inventory of the cash-out ticket paper; and
  - c. Provide for the destruction of all unused cash-out ticket paper.
11. If the coinless/cashless gaming machine system is down for more than four (4) hours, the gaming operation shall promptly notify the Choctaw Gaming Commission or its designated representative.
12. These gaming machine systems shall comply with all other standards (as applicable) in this section including:

- a. Standards for currency acceptor drop and count;
  - b. Standards for coin drop and count; and
  - c. Standards concerning EPROMS, or other equivalent game software media.
- B. For gaming machines that utilize account access cards to activate play of the machine, the following standards shall apply:
1. Equipment.
    - a. A central computer, which supporting hardware and software, to coordinate network activities, provide system interface, and store and manage a player/account database;
    - b. 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 communication network; and
    - c. 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.
    - a. The player terminals are connected to a game server;
    - b. The game server shall generate and transmit to the bank of player terminals a set of random numbers, colors and/or symbols at regular intervals. The subsequent game results are determined at the player terminal and the resulting information is transmitted to the account server; and
    - c. The game servers shall be housed in a game server room or secure locked cabinet off the casino floor.
  3. Patron account maintenance standards.
    - a. A central computer acting as an account server shall provide customer account maintenance and the deposit/withdrawal function of those account balances;

- b. Patrons 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 read and PIN (personal identification number) pad or touch screen array for this purpose; and
  - c. All communications between the player terminal or bank of player terminals and the account server shall be encrypted for security reasons.
4. Patron account generation standards.
- a. A computer file for each patron shall be prepared by a clerk, with no incompatible functions, prior to the patron being issued an account access card to be utilized for machine play. The patron shall select his/her four (4) digit PIN, known only to the patron, to be used in conjunction with the account access card;
  - b. The clerk shall sign on with a unique password to a terminal equipped with peripherals required to establish a customer account and input data from the Patron Registration form. Passwords are issued and can only be changed by Information Technology personnel at the discretion of the department director; and
  - c. After entering a specified number of incorrect PIN entries at the cage or player terminal, the patron shall be directed to proceed to the Gaming Machine Information Center to obtain a new PIN. If a patron forgets, misplaces, or requests a change to their four (4) digit PIN, the patron shall proceed to the Gaming Machine Information Center.
5. Deposits of credits standards.
- a. 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;
  - b. The patron shall present cash, chips, coins, or coupons along with their account access cards to a cashier to deposit credits;
  - c. The cashier shall complete the transaction by utilizing a card scanner which the cashier shall slide the patron's account access card through;
  - d. The cashier shall accept the funds from the patron and enter the appropriate amount on the cashier terminal;

- e. A multi-part deposit slip shall be generated by the point of sale receipt printer. The cashier shall direct the patron to sign two (2) copies of the deposit slip receipt. The original of the signed deposit slip shall be given to the patron. The first copy of the signed deposit slip shall be secured *in* the cashier's cash drawer;
  - f. The cashier shall verify the patron's balance before completing the transaction. The cashier shall secure the funds in their cash drawer and return the account access card to the patron; and
  - g. Alternatively, if a kiosk is utilized to accept a deposit of credits, the Choctaw Gaming Commission, or the gaming operation as approved by the Choctaw Gaming Commission shall establish and the gaming operation shall comply with procedures that safeguard the integrity of the kiosk system.
6. Prize standards.
- a. Winners at the gaming machines may receive cash, or prizes redeemable for cash or merchandise, at the discretion of the gaming operation;
  - b. If merchandise prizes are to be awarded, the specific type of prize or prizes which may be won shall be disclosed to the player before the game begins; and
  - c. The patron shall maintain his/her account access card for an indefinite period of time. Patrons shall not be required to redeem the balance in their account immediately or at the end of their gaming trip which creates a liability to the patron from the gaming operation. The redemption period of account access cards, as approved by the Choctaw Gaming Commission, shall be conspicuously posted in the gaming operation.
7. Payoff odds standards.
- a. Payoff odds shall be determined by the gaming operation and approved by the Tribe or Choctaw Gaming Commission; and
  - b. The gaming operation shall submit the pay rate, pay tables, seed amounts (if applicable), machine entry procedures and authorization, the attendant jackpot payout key control procedures, and machine entry key control procedures to the Tribe or the Choctaw Gaming Commission.

8. The gaming operation shall determine the minimum and maximum wagers. The amounts of such wagers shall be conspicuously posted on a sign or displayed on a designated screen of the player terminal.
9. Jackpot payout procedures.
  - a. When any progressive jackpot or a payout of \$1,200.00 or more is won, the player terminal shall lock-up, preventing further play;
  - b. The player terminal shall indicate by light and sound that a jackpot has been won;
  - c. An attendant shall go to the player terminal and obtain suitable identification, such as a driver's license;
  - d. An attendant shall complete the machine payout form for all winning jackpots of \$1,200.00 or more. The form shall include, at a minimum, the following information:
    - (1) Game number and type;
    - (2) Bank location;
    - (3) Account number of the player;
    - (4) Name of the player;
    - (5) Terminal number where the jackpot was won;
    - (6) Date, time, and shift;
    - (7) Amount won;
    - (8) Amount wagered;
    - (9) Signature and employee ID number of the attendant verifying surveillance was notified of jackpot winning of \$5,000.00 or greater for a single game; and
    - (10) Signature and employee ID number of attendant attesting to reactivation of the terminal.
  - e. The attendant shall reactivate the machine upon completion of the appropriate paperwork.



10. The patron shall present their account access card to a cashier to withdraw their credits. The cashier shall perform the following:
  - a. Scan the account access card;
  - b. Request the patron to enter their PIN, if the PIN was selected by the customer;
  - c. The cashier shall ascertain the amount the patron wishes to withdraw and enter the amount into the computer;
  - d. A multi-part withdrawal slip shall be generated by the point of sale receipt printer. The cashier shall direct the patron to sign the original and first copy of the withdrawal slip.
  - e. The cashier shall verify that the account access card and the patron match by:
    - (1) Comparing the patron to image on the computer screen of patron's picture ID; or
    - (2) Comparing the patron signature on the withdrawal slip to signature on the computer screen; or
    - (3) Comparing the customer image on the computer screen.
  - f. The cashier shall verify the patron's balance before completing the transaction. The cashier shall pay the patron the appropriate amount, issue the patron the original withdrawal slip and return the account access card to the patron.
  - g. The first 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 first copy of the withdrawal slip shall be forwarded to accounting department at the end of the gaming day.
  - h. In the event the imaging function is temporarily disabled, patrons shall be required to provide positive ID for cash withdrawal transactions at the cashier stations.
  
11. Smart Cards.

- a. 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.

### **PART III: BINGO**

NOTE: For any Gaming Commission-authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these standards as approved by the Choctaw Gaming Commission will be acceptable.

#### **SECTION 1 BINGO CARD SALES**

- A. Agents who sell bingo cards must not be the sole verifier of bingo cards for prize payouts.
- B. Manual bingo card sales: In order to adequately record, track, and reconcile sales of bingo cards, the following information must be documented:
  - 1. Date
  - 2. Shift or Session
  - 3. Number of bingo cards issued, sold, and returned;
  - 4. Dollar amount of bingo card sales
  - 5. Signature, initials, or identification number of employee preparing the record; and
  - 6. Signature, initials, or identification number of person independent of seller who verified the bingo cards returned to inventory and dollar amount of bingo card sales.
- C. Bingo card sale voids must be processed in accordance with the rules of the game and established controls that must include the following:
  - 1. Patron refunds;
  - 2. Adjustments to bingo card sales to reflect voids;
  - 3. Adjustment to bingo card inventory;
  - 4. Documentation of the reason for the void; and
  - 5. Authorization for all voids.
- D. Class II gaming system bingo card sales. In order to adequately record, track and reconcile sales of bingo cards, the following information must be documented from

the server (this is not required if the system does not track the information, but system limitation(s) must be noted):

1. Date;
2. Time;
3. Number of bingo cards sold;
4. Dollar amount of bingo card sales; and
5. Amount in, amount out and other associated meter information.

## **SECTION 2 BINGO CARDS**

- A. Physical bingo card inventory controls must address the placement of orders, receipt, storage, issuance, removal, and cancellation of bingo card inventory to ensure that:
  - 1. The bingo card inventory can be accounted for at all times; and
  - 2. Bingo cards have not been marked, altered, or otherwise manipulated.
- B. Receipt from supplier.
  - 1. When bingo card inventory is initially received from the supplier, it must be inspected (without breaking the factory seals, if any), counted, inventoried, and secured by an authorized agent.
  - 2. Bingo card inventory records must include the date received, quantities received, and the name of the individual conducting the inspection
- C. Storage.
  - 1. Bingo cards must be maintained in a secure location, accessible only to authorized agents, and with surveillance coverage adequate to identify persons accessing the storage area.
- D. Controls must be established for the issuance and return of bingo card inventory. Records signed by the issuer and recipient must be created under the following events:
  - 1. Issuance of inventory from storage to a staging area;
  - 2. Issuance of inventory from a staging area to the cage or sellers;
  - 3. Return of inventory from a staging area to storage; and
  - 4. Return of inventory from cage or seller to staging area or storage
- E. Cancellation and removal.
  - 1. Bingo cards removed from inventory that are deemed out of sequence, flawed, or misprinted and not returned to the supplier must be cancelled to ensure that they are not utilized in the play of a bingo game. Bingo cards that are removed from inventory and returned to the supplier or cancelled must be logged as removed from inventory.

2. Bingo cards associated with an investigation must be retained intact outside of the established removal and cancellation policy
- F. Logs.
1. The inventory of bingo cards must be tracked and logged from receipt until use or permanent removal from inventory.
  2. The bingo card inventory record(s) must include:
    - a. Date;
    - b. Shift or session;
    - c. Time;
    - d. Location;
    - e. Inventory received, issued, removed, and returned;
    - f. Signature of agent performing transaction;
    - g. Signature of agent performing the reconciliation;
    - h. Any variance;
    - i. Beginning and ending inventory; and,
    - j. Description of inventory transaction being performed.

### SECTION 3 DRAW

- A. Controls must be established and procedures implemented to ensure that all eligible objects used in the conduct of the bingo game are available to be drawn and have not been damaged or altered. Verification of physical objects must be performed by two agents before the start of the first bingo game/session. At least one of the verifying agents must be a supervisory agent or independent of the bingo games department. Access to controlled bingo equipment (*e.g.*, blower, balls in play, and back-up balls) is restricted to authorized persons.
- B. Where the selection is made through an electronic aid, certification in accordance with 25 CFR 547.14 is acceptable for verifying the randomness of the draw.
- C. Controls must be established and procedures implemented to provide a method of recall of the draw, which includes the order and identity of the objects drawn, for dispute resolution purposes.
- D. Verification and display of draw. Controls must be established and procedures implemented to ensure that:
  - 1. The identity of each object drawn is accurately recorded and transmitted to the participants. The procedures must identify the method used to ensure the identity of each object drawn.
  - 2. For all games offering a prize payout of \$1,200 or more, as the objects are drawn, the identity of the objects are immediately recorded and maintained for a minimum of 24 hours.
- E. Prize payout.
  - 1. Controls must be established and procedures implemented for cash or cash equivalents that address the following:
    - a. Identification of the agent authorized (by position) to make a payout;
    - b. Predetermined payout authorization levels (by position); and
    - c. Documentation procedures ensuring separate control of the cash accountability functions.

2. Verification of validity.
  - a. Controls must be established and procedures implemented to verify that the following is valid for the game in play prior to payment of a winning prize:
    - (i) Winning card(s);
    - (ii) Objects drawn; and,
    - (iii) The previously designated arrangement of numbers or designations on such cards, as described in 25 U.S.C. 2703(7)(A).
  - b. At least two agents must verify that the card, objects drawn, and previously designated arrangement were valid for the game in play; and
  - c. Where an automated verification method is available, verification by such method is acceptable.
3. Validation.
  - a. For manual payouts, at least two agents must determine the validity of the claim prior to the payment of a prize. The system may serve as one of the validators.
  - b. For automated payouts, the system may serve as the sole validator of the claim.
4. Verification.
  1. For manual payouts, at least two agents must verify that the winning pattern has been achieved on the winning card prior to the payment of a prize. The system may serve as one of the verifiers.
  2. For automated payouts, the system may serve as the sole verifier that the pattern has been achieved on the winning card.
5. Authorization and signatures.
  - a. At least two agents must authorize, sign, and witness all manual prize payouts above \$1,200, or a lower threshold as authorized by management and approved by the TGRA.



- b. Manual prize payouts above the following threshold (or a lower threshold as authorized by management and approved by Gaming Commission) must require one of the two signatures and verifications to be a supervisory or management employee independent of the operation of Class II Gaming System bingo:
    - (i) \$5,000 for a Tier A facility;
    - (ii) \$10,000 at a Tier B facility;
    - (iii) \$20,000 for a Tier C facility; or
    - (iv) \$50,000 for a Tier C facility with over \$100,000,000 in gross gaming revenues.
  - c. The predetermined thresholds must be authorized by management, approved by the Gaming Commission, documented and maintained.
  - d. A Class II gaming system may substitute for one authorization/signature verifying, validating or authorizing a winning card, but may not substitute for a supervisory or management authorization/signature.
6. Payout records, including manual payout records, must include the following information:
- a. Date and time;
  - b. Amount of the payout (alpha & numeric for player interface payouts);
  - c. Bingo card identifier or player interface identifier; and
  - d. Manual payout records must also include the following:
    - (i) Game name or number;
    - (ii) Description of pattern covered, such as cover-all or four corners;
    - (iii) Signature of all, but not less than two, agents involved in the transaction;
    - (iv) For override transactions, verification by a supervisory or management agent independent of the transaction; and
    - (v) Any other information necessary to substantiate the payout.

F. Cash and cash equivalent controls.

1. Cash or cash equivalents exchanged between two persons must be counted independently by at least two agents and reconciled to the recorded amounts at the end of each shift or session. Unexplained variances must be documented and maintained. Unverified transfers of cash or cash equivalents are prohibited.
2. Procedures must be implemented to control cash or cash equivalents based on the amount of the transaction. These procedures must include documentation by shift, session, or other relevant time period of the following:
  - a. Inventory, including any increases or decreases;
  - b. Transfers;
  - c. Exchanges, including acknowledging signatures or initials; and
  - d. Resulting variances.
3. Any change to control of accountability, exchange, or transfer requires that the cash or cash equivalents be counted and recorded independently by at least two agents and reconciled to the recorded amount.

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

1. Shipping and receiving.
  - a. A communication procedure must be established between the supplier, the gaming operation, and the Commission to properly control the shipping and receiving of all software and hardware components. Such procedures must include:
    - (i) Notification of pending shipments must be provided to the Commission by the gaming operation;
    - (ii) Certification in accordance with 25 CFR part 547;
    - (iii) Notification from the supplier to the Commission, or the gaming operation as approved by the Commission, of the shipping date and expected date of delivery. The shipping notification must include:

- (1.) Name and address of the supplier;
    - (2.) Description of shipment;
    - (3.) For player interfaces: a serial number;
    - (4.) For software: software version and description of software;
    - (5.) Method of shipment; and,
    - (6.) Expected date of delivery.
  - b. Procedures must be implemented for the exchange of Class II gaming system components for maintenance and replacement.
  - c. Class II gaming system components must be shipped in a secure manner to deter unauthorized access.
  - d. The Commission, or its designee, must receive all Class II gaming system components and game play software packages, and verify the contents against the shipping notification.
2. Access credential control methods.
- a. Controls must be established to restrict access to the Class II gaming system components, as set forth in § 543.20, Information and Technology.
  - b. [Reserved].
3. Recordkeeping and audit processes.
- a. The gaming operation must maintain the following records, as applicable, related to installed game servers and player interfaces:
    - (i) Date placed into service;
    - (ii) Date made available for play;
    - (iii) Supplier;
    - (iv) Software version;

- (v) Serial number;
  - (vi) Game title;
  - (vii) Asset and/or location number;
  - (viii) Seal number; and,
  - (ix) Initial meter reading.
- b. Procedures must be implemented for auditing such records in accordance with §543.23, Audit and Accounting.
- 4. System software signature verification.
    - a. Procedures must be implemented for system software verifications. These procedures must include comparing signatures generated by the verification programs required by 25 CFR 547.8, to the signatures provided in the independent test laboratory letter for that software version.
    - b. An agent independent of the bingo operation must perform system software signature verification(s) to verify that only approved software is installed.
    - c. Procedures must be implemented for investigating and resolving any software verification variances.
    - d. Internal audits must be conducted as set forth in § 543.23, Audit and Accounting. Such audits must be documented.
  - 5. Installation testing.
    - a. Testing must be completed during the installation process to verify that the player interface has been properly installed. This must include testing of the following, as applicable:
      - (i) Communication with the Class II gaming system;
      - (ii) Communication with the accounting system;
      - (iii) Communication with the player tracking system;
      - (iv) Currency and vouchers to bill acceptor;

- (v) Voucher printing;
- (vi) Meter incrementation;
- (vii) Pay table, for verification;
- (viii) Player interface denomination, for verification;
- (ix) All buttons, to ensure that all are operational and programmed appropriately;
- (x) System components, to ensure that they are safely installed at location; and
- (xi) Locks, to ensure that they are secure and functioning.

b. [Reserved]

- 6. Display of rules and necessary disclaimers. The Commission or the operation must verify that all game rules and disclaimers are displayed at all times or made readily available to the player upon request, as required by 25 CFR part 547;
- 7. Commission approval of all technologic aids before they are offered for play
- 8. All Class II gaming equipment must comply with 25 CFR part 547, Minimum Technical Standards for Gaming Equipment Used With the Play of Class II Games; and,
- 9. Dispute resolution.

#### H. Operations.

- 1. Malfunctions. Procedures must be implemented to investigate, document and resolve malfunctions. Such procedures must address the following:
  - a. Determination of the event causing the malfunction;
  - b. Review of relevant records, game recall, reports, logs, surveillance records;
  - c. Repair or replacement of the Class II gaming component; and,

- d. Verification of the integrity of the Class II gaming component before restoring it to operation.
2. Removal, retirement and/or destruction. Procedures must be implemented to retire or remove any or all associated components of a Class II gaming system from operation. Procedures must include the following:
- a. For player interfaces and components that accept cash or cash equivalents:
    - (i) Coordinate with the drop team to perform a final drop;
    - (ii) Collect final accounting information such as meter readings, drop and payouts;
    - (iii) Remove and/or secure any or all associated equipment such as locks, card reader, or ticket printer from the retired or removed component; and
    - (iv) Document removal, retirement, and/or destruction.
  - b. For removal of software components:
    - (i) Purge and/or return the software to the license holder; and
    - (ii) Document the removal.
  - c. For other related equipment such as blowers, cards, and interface cards:
    - (i) Remove and/or secure equipment; and,
    - (ii) Document the removal or securing of equipment.
  - d. For all components:
    - (i) Verify that unique identifiers, and descriptions of removed/retired components are recorded as part of the retirement documentation; and,
    - (ii) Coordinate with the accounting department to properly retire the component in the system records.
  - e. Where the TGRA authorizes destruction of any Class II gaming system components, procedures must be developed to destroy such components. Such procedures must include the following:

- (i) Methods of destruction;
- (ii) Witness or surveillance of destruction;
- (iii) Documentation of all components destroyed; and,
- (iv) Signatures of agent(s) destroying components attesting to destruction.

I. Vouchers.

1. Controls must be established and procedures implemented to:
  - a. Verify the authenticity of each voucher redeemed.
  - b. If the voucher is valid, verify that the patron is paid the appropriate amount.
  - c. Document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated such as a mutilated, expired, lost, or stolen voucher.
  - d. Retain payment documentation for reconciliation purposes.
  - e. For manual payment of a voucher of \$500 or more, require a supervisory employee to verify the validity of the voucher prior to payment.
2. Vouchers paid during a period while the voucher system is temporarily out of operation must be marked “paid” by the cashier.
3. Vouchers redeemed while the voucher system was temporarily out of operation must be validated as expeditiously as possible upon restored operation of the voucher system.
4. Paid vouchers must be maintained in the cashier’s accountability for reconciliation purposes.
5. Unredeemed vouchers can only be voided in the voucher system by supervisory employees. The accounting department will maintain the voided voucher, if available.

J. All relevant controls from § 543.20, Information and Technology will apply.

- K. Revenue Audit. Standards for revenue audit of bingo are contained in § 543.24, Revenue Audit.
  
- L. Variance. The operation must establish, as approved by the TGRA, the threshold level at which a variance, including deviations from the mathematical expectations required by 25 CFR 547.4, will be reviewed to determine the cause. Any such review must be documented.



**PART IV: KENO  
(MANUAL)**

NOTE: For any Gaming Commission-authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these standards will be acceptable.

**SECTION 1 PHYSICAL CONTROLS OVER EQUIPMENT UTILIZED**

- A. The keno write and desk area is restricted to specified personnel (desk area is restricted to preclude writers from accessing inside tickets).
- B. There is effective periodic maintenance planned to service keno equipment.
- C. Keno equipment maintenance is independent of the keno function.
- D. Keno maintenance reports irregularities to management personnel independent of keno, either in writing or verbally.
- E. Keno balls in use shall be safeguarded to prevent tampering. The gaming operation shall establish and comply with procedures for inspecting new keno balls put into play as well as for those being used.
- F. There shall be safeguards over electronic equipment to prevent access and/or tampering.

## **SECTION 2 GAME PLAY STANDARDS (MANUAL)**

- A. The individual controlling inside tickets either:
1. Is precluded from writing and making payouts, including during writers' break periods; or
  2. Has all winning tickets written by him with payouts exceeding twenty-five dollars (\$25.00) verified, regarded, and compared to the inside ticket by another keno employee. Additionally, this individual writes tickets out of his/her own predesignated writer's station and bank (unless a community bank is used).
- B. A keno game may only be operated by one person if the gaming operator's keno write is less than \$500,000.00 for a twelve (12) month period provided the additional audit procedures in Section 7, paragraph F are performed.
- NOTE: At no time will a keno game with annual write of greater than or equal to \$500,000.00 be operated by one person.
- C. Both inside (ticket presented by customer for play) and outside (receipt ticket given customer by keno writer) keno tickets are stamped with the date, ticket sequence number, and game number (as applicable to the system being used). The ticket shall indicate that it is multi-race (if applicable).
- D. The game openers and closers are stamped with the date, ticket sequence number, and game number. An alternative which provides the same controls is acceptable.
- E. Controls exist to ensure that inside tickets have been received from outstations prior to calling a game.
- F. Controls exist to prevent the writing and voiding of tickets after a game has been closed and the number selection process for the game has begun.
- G. A legible restricted copy of written keno tickets is created (carbonized locked box copy, microfilm, videotape, etc.) for, at a minimum, all winning tickets exceeding thirty dollars (\$30.00). If there are no restricted copies of winning tickets of thirty dollars (\$30.00) or less, then the desk person does not write tickets.
- H. Procedures are established for locking out or closing down all mechanisms for ticket writing/filing and time stamp equipment while keno balls for that race are being selected.
- I. When it is necessary to void a ticket which contains the sequence number, the ticket is designated as "void" and initialed or signed by at least one person.

### **SECTION 3 NUMBER SELECTION**

- A. A camera is utilized to film the following both prior to, and subsequent to, the calling of a game: empty rabbit ears, date and time, game number, and full rabbit ears.
- B. The picture of the rabbit ears on the camera provides a legible identification of the numbers on the balls drawn.
- C. Keno personnel will produce a draw ticket as numbers are drawn, and such tickets contain the race number, numbers drawn, and date. The draw ticket is verified to the balls drawn by a second keno employee.
- D. Procedures are in effect which prevent unauthorized access to keno balls in play.
- E. Back-up keno ball inventories are secured in a manner to prevent unauthorized access.
- F. Effective procedures are established for inspecting new keno balls put into play as well as for those in use.

#### **SECTION 4 WINNING TICKET VERIFICATION AND PAYMENT**

- A. All winning tickets are compared with the draw ticket by the writer before being paid, marked with evidence that the ticket was “paid” and marked with the amount of payout.
- B. Payouts over a predetermined amount (not to exceed \$30.00) are verified by actual examination of the inside ticket.
- C. Wins over a specified dollar amount (not to exceed \$10,000.00 for locations with annual keno write in excess of \$5,000,000.00 and \$3,000.00 for all other locations) also require the following:
  - 1. Approval of management personnel independent of the keno department evidenced by their signature;
  - 2. Examination of films of rabbit ears prior to and after the game is called to determine that the same numbers called were not left up from the prior game and to verify the accuracy of the draw ticket;

NOTE: If necessary, film may be developed as soon as possible after payouts.

- 3. Regrading of the inside ticket and comparison of both the winning ticket presented for payment and the inside ticket to the restricted copy (machine copy, microfilm, videotape, etc.); and
- 4. Procedures described above are documented for later verification and reconciliation by the keno audit process on a ball check form.

## **SECTION 5 CHECK OUT STANDARDS; STATISTICS**

- A. A cash summary report (count sheet) is prepared for the end of every shift which includes:
  - 1. Computation of cash proceeds for the shift by bank (*i.e.*, community bank or individual writer banks, whichever is applicable); and
  - 2. Signatures in ink of two employees who have verified the cash proceeds recorded in the above computation.
- B. Records are maintained which include (for each licensed game) win, write, and win-to-write hold percentage for:
  - 1. Each shift;
  - 2. Each day;
  - 3. Month-to-date; and
  - 4. Calendar or fiscal year-to-date, as applicable.
- C. Non-keno management reviews keno statistical information at least on a monthly basis and investigates any large or unusual statistical fluctuations.
- D. Such investigations are documented and maintained.
- E. The accounting department or someone who is independent of the keno writer and desk person, shall calculate and indicate in a summary report the total “write” by game and shift, total “payout” by game and shift, and the “win/loss” by game and shift.
- F. At a minimum, investigations shall be performed for statistical percentage fluctuations from the base level for a month in excess of +/-3%. The base level is defined as the gaming operations win percentage for the previous business year or the previous twelve (12) months.

## SECTION 6 KEY CONTROL

- A. Keys to locked box tickets are maintained by a department independent of the keno function.
- B. Someone independent of the keno department is required to accompany such keys to the keno area and observe repairs or refills each time locked boxes are accessed.
- C. The master panel, which safeguards the wiring that controls the sequence of the game, is locked at all times to prevent unauthorized access.
- D. Master panel keys are maintained by a department independent of the keno function.
- E. Someone independent of the keno department is required to accompany such keys to the keno area and observe repairs, etc., each time the master panel is accessed.
- F. Microfilm machine keys are maintained by personnel who are independent of the keno writer function.
- G. Someone independent of the keno writer function (*e.g.*, a keno supervisor who doesn't write or someone independent of keno) is required to observe each time the microfilm machine is accessed by keno personnel.
- H. Keno equipment discussed above is always locked when not being accessed.
- I. All electrical connections are wired in such a manner so as to prevent tampering.
- J. Duplicate keys to the above areas are maintained independently of the keno department.

## **SECTION 7 KENO AUDIT**

NOTE 1: Audit procedures may be performed up to one month following the transaction.

NOTE 2: The accounting department shall perform the various audit functions of keno and shall include verifications on a sample basis at least once a week of the total “write” by writer and shift (from inside tickets for microfilm or videotape system or from locked box copies for writing machine system), the total “payout” by writer and shift, and the “win/loss” by writer and shift.

NOTE 3: The keno audit function is independent of the keno shift being audited for (E) below.

A. Keno audit personnel total (or foot) write (either inside ticket or restricted copy) and payouts (customer copy) to arrive at an audited win/loss by shift.

B. Keno audit personnel obtain an audited win/loss for each bank (*i.e.*, individual writer or community.)

NOTE: The keno audit function is independent of the keno department for the next five (5) requirements.

C. The keno receipts (net cash proceeds) are compared with the audited win/loss by keno audit personnel.

D. Major cash variances (*i.e.*, overages or shortages in excess of \$25.00) noted in the preceding comparison are investigated on a timely basis.

E. On a sample basis (for at least one race per shift or ten races per week) keno audit personnel perform the following, where applicable:

NOTE: The majority of the races in the sample selected must contain payouts in excess of \$100.00 but less than the amount established for the independent verification required by Section 4(C).

1. Re-grade winning tickets utilizing the payout schedule and draw tickets and compare winning tickets (inside and outside) to restricted copies (locked box copy, developed microfilm, videotape, etc.) for 100% of all winning tickets of \$100.00 or greater and 25% of all winning tickets under \$100.00 for those races selected.

2. Either review sequential numbering on inside tickets (microfilm and videotape systems) to ensure that tickets have not been destroyed to alter the amount of

write, or compute write from developed film and compare to write computed from inside tickets.

3. Review restricted copies for blank tickets and proper voiding of voids.
- F. In addition to the above audit procedures, when a keno game is operated by one person:
1. At least 25% of all other winning tickets are re-graded;
  2. At least 10% of all tickets are traced to the restricted copy; and
  3. Film of rabbit ears is randomly compared to draw tickets for at least 25% of the races.
- G. Draw tickets are compared to rabbit ears film for at least five races per week with payouts which do not require draw ticket verification independent of the keno department. (The draw information can be compared to the rabbit ears at the time the balls are drawn provided it is done without the knowledge of keno personnel and it is subsequently compared to the keno draw ticket.)
- H. Documentation (*e.g.*, logs, checklists, etc.) is maintained evidencing the performance of all keno audit procedures.
- I. Non-keno management reviews keno audit exceptions, performs investigations into unresolved exceptions, and documents results.



## **SECTION 8 MISCELLANEOUS: MULTI-RACE**

- A. Copies of all keno tickets and the film of the rabbit ears are maintained for at least seven (7) days.
- B. All copies of winning keno tickets of \$1,500.00 or more are maintained for at least five (5) years. This includes restricted copies (microfilm, videotape, etc.).

NOTE: The restricted copy may be maintained in the form of a copy made from the microfilm, videotape, etc.

- C. Procedures are established to notify keno personnel immediately of large multi-race winners to ensure compliance with Section 4(C).
- D. Controls exist to ensure that keno personnel area aware of multi-race tickets still in process at the end of a shift.

**PART V: KENO  
(COMPUTERIZED)**

NOTE: For any Gaming Commission-authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these standards will be acceptable.

**SECTION 1 EQUIPMENT MAINTENANCE**

- A. An effective maintenance plan to service keno equipment, including computer program updates, hardware servicing, and keno ball selection equipment (*e.g.*, service contract with lessor) is in place.
- B. Keno equipment maintenance (excluding keno balls) is independent of the operation of the keno game.
- C. Keno maintenance reports irregularities to management personnel independent of keno.
- D. If the gaming operation utilizes a barcode or microchip reader in connection with the play of keno, the reader shall be tested at least annually by personnel independent of the keno department to determine that it is correctly reading the barcode or microchip.

## **SECTION 2 GAME PLAY STANDARDS (COMPUTERIZED)**

- A. The computerized customer ticket includes the date, game number, conditioning, ticket sequence number and the station number.

NOTE: The ticket will indicate that it is multi-race (if applicable).

- B. Concurrently with the generation of the ticket the information on the ticket is recorded on a restricted transaction log.

NOTE: The restricted copy may be retained on computer storage media, but in any case, access by keno personnel is precluded.

- C. When it is necessary to void a ticket, the void information is input in the computer and the computer documents the appropriate information pertaining to the voided wager (*e.g.*, void slip is issued or equivalent documentation is generated).

- D. Controls 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.

- E. The controls in effect for tickets prepared in outstations (if applicable) shall be identical to those in effect for the primary keno game.

**SECTION 3 NUMBER SELECTION/RABBIT EAR SYSTEM; RANDOM NUMBER GENERATOR**

- A. A dedicated camera is utilized to film the following both prior to, and subsequent to the calling of a game: empty rabbit ears, date and time, game number, and full rabbit ears.
- B. The film of the rabbit ears on the camera provides a legible identification of the numbers on the balls drawn.
- C. Keno personnel immediately input the selected numbers in the computer and the computer documents the date, game number, the time the game was closed, and the numbers drawn.
- D. A gaming operation as approved by the Choctaw Gaming Commission shall establish and comply with procedures which prevent unauthorized access to keno balls in play.
- E. Back-up keno ball inventories are secured in a manner to prevent unauthorized access.
- F. Effective procedures are established as approved by the Choctaw Gaming Commission for inspecting new keno balls put into play as well as for those in use.
- G. The random number generator is linked to the computer system and directly relays the numbers selected into the computer for preparation of a draw ticket without manual input. Keno personnel are precluded from access to the random number generator.

NOTE: The random number generator must have received Commission approval as a gaming device.

#### **SECTION 4 WINNING TICKET VERIFICATION AND PAYMENT**

- A. The sequence number of tickets presented for payment is input into the computer, and the payment amount generated by the computer is given to the patron.
- B. Procedures as approved by the Choctaw Gaming Commission are established to preclude payment on tickets previously presented for payment, unclaimed winning tickets (sleepers) after a specified period of time, voided tickets, and tickets which have not been issued yet.
- C. All payouts are 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).
- D. A manual report or other documentation is produced and maintained documenting any payments made on tickets which are not authorized by the computer.
- E. Winning tickets over a specified dollar amount (not to exceed \$10,000.00 for locations with more than \$5,000,000.00 annual keno write and \$3,000.00 for all other locations) also require the following:

- 1. Approval of management personnel independent of the keno department evidenced by their signature;
- 2. Review of the videotape or development of the film of the rabbit ears to verify the legitimacy of the draw and the accuracy of the draw ticket (for rabbit ear systems only);

NOTE: If necessary, film may be developed as soon as possible after payout.

- 3. Comparison of the winning customer copy to the computer reports;
  - 4. Re-grading of the customer copy using the payout schedule and draw information; and
  - 5. Documentation and maintenance of the procedures of the above on a ball check (or proof of win) form. Alternatively, if the computer adequately records the above, the resulting documentation may be substituted.
- F. 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 \$1,500.00) must be reviewed and authorized by someone independent of the keno department.

## **SECTION 5 CHECK-OUT STANDARDS; STATISTICS**

- A. For each writer station, a cash summary report (count sheet) is prepared for each keno shift which includes:
1. Computation of net cash proceeds for the shift by bank (*i.e.*, community bank or individual writer bank, whichever is applicable) and the cash turned in; and
  2. The signatures of at least two employees who have verified the net cash proceeds for the shift and the cash turned in as recorded in the above computation.
- B. If a gaming operation offers promotional payout and awards, the payout form/documentation shall include the following information:
1. Date and time;
  2. Dollar amount of payout or description of personal property (*e.g.*, jacket, toaster, car, etc.) including fair market value;
  3. Type of promotion; and
  4. Signature of at least one employee authorizing and completing the transaction.
- C. Records are maintained which include win and write by individual writer for each shift.
- D. Records are maintained which include (for each licensed game) win, write, and win-to-write hold percentages for:
1. Each shift;
  2. Each day;
  3. Month-to-date; and
  4. Year-to-date or fiscal year-to-date, as applicable.
- E. Non-keno management independent from the keno personnel reviews keno statistical data at least on a monthly basis and investigates any large or unusual statistical variances.
- F. At a minimum, investigations shall be performed for statistical percentage fluctuations from the base level for a month in excess of +/-3%. The base level shall be defined as

the gaming operation's win percentage for the previous business year or the previous twelve (12) months.

- G. Such investigations are documented and maintained for inspection, and provided to the Choctaw Gaming Commission upon request.

## **SECTION 6 SYSTEM SECURITY STANDARDS; DOCUMENTATION**

- A. Access to the computer system is adequately restricted (*e.g.*, passwords are changed at least quarterly, access to computer hardware is physically restricted, etc.).
- B. Keys to sensitive computer hardware in the keno area are maintained by a department independent of the keno function.
- C. Someone independent of the keno department is required to accompany such keys to the keno area and observe changes or repairs each time the sensitive areas are accessed.
- D. Duplicate keys to the above areas are maintained by someone who is independent of the keno department.
- E. Adequate documentation of all pertinent keno information is generated by the computer system.
- F. This documentation is restricted to authorized personnel.
- G. The documentation is to include, at a minimum:
  - 1. Ticket information (mirror image);
  - 2. Payout information (date, time, ticket number, amount, etc.);
  - 3. Game information (number, ball draw, time, etc.);
  - 4. Daily recap information (write, payout, gross revenue/win); and
  - 5. 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.).



H. Personnel access listing which includes at a minimum:

1. Employee name;
2. Employee identification number; and
3. Listing of functions employee can perform or equivalent means of identifying same.

## **SECTION 7 KENO AUDIT**

- A. The keno audit function is independent of the keno department.
- B. For at least one shift every other month, keno audit performs the following:
  - 1. Foot the write on the restricted copy of the keno transaction report and compare the total to the total as documented by the computer.
  - 2. Foot the customer copy of the payouts and trace the total to the payout report.
  - 3. Re-grade at least 1% of the winning tickets using the payout schedule and draw ticket.
- C. Keno audit also performs the following:
  - 1. On a sample basis (a minimum of five games per week) compare the film of the rabbit ears to the draw ticket (or equivalent document) and computer transaction summary;
  - 2. 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);
  - 3. Review and re-grade all winning tickets greater than or equal to \$1,500.00, including all forms which document that proper authorizations and verifications were obtained and performed;
  - 4. Review the documentation for payout adjustments made outside the computer and investigate large and frequent payments;
  - 5. Review personnel access listing for inappropriate functions an employee can perform;
  - 6. Review system exception information on a daily basis for propriety of transactions and unusual occurrences including changes to the personnel access listing;
  - 7. Investigate and document results of all noted improper transactions or unusual occurrences;
  - 8. Review all other pertinent documentation, as applicable (*e.g.*, system exception information, etc.); and,

9. If a random number generator is used, then at least weekly the number generator report is reviewed for potential numerical patterns.
- D. When the keno game is operated by one person:
1. All winning tickets in excess of \$100.00 and a least 5% of all other winning tickets (inside and customer copies) are re-graded and traced to the computer payout report;
  2. Film of rabbit ears is randomly compared to computer draw tickets for at least ten (10) of the games during the shift (not applicable for a random number generator). The videotape/film of rabbit ears shall be randomly compared to the computer game information report for at least 10% of the games during the shift; and
  3. Keno audit personnel review winning tickets for proper authorization pursuant to Section 4(F).
- E. In the event any person performs the writer and deskman functions on the same shift, the procedures described in paragraph D (using the sample sizes indicated) are performed on tickets written by that person.
- F. Documentation (*e.g.* a log, checklist, etc.) is maintained evidencing the performance of all keno audit procedures.
- G. Non-keno management reviews keno audit exceptions and performs and documents investigations into unresolved exceptions. These investigations shall be documented, maintained for inspection, and provided to the Choctaw Gaming Commission upon request.
- H. When a multi-game ticket is part of the sample in paragraphs (B)(3), (D)(1), and (E) of this Section, the procedures may be performed for ten (10) games or 10% of the games won, whichever is greater.

## **SECTION 8 MISCELLANEOUS: MULTI-RACE**

- A. All copies of winning keno tickets of less than \$1,500.00, the information required in Section 6(G), and the film of rabbit ears are maintained for at least seven (7) days.
- B. All other documentation, including computer storage media discussed in this Part and copies of winning keno tickets of \$1,500.00 or more are maintained for at least five (5) years. This includes restricted copies.
- C. Procedures are established to notify keno personnel immediately of large multi-race winners to ensure compliance with Section 4(E).
- D. Controls exist to ensure that keno personnel are aware of multi-race tickets still in process at the end of a shift.

## PART VI: CARD GAMES

NOTE: For any Gaming Commission-authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these standards will be acceptable.

### SECTION 1 DEFINITIONS

- A. The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise:
1. “Ante” shall mean a player’s initial bet or predetermined contribution to the “pot” before the first card of the game is dealt.
  2. “Bet” shall mean a player’s wager to the pot on any betting round.
  3. “Betting round” shall mean a complete cycle in a hand of poker after all players have called or folded.
  4. “Blind bet” shall mean a bet made before the first card of the game is dealt.
  5. “Button” shall mean an object which is moved clockwise around the table to denote an imaginary dealer.
  6. “Buy-in” shall mean a purchase of chips by a player prior to play.
  7. “Call” shall mean a bet made equal to the immediately preceding bet.
  8. “Card Room Bank” shall mean an imprest fund which is part of and accountable to the gaming operator’s casino cage or bankroll but which is maintained in the card room exclusively for the purposes set forth in Sections 3 and 4 of this regulation.
  9. “Card Table Bank” shall mean an imprest inventory of cash and chips physically located in the table tray on the card table and controlled by the gaming operator through accountability established with the card room bank. The card room bank shall be used only for the purposes set forth in Section 3 of this regulation.
  10. “Check” shall mean to waive the right to initiate the betting-in round, but to retain the right to call.
  11. “Check and Raise” shall mean a raise after a player first checked in a round.

12. "Chips" shall mean tokens or 25-cent coins, 50-cent coins, or silver dollars.
13. "Community Cards" shall mean in the game of Texas Hold'em, cards dealt face upward which can be used by all the players to make their hand.
14. "Deal" shall mean the distribution of playing cards among the players.
15. "Deuce" shall mean the term for the number two card of any suit.
16. "Draw" shall mean in draw poker, the taking of additional cards by a player prior to the second round of betting.
17. "Flop" shall mean in a game of Texas Hold'em, the first three community cards dealt face up at one time.
18. "Fold" shall mean to discard a hand during a betting round by refusing to match a bet.
19. "Hand" shall mean one game in a series, one deal, the cards held by a player, or the best five cards of a player's holding.
20. "Hole-card" shall mean a card held by a player which is unseen by the other players.
21. "Misdeal" shall mean to deal a hand of poker wrongly, including dealing to at least two players more cards than those players are entitled to and dealing to at least two players more cards than those players are entitled to after the dealing of the hand is completed.
22. "Open," "Openers," "To Open" shall mean a bet or a check by the required player.
23. "Opener" shall mean the player who makes the first bet in any betting round.
24. "Pat Hand" shall mean a hand which does not need another card drawn to it.
25. "Pot" shall mean a location on the poker table; the total amount anted and bet by player during a game which is awarded to the winning player or players.
26. "Raise" shall mean a bet in an amount greater than the immediately preceding bet in that betting round.
27. "Rake-off" or "Rake" shall mean the amount taken from the pot by the retail gaming operator.

28. “Round” shall mean a cycle of bets made by the players following the deal of cards.
29. “Showdown” shall mean the revealing of each player’s hand by the player after the last bet to determine the winners of the pot.
30. “Stake” shall mean the fund with which a player enters the game.
31. “Table Tray” shall mean a receptacle used to hold the card table bank.
32. “Time Buy-in” shall mean a charge to a player, determined on a time basis, by the gaming operator for the right to participate in a game.
33. “Wild Card” shall mean a card that a player may declare to have any value in the deck.

## **SECTION 2 SUPERVISION**

- A. Supervision is provided at all times the card room is in operation by personnel with authority equal to or greater than those being supervised.
  - 1. A supervisor may function as a dealer without any other supervision if disputes are resolved by supervisory personnel independent of the transaction or independent of the card games department; or
  - 2. A dealer may function as a supervisor if not dealing the game.
- B. Transfers between table banks and the main card room bank (or casino cage, if a main card room bank is not used) must be authorized by a supervisor and evidenced by the use of a lammer. (A lammer is not required if the exchange of chips, tokens, and/or currency takes place at the table.) If table banks are maintained at an imprest level and runners are used for the exchanges at the table, no supervisory authorization is required.
- C. Transfers from the main card room bank (or casino cage, if a main card room bank is not used) to the table banks are verified by the card room dealer and the runner.
- D. Transfers between the main card room bank and the cage must be properly authorized and documented. Documentation must be retained for at least 24 hours.
- E. A rake shall be collected in accordance with the posted rules.



**SECTION 3 DROP AND COUNT STANDARDS; ACCESS TO PLAYING CARDS; RECONCILIATION OF BANKS**

- A. The procedures for the collection of card game drop boxes and the count of the contents thereof shall comply with the internal control standards applicable to the pit drop boxes.
- B. Playing cards, both used and unused, are maintained in a secure location with appropriate surveillance coverage, and accessible to only authorized agents to prevent unauthorized access and reduce the possibility of tampering. Used playing cards that are not to be re-used must be properly cancelled and removed from service to prevent re-use. The removal and cancellation procedure requires Commission review and approval. The Commission, or the gaming operation as approved by the Commission, shall establish a reasonable time period within which to mark and remove cards from play which shall not exceed seven days. This standard shall not apply where playing cards are retained for an investigation. Playing cards associated with an investigation must be retained intact and outside of the established removal and cancellation procedure. 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 the gaming operation.
- C. Notwithstanding paragraph B of this section, if a gaming operation uses plastic cards (not plastic-coated cards), the cards may be used for up to three months if the plastic cards are routinely inspected, and washed or cleaned in a manner and time frame approved by the Choctaw Gaming Commission, but at least every three days.
- D. The amount of the main card room bank is counted, recorded and reconciled on at least a per-shift basis.
- E. At least once per shift, the table banks are counted, recorded and reconciled by a dealer (or other individual if the table is closed) and a supervisor, and shall be attested to by their signatures on the check-out form.

#### **SECTION 4 CARD GAME DROP BOX PROCEDURES; SALE OF STAKES**

- A. Each card table shall have one card game drop box with the drop slot located at least four inches in front of the table tray and to the right thereof, unless the table is equipped with a drop slot located at least two inches to the right of and even with the top right-hand corner of the table tray, with a cover over the drop slot, which when activated will cause the rake to drop directly into the drop box. The card game drop box shall be a locked container marked with a permanent number corresponding to a permanent number on the card table and permanently marked to indicate game and shift, all of which markings shall be clearly visible at a distance of 20 feet. The locked container shall be locked to the card table and shall be separately keyed from the container itself.
- B. All card game drop boxes shall be removed from their respective card tables at the end of each shift at the times previously designated in writing to the Commission. The removal of card game drop boxes shall be without any interruptions so that an observer shall be able to observe the markings on the boxes. The boxes must be transported directly to the room designated for counting via a route to the count room, along with surveillance procedures along the route. The route and surveillance procedures shall be approved in advance by the Choctaw Gaming Commission. The boxes shall be stored in a secure place or immediately counted.
- C. No cash or chips received for the sale of stakes shall be commingled with any rake-offs or other compensation received by the gaming operator from the players for the right to play.
- D. If the card game drop boxes cannot be removed at the designated time due to a lack of personnel or other situations making such removal not necessary, impractical or impossible, the casino shall obtain the approval of a Choctaw Gaming Commission Commissioner prior to cancelling the scheduled drop.
- E. Emergency drop procedures shall be developed by the gaming operator and submitted to the Choctaw Gaming Commission for approval prior to implementation of any emergency drop procedures.

**SECTION 5 ACCOUNTING FOR TRANSACTIONS BETWEEN CARD TABLE BANK AND CARD ROOM BANK; LIMITATIONS ON THE USE OF CARD ROOM BANKS AND CARD TABLE BANKS**

- A. When the card table bank is to be replenished with chips from the card room bank, all cash or chips to be transferred must be counted down by the dealer in public view on the card table and verified by the person who transports the cash or chips.
- B. The transfer shall be preceded by the placement of appropriately designated marker buttons on the card table of a value equivalent to the cash or chips to be transferred to the card room bank. Such marker buttons may only be removed by the dealer after the transaction has been completed.
- C. Upon written approval of the Commission, any gaming operator wishing to utilize the casino cage in lieu of a card room bank may do so provided that the same procedures as set forth in this Section and Sections 3 and 4 of this regulation, and related provisions thereto, shall be followed by the casino cage for such transactions.
- D. Card room banks shall be used exclusively for the purpose of maintenance of card table banks used in card games, and the purchase and redemption of chips by players.
- E. Card table banks shall be used only for the purposes of making change or handling player buy-ins.

**SECTION 6 RAKE-OFF AND TIME BUY-IN; RESTRICTIONS ON USE OF SHILLS AND PROPOSITION PLAYERS; RESTRICTIONS ON OTHER PLAYERS**

- A. The amount of any rake-off must be conspicuously posted at or near the table. Rake-offs shall only be pulled from the pot by the dealer in an obvious manner after each wager and call or at the completion of the hand. The rake-off shall be placed in a designated rake circle and shall remain in the designated rake circle until a winner is declared and paid. The rake-off shall then be dropped into the card game drop box.
- B. The designated rake circle must be clearly visible to all players and shall be positioned in a location on the table where it is at least four inches from and in front of the table tray and at least eight inches from the table drop slot, unless the table is equipped with a drop slot located at least two inches to the right of and even with the top right-hand corner of the table tray, with a cover over the drop slot, which when activated will cause the rake to drop directly into the drop box; such drop slot shall serve as the rake circle.
- C. All time buy-ins or other fee charges shall be immediately placed into the card game drop box.
- D. Shill Funds
  - 1. Issuance of shill funds must be recorded and have the written approval of the supervisor.
  - 2. Returned shill funds must be recorded and verified by a supervisor.
  - 3. The replenishment of shill funds must be documented.
- E. Stakes players shall not be utilized by any gaming operator.
- F. No dealer may wager in any game in which he is dealing.

**SECTION 7 STANDARDS FOR PROMOTIONAL PROGRESSIVE POTS AND POOLS**

- A. 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.
  - 1. The payout may be in the form of personal property, such as a car;
  - 2. A combination of a promotion and progressive pool may be offered.
- B. Rules governing promotional pools shall be conspicuously posted in the card room and/or available in writing for patron review. The rules must designate:
  - 1. The amount of funds to be contributed from each pot;
  - 2. What type of hand it takes to win the pool (*e.g.*, what constitutes a “bad beat”);
  - 3. How the promotional funds will be paid out;
  - 4. How/when the contributed funds are added to the jackpots; and
  - 5. Amount/percentage of funds allocated to primary and secondary jackpots, if applicable.
- C. 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.
- D. Promotional funds removed from the card game shall be placed in a locked container in plain view of the public.
- E. Persons authorized to transport the locked container shall be precluded from having access to the contents keys.
- F. The contents keys shall be maintained by a department independent of the card room.
- G. At least once a day, the locked container shall be removed by two individuals, one of whom is independent of the card games department and transported directly to the cage or other secure room to be counted.
- H. If the funds are maintained in the cage, the contents shall be counted, recorded, and verified prior to accepting the funds into the cage accountability.

- I. The amount of the jackpot shall be conspicuously displayed in the card room. At least once a day the progressive sign or meter, if applicable, shall be updated to reflect the current pool amount. All decreases to the pool must be properly documented, including a reason for the decrease.
- J. At least once a day increases to the progressive sign/meter shall be reconciled to the cash previously counted or received by the cage personnel independent of the card room.
- K. Individual payouts for card game promotional progressive pots and/or pools that are \$600 or more must be documented at the time of the payout to include the following:
  - 1. Patron's name;
  - 2. Date of payout;
  - 3. Dollar amount of payout and/or nature and dollar value of any noncash payout;
  - 4. The signature of the agent completing the transaction attesting to the disbursement of the payout; and
  - 5. Name of contest/tournament.
- L. If the cash (or cash equivalent) payout for the card game promotional progressive pot and/or pool is less than \$600, documentation must be created to support accountability of the bank from which the payout was made.
- M. Variances. The operation must establish, as approved by the Commission, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

## **PART VII: PROGRESSIVE TABLE GAMES**

### **SECTION 1 PROGRESSIVE METER RECONCILIATION**

- A. Procedures for progressive meter reconciliation are as follows:
1. Both the progressive and coin-in meters will be read at the beginning and close of each shift during which the game is in operation, or by the computer generated system when applicable.
  2. The meters will be read and recorded on the Progressive table game progressive payout log by the pit manager and will be recorded by the computer generated system when applicable.
  3. At the end of each business day, the Progressive table game progressive payout log will be forwarded to the accounting department where the coin-in meter readings will be reconciled to the drop that is recorded by the soft count team, and to the coin-in meter record or the computer generated system when applicable. The “change” in the progressive meter reading will be reconciled to the drop and to the log. Both of these reconciliations must be completed by each shift. The resulting documentation will be filed with the daily paperwork for the Progressive table game.

## **SECTION 2 TABLE AND PROGRESSIVE DROP**

A. Procedures for the table and progressive drop are as follows:

1. The progressive ante flows into a bend in front of the dealer in the middle of the table chip tray. The chip and tokens are collected by the dealer and placed into the chip tray.
2. The table drop box must be collected using the drop procedures described in Chapter 6, Part I, Section 6.
3. The table drop is counted and recorded in the Soft Count Room by the Soft Count Team using these Soft Count Procedures as described in Chapter 6, Part I, Section 7.



### **SECTION 3 PROGRESSIVE METER KEY STANDARDS; RECORDS**

- A. There are two keys to the progressive meter. One is the lower lock key that controls the reset for the three lower level payouts on the flush, full house, and four of a kind. The upper lock key controls the reset for the two higher level payouts on the straight flush and the royal flush. These keys are controlled as follows:
1. The lower level key is in the possession of a casino floor person, and is passed from the off-going floor person to the oncoming floor person at each shift change.
  2. The higher level key is in the possession of a casino pit manager and is passed from the off-going pit manager to the oncoming pit manager at each shift change.
  3. Whenever the game is closed, both keys are turned in to the casino cage. A key log will be maintained in the casino cage to log the keys in and out. The key log will be signed by the employee who turns the keys in and takes the keys out along with the time and date.
- B. All records and documentation required by Chapter 5 will be retained for a minimum of five (5) years.

#### **SECTION 4 CAMERA SURVEILLANCE STANDARDS; PC STANDARDS**

- A. The Progressive Table games must have surveillance, at a minimum, consisting of:
  - 1. Two fixed cameras that must continuously record during the hours the games are open for play. The tapes must be retained for the two fixed cameras as follows:
    - a. Camera #1 – entire view of the card tables’ surfaces, with clarity to identify all chip, cash and card values (D).
    - b. Camera #2 – entire view of the tables’ control box, with clarity to accurately read both LED progressive displays for each Progressive table.
    - c. Camera #3 – view of the main progressive meter.
- B. One pan/tilt/zoom camera is required for every two progressive tables, with the ability to clearly view the patron(s) and the dealer(s).
- C. The PC interfaced with the progressive table game procedures, produces a computerized printout listing of all jackpots in chronological order, percentage jackpot payout and progressive meter change authorizations, and computer communications information. This report is to be reviewed by accounting daily and is utilized to reconcile large variances between the meters and the drop. The report is to be retained for five (5) years.
- D. A password is required to access the PC for changing the progressive meter amount, and for payment of jackpots. The password is available only to a pit boss and to the casino shift manager. The accounting department will issue passwords unique to each individual who possesses a password, and the passwords will be changed quarterly.
- E. The PC interfaced with the Caribbean Stud game is located in an area that is accessible only to pit managers, or accounting and security personnel.

## **PART VIII: CAGE AND CREDIT**

NOTE 1: The following standards represent minimum acceptable credit procedures. The requirements of Chapter 8, Audit and Accounting, must also be met.

NOTE 2: For all Choctaw Gaming Commission-authorized computer applications utilized, alternate documentation and/or procedures which provide at least the level of control described by the standards in this section, as approved by the Choctaw Gaming Commission will be acceptable.

### **SECTION 1 AUTHORIZATION AND EXTENSION OF CREDIT**

NOTE: The following standards shall apply if the gaming operation authorizes and extends credit to customers.

- A. At least the following information is recorded for patrons who will have credit limits or be issued credit (excluding personal checks, payroll checks, cashier's checks and traveler's checks):
1. Patron's name, current address, and signature;
  2. Identification verifications;
  3. Authorized credit limit;
  4. Documentation of authorization by an individual designated by management to approve credit limits; and
  5. Credit issuances and payments.
- B. Prior to extending credit, the patron's gaming operation credit record and/or other documentation is examined to determine the following:
1. Properly authorized credit limit;
  2. Whether remaining credit is sufficient to cover the credit issuance; and
  3. Identity of the patron (except for known patrons).
- C. Credit extensions over a specified dollar amount are authorized by personnel designated by management.

- D. Proper authorization of credit extensions over ten percent (10%) of the previously established limit is documented.
- E. The job functions of credit authorization (*i.e.*, establishing the patron's credit worthiness) and credit extension (*i.e.*, monitoring patron's credit play activity and advancing patron's credit) are segregated for credit extensions to a single patron of \$10,000.00 or more per day (applies whether the credit is extended in the pit or the cage).
- F. If cage credit is extended to a single patron in an amount exceeding \$2,500.00, applicable gaming personnel are notified on a timely basis of the patron's playing on cage credit, the applicable amount of credit issued, and the available balance.
- G. Cage marker forms shall be at least two parts (the original marker and a payment slip), pre-numbered by the printer or concurrently numbered by the computerized system, and utilized in numerical sequence.
- H. The completed original cage marker shall contain at least the following information: marker number, player's name and signature, and amount of credit issue (both alpha and numeric).
- I. The completed payment slip shall include the same marker number as the original, date and time of payment, amount of payment, nature of settlement (cash, chips, etc.) and signature of cashier receiving the payment.
- J. If personal checks, cashier's checks, payroll checks, or counter checks are cashed at the cage, the Choctaw Gaming Commission, or the gaming operation as approved by the Choctaw Gaming Commission, shall establish, and the gaming operation shall comply with, appropriate controls for purposes of security and integrity. The Choctaw Gaming Commission, or the gaming operation as approved by the Choctaw Gaming Commission, shall establish, and the gaming operation shall comply with, procedures for the acceptance of personal checks, collecting and recording checks returned to the gaming operation after deposit, re-deposit, and write-off authorization.

These procedures shall provide for notification of cage/credit departments and custodianship of returned checks. The cage cashier:

1. Examines and records at least one item of patron identification (*e.g.*, driver's license).
2. Records a bank number or credit card number (not required for third party checks, *e.g.*, payroll checks and cashier's checks).
3. Makes a reasonable effort to verify business authenticity (for payroll checks).

## **SECTION 2 COUNTER CHECKS: TRAVELER'S CHECKS**

- A. Counter checks in excess of \$1,000.00 are not issued unless the information required by Section 1(A) has been documented.
- B. Counter checks shall comply with the requirements of Section 1(J).
- C. When counter checks are issued, the following is included on the check:
  - 1. The patron's name and signature;
  - 2. The dollar amount of the counter check (both alpha and numeric);
  - 3. Date of issuance;
  - 4. Signature or initials of the individual approving the counter check transaction; and
  - 5. Customer's bank name and bank account number.
- D. When traveler's checks or other guaranteed drafts such as cashier's checks are presented:
  - 1. The cashier must comply with examination and documentation procedures as required by the issuer and the Tribe.
  - 2. Checks in excess of \$100.00 denominations are not cashed unless the requirements of Section 1(J) have also been met.
- E. A reasonable effort is made to collect outstanding casino accounts receivable.
- F. If outstanding credit instruments are transferred to junket offices, collection agencies or other collection representatives, a copy of the credit instrument and a receipt from the collection representative are obtained and maintained until such time as the credit instrument is returned or payment is received.
- G. A detailed listing is maintained to document all outstanding credit instruments which have been transferred to other offices as indicated above. (Junket/branch offices maintain a detailed listing of outstanding credit instruments in their custody).
- H. The above listing is prepared or reviewed by an individual independent of credit transactions and collections thereon.

### **SECTION 3 PAYMENT STANDARDS**

- A. All payments received on outstanding credit instruments shall be recorded in ink or other permanent form of recordation in the gaming operation's records and at the junket/branch office (if applicable).
- B. When partial payments are made on credit instruments, they are evidenced by a multi-part receipt (or another equivalent document) which contains:
  - 1. The same preprinted number on all copies;
  - 2. Patron's name;
  - 3. Date of payment;
  - 4. Dollar amount of payment (or remaining balance if a new marker is issued), and nature of settlement (cash, chips, etc.);
  - 5. Signature of individual receiving payment; and
  - 6. Number of credit instrument on which partial payment is being made.

NOTE: The following three standards do not apply if account balances are routinely confirmed on a random basis by the accounting or internal audit department, if statements are mailed by someone independent of the credit transactions and collections thereon, and the department receiving payments cannot access cash.

- C. The routing procedures for payments by mail require that they are received by a department independent of credit instrument custody and collection.
- D. Such receipts by mail are documented on a listing indicating the following:
  - 1. Customer's name;
  - 2. Amount of payment;
  - 3. Type or nature of payment (if other than a check); and
  - 4. Date payment received.
- E. The total amount of the listing of mail receipts is reconciled with the total mail receipts recorded on the authorized accountability form by the accounting department on a random basis (for at least three (3) days per month).

**SECTION 4 ACCESS TO CREDIT DOCUMENTATION; WRITE-OFF STANDARDS**

- A. Access to the credit information is restricted to those positions which require access and are so authorized by management.
- B. Access to outstanding credit instruments is restricted to persons authorized by management.
- C. Access to written-off credit instruments is further restricted to individuals specified by management.
- D. All extensions of cage credit, pit credit transferred to the cage and subsequent payments are documented on a credit instrument control form.
- E. Records of all correspondence, transfers to and from outside agencies, and other documents related to issued credit instruments are maintained.
- F. Written-off or settled credit instruments are authorized in writing.
- G. Such authorizations are made by at least two management officials, other than junket/branch office personnel, who are from departments independent of the credit transaction.
- H. The use of collection agencies shall be governed by the following standards:
  - 1. If credit instruments are transferred to collection agencies, or other collection representative, the original credit instrument and a receipt from the collection representative shall be obtained and maintained until such time as the copy of the credit instrument is returned or payment is received.
  - 2. An individual independent of credit transactions and collections shall periodically review the documents in paragraph (H)(1) of this Section.

## **SECTION 5 FRONT MONEY AND CASH DEPOSITS**

- A. If a gaming operation permits a customer to deposit funds with the gaming operation, the receipt or withdrawal of a customer deposit is evidenced by at least a two-part document with one copy going to the customer and one copy remaining in the cage file.
- B. The multi-part form contains the following information:
  - 1. Same receipt number on all copies;
  - 2. Customer's name and signature;
  - 3. Date of receipt and withdrawal or disbursement;
  - 4. Dollar amount of deposit, withdrawal or disbursement; and
  - 5. Type or nature of deposit (cash, check, chips).

NOTE: However, provided ALL of the above information (1 through 5) is available, the only required information for all copies of the safekeeping document is the preprinted receipt number.

- C. The Choctaw Gaming Commission, or the gaming operation as approved by the Choctaw Gaming Commission shall establish and the gaming operation shall comply with procedures which:
  - 1. Maintain a detailed record by patron name and date of all funds on deposit;
  - 2. Maintain a current balance of all customer cash deposits which are in the cage/vault inventory or accountability; and
  - 3. Reconcile this current balance with the deposits and withdrawals at least daily.
- D. The gaming operation, as approved by the Choctaw Gaming Commission, 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 supervisor.
- E. All customer deposits and withdrawal transactions at the cage are recorded on a cage accountability form on a per-shift basis.
- F. Only cash, cash equivalents, chips and tokens are accepted from customers for the purpose of a customer deposit.



- G. The Choctaw Gaming Commission, or the gaming operation as approved by the Choctaw Gaming Commission shall establish and the gaming operation shall comply with procedures which verify the patron's identity including photo identification.
- H. A file for patrons shall be prepared prior to acceptance of a deposit.

## **SECTION 6 PLAYER'S SERVICES DEPARTMENT ACCOUNTABILITY**

- A. All transactions that flow through the Player's Services Department are summarized on a department accountability form on a per-shift basis and shall be supported by documentation.
- B. Increases and decreases to the Player's Services Department inventory are supported by documentation.
- C. The Player's Services Department (including coin rooms/vaults) inventories are counted by at least two persons, the oncoming and outgoing cashiers, and recorded at the end of each shift during which activity took place (at least once daily). These employees make individual counts for comparison of accuracy and maintenance of individual accountability which is recorded at the end of each shift during which activity took place. All discrepancies are noted and investigated.
- D. All net changes in outstanding gaming operation accounts receivables, including all returned checks, are summarized on a department accountability form or similar document on a per-shift basis.
- E. The gaming operation cash on hand shall include, but is not limited to, the following components:
  - 1. Currency and coins;
  - 2. House chips, including reserve chips;
  - 3. Personal checks, cashier's checks, counter checks and traveler's checks for deposit;
  - 4. Customer deposits;
  - 5. Chips on tables;
  - 6. Hopper loads (coins put into machines when they are placed in service); and
  - 7. 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).
- F. The Choctaw Gaming Commission, or the gaming operation as approved by the Choctaw Gaming Commission, shall establish, and the gaming operation shall comply with, the minimum bankroll formula to ensure the gaming operation maintains cash or

cash equivalents (on hand and in the bank, if readily accessible) in an amount sufficient to satisfy obligations to the gaming operation's patrons as they are incurred. A suggested bankroll formula will be provided by the Choctaw Gaming Commission upon request.

- G. The Choctaw Gaming Commission, or the gaming operation as approved by the Choctaw Gaming Commission, shall establish, and the gaming operation shall comply with, procedures for the receipt, inventory, storage, and destruction of gaming chips and tokens.
- H. Any program for exchanges of coupons for chips and/or tokens or other coupon programs shall be approved by the Tribe prior to implementation; if approved, the Tribe shall establish and comply with procedures that account for and control such programs.
- I. Such information is summarized, posted and reconciled to the accounting records on at least a monthly basis. The Player's Services Department accountability shall be reconciled to the general ledger at least monthly.
- J. A trial balance of gaming operation accounts receivable, including the name of patron and current balance, is prepared at least monthly in the case of active accounts, inactive, settled or written-off accounts. The reconciliation and any follow-up performed shall be documented and retained. (A listing of written-off, *i.e.*, worthless items at the time of write-off, and another listing of payments on items previously written-off is acceptable).
- K. The trial balance of gaming operation accounts receivable is reconciled to the general ledger each month. The reconciliation and any follow-up performed shall be documented, maintained for inspection for five (5) years and provided to the Choctaw Gaming Commission upon request.
- L. On a monthly basis an evaluation of the collection percentage of credit issued to identify unusual trends is performed.
- M. All cage and credit accounting procedures and any follow-up performed shall be documented, maintained for inspection for five (5) years and provided to the Choctaw Gaming Commission upon request.
- N. The Choctaw Gaming Commission, or the gaming operation as approved by the Choctaw Gaming Commission, shall establish and the gaming operation 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.

- O. Kiosks must be maintained on the Player's Services Department accountability and must be counted independently by at least two employees, documented, and reconciled for each increase or decrease to the kiosk inventory.
1. Currency cassettes must be counted and filled by an agent and verified independently by at least one agent, all of whom must sign each cassette.
  2. Currency cassettes must be secured with a lock or tamper resistant seal and, if not placed inside a kiosk, must be stored in a secured area of the cage/vault.
  3. The Commission or the gaming operation, subject to the approval of the Commission, must develop and implement physical security controls over the kiosks. Controls should address the following: forced entry, evidence of any entry, and protection of circuit boards containing programs.
  4. With regard to cashless systems, the Commission or the gaming operation, subject to the approval of the Commission, must develop and implement procedures to ensure that communications between the kiosk and system are secure and functioning.
  5. The following reconciliation reports must be available upon demand for each day, shift, and drop cycle (this is not required if the system does not track the information, but system limitation(s) must be noted):
    - a. Starting balance dollar amount per financial instrument;
    - b. Starting balance number of items per financial instrument;
    - c. Dollar amount per financial instrument issued;
    - d. Number of items per financial instrument issued;
    - e. Dollar amount per financial instrument issued;
    - f. Number of items per financial instrument redeemed;
    - g. Dollar amount per financial instrument increases;
    - h. Number of items per financial instrument increases;
    - i. Dollar amount per financial instrument decreases;
    - j. Number of items per financial instrument decreases;

- k. Ending balance dollar amount per financial instrument; and
- l. Ending balance number of items per financial instrument.

## **SECTION 7 AUDIT STANDARDS; JUNKET/BRANCH OFFICES**

- A. In addition to the internal audit standards, an individual independent of the cage, credit, and collection functions performs all of the following at least three (3) times per year:
1. Ascertain compliance with credit limits and other established credit issuance procedures.
  2. Randomly reconcile outstanding balances of both active and inactive accounts on the accounts receivable listing to individual credit records and physical instruments.
  3. Examine credit records to determine that appropriate collection efforts are being made and payments are being properly recorded.
  4. For a minimum of five (5) days per month, partial payment receipts are subsequently reconciled to the total payments recorded by the Player's Services Department for the day and are numerically accounted for.
- B. At least monthly an employee independent of junket operations and the Player's Services Department reconciles the listing prepared pursuant to Section 3(D) to the credit issuances and payments recorded by the Player's Services Department.

## PART IX: ENTERTAINMENT

### SECTION 1 ENTERTAINMENT SALES CONTROLS; PACKAGE PROGRAMS

- A. All entertainment sales are recorded in such a manner as to be readily identifiable by individual sale and in total for applicable periods of entertainment status.
- B. Internal cash register tape/information is inaccessible to bartenders/cashiers (*e.g.*, keys maintained by an individual independent of these functions).
- C. All cash register overrings, overages, or admission ticket voids require the authorization and verification of the shift supervisor or another individual independent of the transaction.
- D. All food and/or beverage complimentaries require the authorization of appropriate personnel.
- E. The net cash proceeds from the shift are documented and verified, as evidenced by signatures, by at least two employees.
- F. The bartenders/cashiers banks are reconciled to the entertainment sales with an investigation being performed into large cash overages or shortages.
- G. Show admission tickets are safeguarded, and appropriate procedures are employed in the distribution, use and control of same.
- H. If package programs and/or discount show tickets are used, the following documentation is maintained:
  - 1. Copies of package program books, discount show tickets, flyers and price breakdowns.
  - 2. Effective dates of the above items.
  - 3. Number of packages/tickets sold.
  - 4. Retail price of each item in the packages (reasonable monthly estimate/average will be acceptable).

## **SECTION 2 ACCOUNTING STANDARDS**

- A. The dates and time periods during which taxable entertainment is provided are documented.

NOTE: The above information may be documented by a department other than accounting.

- B. Entertainment contracts, if used, are reviewed and reconciled to the periods during which entertainment sales are made.
- C. Food and beverage summaries are reviewed to verify the propriety of complimentary charges.
- D. If each entertainment transaction is sequentially numbered on the register tape, then accounting personnel reconcile the continuity of sequential numbers from shift to shift for at least one twenty-four (24) hour period per week.
- E. Recording procedures for entertainment sales (See Section 1(A)) are monitored for correctness at least monthly by someone independent of those procedures.
- F. All entertainment period sales, including complimentaries, are summarized and posted to the accounting records.
- G. All cash register tapes are reviewed to ensure the register was totaled/subtotaled properly.



## PART X: INTERNAL AUDIT

### SECTION 1 INTERNAL AUDIT STANDARDS

- A. A separate internal audit department whose primary function is performing internal audit work and who is independent with respect to the departments subject to audit is maintained by a Tribe for its gaming operation(s). The internal audit personnel shall report directly to the Tribe, the Tribal Gaming Commission, audit committee or other entity designated by the Tribe.
- B. All applicable Institute of Internal Auditors Standards are required. Internal audit means persons who perform an audit function of a gaming operation that are independent of the department subject to audit. Independence is obtained through the organizational reporting relationship, as the internal audit department shall not report to management of the gaming operation. Internal audit activities should be conducted in a manner that permits objective evaluation of areas examined. Internal audit personnel may provide audit coverage to more than one operation within a Tribe's gaming operation holdings.
- C. Documentation (*e.g.*, checklists, programs, report, etc.) is prepared to evidence all internal audit work performed as it is related to these requirements, including all instances of noncompliance. The internal audit department operates with audit programs which, at a minimum, address the Choctaw Gaming Commission's Minimum Internal Control Standards. Additionally, the department properly documents the work performed, the conclusions reached, and the resolution of all exceptions.
- D. The results of the internal audit work are reported to management or ownership personnel who are independent of the departments under audit. The internal audit department shall report to management and the Choctaw Gaming Commission all instances of noncompliance that come to its attention during the course of testing compliance with these standards. Management shall be required to respond within twenty-one (21) days to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception. Such management responses shall be included in the internal audit report which will be delivered to the Choctaw Gaming Commission.
- E. All material exceptions resulting from internal audit work are investigated and resolved, with the results of such being documented and retained for five (5) years.
- F. Observations and examinations, with emphasis on compliance with the Minimum Internal Controls Standards, are performed (based on an audited financial statement yearend) on the following activities as applicable to the operation. The following are reviewed at least semi-annually:

1. 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 currency interface, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies.
2. Slot department, including but not limited to jackpot payout and slot fill procedures, slot drop, count and currency acceptor drop/count and subsequent transfer of funds, unannounced testing of weigh scale and weigh scale interface, surprise testing of count room currency counters and currency interface, slot machine drop case/cabinet access, tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies, location and control over sensitive keys, and compliance with EPROM (or other equivalent game software media) duplication procedures, and compliance with Choctaw Gaming Commission MICS procedures for gaming machines that accept coins or currency and issue cash-out tickets or gaming machines that do not accept currency or coin and do not return currency or coin.

The following departments are reviewed at least annually:

1. Keno department, including but not limited to, game write and payout procedures, sensitive key location and control, and a review of keno audit procedures.
2. Card games department, including but not limited to, supervision, exchange or transfers, playing cards, shill funds, reconciliation of card room bank, posted rules, and promotional progressive pots and pools;
3. Bingo department, including but not limited to, supervision, bingo cards, bingo card sales, draw, prize payout; cash and equivalent controls, technologic aids to the play of bingo, operations, vouchers, and revenue audit procedures;
4. Complimentary service or item, including but not limited to, procedures for issuing, authorizing, redeeming, and reporting complimentary service items;
5. Entertainment procedures for initial recording of entertainment revenue, cash turn-in procedures, accounting procedures and package program allocations.
6. Cage, vault, cash and cash equivalent procedures, including supervision, cash and cash equivalents, personal checks, cashier's checks, traveler's checks, payroll checks, and counterchecks, Player's Services Department accountability, kiosks, patron deposited funds, promotional payouts, drawings, and giveaway programs, chip and token standards, and cage and vault access,

all cage, credit and collection procedures, and the reconciliation of trial balances to physical instruments on a sample basis.

7. Gaming promotions and player tracking procedures, including supervision, gaming promotion rules and player tracking systems.
8. Lines of credit procedures, including establishment of lines of credit policy.
9. Drop and count standards, including supervision, count room access, count team, card game drop standards, player interface and financial instrument drop standards, card game count standards, player interface financial instrument count standards, and controlled keys.
10. Information technology, including supervision, class II gaming systems; logical and physical controls, independence, physical security, logical security, user controls, installations and/or modifications/ remote access, incident monitoring and reporting, data back-ups software downloads, and verifying downloads;
11. Patron deposit accounts and cashless systems procedures, including supervision, patron deposit accounts and cashless systems, as well as patron deposits, withdrawals and adjustments;
12. Information technology, including supervision, class gaming systems' logical and physical controls, independence, physical security, logical security, user controls, installations and/or modifications, remote access, incident monitoring and reporting, data back-ups, software downloads, and verifying downloads;
13. Player's Services Department accountability is reconciled to the general ledger.
14. Pari-mutual wagering, if applicable, including write and payout procedures, and pari-mutual auditing procedures.
15. Electronic data processing functions, including review for compliance with information technology standards.
16. Pull tabs, including but not limited to, statistical records, winner verification, perpetual inventory, and accountability of sales versus inventory.

- G. Junket/branch offices having average total account balances of \$200,000.00 or more are visited and reviewed at least biannually. The review includes all credit and collection procedures, and the reconciliation of physical instruments to the listing maintained by the gaming operator of transfers to/from the junket/branch office.
- H. In addition to the observations and examinations performed under paragraphs F and G of this Section, follow-up observations and examinations are performed to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit, the Commission and/or the independent accountant. The verification is performed within six (6) months following the date of notification.
- I. At least annually, the internal audit staff tests for compliance with these regulations.
- J. Reports documenting audits performed shall be maintained with a copy submitted to the Choctaw Gaming Commission. The audit reports shall include the following information:
  - 1. Audit objectives;
  - 2. Audit procedures and scope;
  - 3. Findings and conclusions;
  - 4. Recommendations, if applicable; and
  - 5. Management's response.
- K. Whenever possible, internal audit observations are performed on an unannounced basis (*i.e.*, without the employees being forewarned that their activities will be observed).
- L. Controls must be established and procedures implemented to audit of each of the following operational areas:
  - 1. Bingo.
    - a. At the end of each month, verify the accuracy of the ending balance in the bingo control log by reconciling it with the bingo paper inventory. Investigate and document any variance noted.
    - b. Daily, reconcile supporting records and documents to summarized paperwork or electronic records (*e.g.* total sales and payouts per shift and/or day).

- c. At least monthly, review variances related to bingo accounting data in accordance with an established threshold, which must include, at a minimum, variance(s) noted by the Class II gaming system for cashless transactions in and out, electronic funds transfer in and out, external bonus payouts, vouchers out and coupon promotion out. Investigate and document any variance noted.
  - d. At least monthly, review statistical reports for any deviations from the mathematical expectations exceeding a threshold established by the Commission. Investigate and document any deviations compared to the mathematical expectations required to be submitted per § 547.4.
  - e. At least monthly, take a random sample, foot the vouchers redeemed and trace the totals to the totals recorded in the voucher system and to the amount recorded in the applicable cashier's accountability document.
2. Pull tabs.
- a. Daily, verify the total amount of winning pull tabs redeemed each day.
  - b. At the end of each month, verify the accuracy of the ending balance in the pull tab control log by reconciling the pull tabs on hand. Investigate and document any variance noted.
  - c. At least monthly, compare for reasonableness the amount of pull tabs sold from the pull tab control log to the amount of pull-tab sales.
  - d. At least monthly, review statistical reports for any deviations exceeding a specified threshold, as defined by the Commission. Investigate and document any large and unusual fluctuations noted.
3. Card games.
- a. Daily, reconcile the amount indicated on the progressive sign/meter to the cash counted or received by the cage and the payouts made for each promotional progressive pot and pool. This reconciliation must be sufficiently documented, including substantiation of differences and adjustments.
  - b. At least monthly, review all payouts for the promotional progressive pots, pools, or other promotions to verify payout accuracy and proper accounting treatment and that they are conducted in accordance with conditions provided to the patrons.

- c. At the conclusion of each contest/tournament, reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document.
4. Gaming promotions and player tracking.
- a. At least monthly, review promotional payments, drawings, and giveaway programs to verify payout accuracy and proper accounting treatment in accordance with the rules provided to patrons.
  - b. At least monthly, for computerized player tracking systems, perform the following procedures
    - (i) Review authorization documentation for all manual point additions/deletions for propriety;
    - (ii) Review exception reports, including transfers between accounts; and
    - (iii) Review documentation related to access to inactive and closed accounts.
  - c. At least annually, all computerized player tracking systems must be reviewed by employee(s) independent of the individuals that set up or make changes to the system parameters. The review must be performed to determine that the configuration parameters are accurate and have not been altered without appropriate management authorization document and maintain the test results.
5. Complimentary services or items. At least monthly, review the reports required in § 543.13(d). These reports must be made available to those entities authorized by the Commission or by tribal law or ordinance.
6. Patron deposit accounts.
- a. At least weekly, reconcile patron deposit account liability (deposits ±adjustments±withdrawals = total account balance) to the system record.
  - b. At least weekly, review manual increases and decreases to/from player deposit accounts to ensure proper adjustments were authorized.
7. Lines of credit.
- a. At least three (3) times per year, an employee independent of the cage, credit, and collection functions must perform the following review:

- (i) Select a sample of line of credit accounts;
    - (ii) Ascertain compliance with credit limits and other established credit issuance procedures;
    - (iii) Reconcile outstanding balances of both active and inactive (includes write-offs and settlements) accounts on the accounts receivable listing to individual credit records and physical instruments. This procedure need only be performed once per year for inactive accounts;
    - (iv) Examine line of credit records to determine that appropriate collection efforts are being made and payments are being properly recorded; and,
    - (v) For at least five (5) days during the review period, subsequently reconcile partial payment receipts to the total payments recorded by the cage for the day and account for the receipts numerically.
  - b. At least monthly, perform an evaluation of the collection percentage of credit issued to identify unusual trends.
8. Drop and count.
- a. At least quarterly, unannounced currency counter and currency counter interface (if applicable) tests must be performed, and the test results documented and maintained. All denominations of currency and all types of cash out tickets counted by the currency counter must be tested. This test may be performed by internal audit or the Commission. The result of these tests must be documented and signed by the agent(s) performing the test;
  - b. At least quarterly, unannounced weigh scale and weigh scale interface (if applicable) tests must be performed, and the test results documented and maintained. This test may be performed by internal audit or the Commission. The result of these tests must be documented and signed by the agent(s) performing the test;
  - c. For computerized key security systems controlling access to drop and count keys, perform the following procedures:
    - (i) At least quarterly, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes

users' access within the system (*i.e.*, system administrator). Determine whether the transactions completed by the system administrator provide adequate control over the access to the drop and count keys. Also, determine whether any drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized;

- (ii) At least quarterly, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual drop and count key removals or key returns occurred;
- (iii) At least quarterly, review a sample of users that are assigned access to the drop and count keys to determine that their access to the assigned keys is appropriate relative to their job position; and,
- (iv) At least quarterly, an inventory of all controlled keys must be performed and reconciled to records of keys made, issued, and destroyed. Investigations must be performed for all keys unaccounted for, and the investigation documented

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

- a. At least monthly, the cage accountability must be reconciled to the general ledger;
- b. At least monthly, trace the amount of cage deposits to the amounts indicated in the bank statements;
- c. Twice annually, a count must be performed of all funds in all gaming areas (*i.e.* cages, vaults, and booths (including reserve areas), kiosks, cash-out ticket redemption machines, and change machines. Count all chips and tokens by denomination and type. Count individual straps, bags, and imprest banks on a sample basis. Reconcile all amounts counted to the amounts recorded on the corresponding accountability forms to ensure that the proper amounts are recorded. Maintain documentation evidencing the amount counted for each area and the subsequent comparison to the corresponding accountability form. The count must be completed within the same gaming day for all areas.
  - (i) Counts must be observed by an individual independent of the department being counted. It is permissible for the individual responsible for the funds to perform the actual count while being observed.



- (ii) Internal audit may perform and/ or observe the two counts.
  - d. At least annually, select a sample of invoices for chips and tokens purchased, and trace the dollar amount from the purchase invoice to the accountability document that indicates the increase to the chip or token inventory to ensure that the proper dollar amount has been recorded.
  - e. At each business year end, create and maintain documentation evidencing the amount of the chip/token liability, the change in the liability from the previous year, and explanations for adjustments to the liability account including any adjustments for chip/token float.
  - f. At least monthly, review a sample of returned checks to determine that the required information was recorded by cage employee(s) when the check was cashed.
  - g. At least monthly, review exception reports for all computerized cage systems for propriety of transactions and unusual occurrences. The review must include, but is not limited to, voided authorizations. All noted improper transactions or unusual occurrences identified must be investigated and the results documented.
  - h. Daily, reconcile all parts of forms used to document increases/decreases to the total cage inventory, investigate any variances noted, and document the results of such investigations.
10. Inventory.
- a. At least monthly, verify receipt, issuance, and use of controlled inventory, including, but not limited to, bingo cards, pull tabs, playing cards, keys, prenumbered and/or multi-part forms;
  - b. Periodically perform minimum bankroll calculations to ensure that the gaming operation maintains cash in an amount sufficient to satisfy the gaming operation's obligations.

## PART XI: INFORMATION TECHNOLOGY

### SECTION 1 ELECTRONIC DATA PROCESSING STANDARDS

- 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 which could cause errors or compromise data or processing integrity.
    - a. Management shall ensure that all new gaming vendor hardware and software agreements/contracts will require the vendor to adhere to the tribal minimum internal control standards.
    - b. Physical security measures shall exist over computer; computer terminals and storage media to prevent unauthorized access and loss of integrity of data and processing.
    - c. Access to systems software and application programs shall be limited to authorized personnel.
    - d. Access to computer data shall be limited to authorized personnel.
    - e. Access to computer communications facilities, or the computer system, and information transmissions shall be limited to authorized personnel.
    - f. Standards in paragraph (A)(1) of this Section shall apply to each applicable department within the gaming operation.
  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 the 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.
  - a. Each user shall have their own individual passwords; and
  - b. Passwords shall be changed at least quarterly with changes documented.
  - c. 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, which include:
  - a. Daily data backup of critical information technology systems;
  - b. Data backup of critical programs or the ability to reinstall the exact programs as needed;
  - c. Secured storage of all backup data files and programs, or other adequate protection;
  - d. Mirrored or redundant data source; and
  - e. Redundant and/or backup hardware
9. Controls must include recovery procedures, including, but not limited to, the following:
  - a. Data backup restoration;
  - b. Program restoration; and
  - c. Redundant or backup hardware restoration.
10. Recovery procedures must be tested on a sample basis at specified intervals at least annually. Results must be documented.

11. Adequate information technology system documentation shall be maintained, including descriptions of hardware and software, operator manuals, etc.
- B. If a separate information technology department is maintained or if there are in-house developed systems, the following standards shall apply:
1. The information technology department shall be independent of the gaming areas (*e.g.*, cage, pit, count rooms, etc.). Information technology procedures and controls should be documented and responsibilities communicated.
  2. Information technology department personnel shall be precluded from unauthorized access to:
    - a. Computers and terminals located in gaming areas;
    - b. Source documents; and
    - c. Live data files (not test data).
  3. Information technology personnel shall be:
    - a. Restricted from having an authorized access to cash or other liquid assets; and
    - b. From initiating general or subsidiary ledger entries.
    - c. Information technology employees having access to Class II gaming systems may not have signatory authority over financial instruments and payout forms and must be independent of and restricted from access to:
      - (i) Financial instruments;
      - (ii) Accounting, audit, and ledger entries; and
      - (iii) Payout forms.
  4. Program changes for in-house developed systems should be documented as follows:
    - a. Requests for new programs or program changes shall be reviewed by the information technology supervisor. Approvals to work being performed on the program shall be documented.

- b. A written plan of implementation for new and modified programs shall be maintained and 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.
  - c. Testing of new and modified programs shall be performed and documented prior to implementation; and
  - d. A record of the final program or program changes, including evidence of user acceptance, date in service programmer, and reason of changes, shall be documented and maintained.
5. Computer security logs, if generated by the system, shall be reviewed by information technology supervisory personnel for evidence of:
- a. Multiple attempts to log on, or alternatively, the system shall deny user access after three attempts to log on;
  - b. Unauthorized changes to live data files; and
  - c. Any other unusual transactions.
  - d. This paragraph shall not apply to personal computers.
- C. If remote dial up to any associated equipment is allowed for software support, the gaming operation shall maintain an access log which includes:
- 1. Name of employee authorizing modem access;
  - 2. Name of authorized programmer or manufacturer representative;
  - 3. Reason for modem access;
  - 4. Description of work performed; and
  - 5. Date, time, and duration of access.
- D. Documents may be scanned or directly stored to WORM (“Write Once Read Many”) optical disk with the following conditions.
- 1. The optical disk shall contain the exact duplicate of the original document.

2. All documents stored on optical disk shall be maintained with a detailed index containing the gaming operation department and date. This index shall be available upon request by the Commission.
  3. Upon request and adequate notice by the Tribe or the Commission, hardware (terminal, printer, etc.) shall be made available in order to perform auditing procedures.
  4. Controls shall exist to ensure the accurate reproduction of records up to and including the printing of stored documents used for auditing purposes.
  5. If source documents and summary reports are stored on re-writeable optical disks, the disks may not be relied upon for the performance of any audit procedures and the original documents and summary reports shall be retained.
  6. The disks shall be retained for a minimum of five (5) years.
  7. Original documents must be retained for a minimum of one (1) year after they have been scanned to WORM disks.
- E. Class II gaming systems' logical and physical controls. Controls must be established and procedures implemented to ensure adequate:
1. Control of physical and logical access to the information technology environment, including accounting, voucher, cashless and player tracking systems, among others used in conjunction with Class II gaming;
  2. Physical and logical protection of storage media and its contents, including recovery procedures;
  3. Access credential control methods;
  4. Record keeping and audit processes; and
  5. Departmental independence, including, but not limited to, means to restrict agents that have access to information technology from having access to financial instruments.
- F. Physical security.

1. The information technology environment and infrastructure must be maintained in a secured physical location such that access is restricted to authorized agents only.
2. Access devices to the systems' secured physical location, such as keys, cards, or fobs, must be controlled by an independent agent.
3. Access to the systems' secured physical location must be restricted to agents in accordance with established policies and procedures, which must include maintaining and updating a record of agents granted access privileges.
4. Network Communication Equipment must be physically secured from unauthorized access.

G. Logical security.

1. Controls must be established and procedures implemented to protect all systems and to ensure that access to the following is restricted and secured:
  - a. Systems' software and application programs;
  - b. Data associated with Class II gaming; and
  - c. Communications facilities, systems, and information transmissions associated with Class II gaming systems.
2. Unused services and non-essential ports must be disabled whenever possible.
3. Procedures must be implemented to ensure that all activity performed on systems is restricted and secured from unauthorized access, and logged.
4. Communications to and from systems via Network Communication Equipment

H. Incident monitoring and reporting.

1. Procedures must be implemented for responding to, monitoring, investigating, resolving, documenting, and reporting security incidents associated with information technology systems.
2. All security incidents must be responded to within an established time period approved by the Commission and formally documented must be logically secured from unauthorized access.

H. Software downloads. Downloads, either automatic or manual, must be performed in accordance with 25 CFR 547.12.

1. Verifying downloads. Following download of any Class II gaming system software, the Class II gaming system must verify the downloaded software using a software signature verification method. Using any method it deems appropriate, the Commission must confirm the verification.



**PART XII: COMPLIMENTARY SERVICES OR ITEMS  
AND GUEST INCENTIVES**

**SECTION 1 COMPLIMENTARY SERVICES OR ITEMS AND INCENTIVES  
STANDARDS**

- A. Each gaming operation shall establish and comply with written policies, procedures and internal checks and controls regarding the authorization, issuance, redemption, and tracking of complimentary services and items, including cash and non-cash gifts, and guest incentives, including free play and “bonus bet” opportunities. Such written policies, procedures, and internal checks and controls must be approved by the Choctaw Gaming Commission and shall include, but shall not be limited to, the procedures by which the gaming operation delegates to its employees the authority to approve the issuance of complimentary services and items and guest incentives; the procedures by which conditions or limits, which may apply to such authority are established and modified, including limits based on relationships between the authorizer and recipient; procedures for making and documenting changes to conditions or limits on the approval and issuance of complimentary services and items and guest incentives; procedures to track complimentary services and items and guest incentives for audit purposes; a system of internal checks and controls to ensure compliance with the policies and procedures governing the authorization, issuance, redemption, and tracking of complimentary services and items and guest incentives; and a protocol for the gaming operation to follow in the event that the authorization and/or issuance of a complimentary service or item or guest incentive is made in error.
- B. Each gaming operation shall document and record the authorization, issuance, and redemption of complimentary services and items and guest incentives. Records must include the following for all complimentary items and services and guest incentives equal to or exceeding an amount established by the gaming operation and approved by the Commission. With regard to complimentary services, such shall include:
1. Name of guest who received the complimentary service or item;
  2. Name(s) of issuer(s) 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 (*e.g.*, food, beverage); and
  5. Date the complimentary service or item was issued.

With regard to guest incentives (*e.g.* free play), a record of each guest incentive to include the name, amount, date, and type of guest/group shall be maintained.

- C. Records of both complimentary services and items and guest incentives must be summarized and reviewed for proper authorization and compliance with established authorization thresholds and all other applicable policies, procedures, and internal controls.
  - 1. A detailed reporting of complimentary service and item and guest incentive transactions equal to or greater than \$20.00 must be prepared at least monthly; and
  - 2. The detailed report must be forwarded to management for review.
- D. The internal audit or accounting departments shall review the reports required in paragraph (B) of this Section at least weekly. These reports shall be made available to the Tribe, the Tribe's independent regulatory body, and the Choctaw Gaming Commission upon request.
- E. The report required by paragraph (B) of this Section shall not be required to include complimentary services or items or guest incentives below a reasonable amount to be established by the Choctaw Gaming Commission, or the gaming operation as approved by the Choctaw Gaming Commission.

### **PART XIII: PULL TABS**

- A. Supervision. Supervision must be provided as needed for pull tab operations and over pull tab storage areas by an agent(s) with authority equal to or greater than those being supervised.
- B. Pull tab inventory. Controls must be established and procedures implemented to ensure that:
  - 1. Access to pull tabs is restricted to authorized agents;
  - 2. The pull tab inventory is controlled by agents independent of pull tab sales;
  - 3. Pull tabs exchanged between agents are secured and independently controlled;
  - 4. Increases or decreases to pull tab inventory are recorded, tracked, and reconciled; and
  - 5. Pull tabs are maintained in a secure location, accessible only to authorized agents, and with surveillance coverage adequate to identify persons accessing the area.
- C. Pull tab sales.
  - 1. Controls must be established and procedures implemented to record, track, and reconcile all pull tab sales and voids.
  - 2. When pull tab sales are recorded manually, total sales must be verified by an agent independent of the pull tab sales being verified.
  - 3. No person may have unrestricted access to pull tab sales records.
- D. Winning pull tabs.
  - 1. Controls must be established and procedures implemented to record, track, and reconcile all redeemed pull tabs and pull tab payouts.
  - 2. The redeemed pull tabs must be defaced so that they cannot be redeemed for payment again.
  - 3. Pull tabs that are uniquely identifiable with a machine readable code (including, but not limited to a barcode) may be redeemed, reconciled, and stored by kiosks without the need for defacing, so long as the redeemed pull tabs are secured and destroyed after removal from the kiosk in accordance with the procedures approved by the Commission.

4. At least two agents must document and verify all prize payouts above \$600, or lower threshold as authorized by management and approved by the Commission.
    - a. An automated method may substitute for one verification.
    - b. The predetermined threshold must be authorized by management, approved by the Commission, documented, and maintained.
  5. Total payout must be calculated and recorded by shift.
- E. Pull tab operating funds.
1. All funds used to operate the pull tab game must be accounted for and recorded and all transfers of cash and/or cash equivalents must be verified.
  2. All funds used to operate the pull tab game must be independently counted and verified by at least two agents and reconciled to the recorded amounts at the end of each shift or session.
- F. Statistical records.
1. Statistical records must be maintained, including (for games sold in their entirety or removed from play) a win-to-write hold percentage as compared to the expected hold percentage derived from the floor.
  2. A manager independent of the pull tab operations must review statistical information when the pull tab deal has ended or has been removed from the floor and must investigate any unusual statistical fluctuations. These investigations must be documented, maintained for inspection, and provided to the Commission upon request.
- G. Revenue audit. Standards for revenue audit of pull tabs are contained in 25 CFR § 543.24, Revenue Audit.
- H. Variances. The operation must establish, as approved by the Commission, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

## PART XIV: PARI-MUTUEL WAGERING

NOTE: Exemptions:

1. The requirements of this section shall not apply to gaming operations who house pari-mutuel wagering operations conducted entirely by a state licensed simulcast service provider pursuant to an approved Tribal-State Compact if:
  - a. The simulcast provider utilizes its own employees for all aspects of the pari-mutuel wagering operation;
  - b. The gaming operation posts, in a location visible to the public, that the simulcast service provider and its employees are wholly responsible for the conduct of pari-mutuel wagering offered at that location;
  - c. The gaming operation receives a predetermined fee from the simulcast service provider; and
  - d. In addition, the Choctaw Gaming Commission, or the gaming operation as approved by the Choctaw Gaming Commission, shall establish, and the gaming operation shall comply with, standards that ensure that the gaming operation receives, from the racetrack, its contractually guaranteed percentage of the handle.
  
2. Gaming operations that contract directly with a state regulated racetrack as a simulcast service provider, but whose on-site pari-mutuel operations are conducted wholly or in part by tribal gaming operation employees, shall not be required to comply with the Accounting and Auditing functions of this part of the Choctaw Gaming Commission Regulations.
  - a. If any standard contained within this part conflicts with state law, a Tribal –State Compact, or a contract, then the gaming operation shall document the basis for noncompliance, shall maintain such documentation for inspection by the Choctaw Gaming Commission upon request and shall notify the Choctaw Gaming Commission in writing immediately.
  - b. In addition, the Choctaw Gaming Commission, or the gaming operation as approved by the Choctaw Gaming Commission, shall establish and the gaming operation shall comply with standards that ensure that the operation receives, from the racetrack, its contractually guaranteed percentage of the handle.

## **SECTION 1 BETTING TICKET AND EQUIPMENT STANDARDS**

- A. 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.
- B. Whenever a betting station is opened for wagering or turned over to a new writer/cashier, the writer/cashier shall sign on the computer shall document gaming operation name, station number, the writer/cashier identifier, and the date and time.
- C. A betting ticket shall consist of at least three parts:
  - 1. An original which shall be transacted and issued through a printer and given to the patron;
  - 2. A copy which shall be recorded concurrently with the generation of the original ticket either on paper or other storage media (*e.g.*, tape or diskette);
  - 3. A restricted copy which shall not be accessible to book employees; and
  - 4. For automated systems the second copy and the restricted copy may be retained within the automated system.
- D. Upon accepting a wager, the betting ticket which is created shall contain the following:
  - 1. An alpha-numeric ticket number (the alpha-numeric need not be used if the numeric series is not used during the business year);
  - 2. Gaming operation name and station number;
  - 3. Race track, race number, horse identification or even identification, as applicable;
  - 4. Type of bet(s), each bet amount, total number of bets, and total take; and
  - 5. Date and time.
- E. All tickets shall be considered final at post time.

- F. If a book voids a betting ticket written prior to post time, it shall be immediately entered into the system:
1. A void designation shall be immediately branded by the computer on the ticket;
  2. All voids shall be signed by the writer/cashier and the supervisor at the time of the void; and
  3. A ticket may be voided manually by inputting the ticket sequence number and immediately writing/stamping a void designation on the original ticket.
- G. Future wagers shall be accepted and processed in the same manner as regular wagers.

## **SECTION 2 PAYOUT STANDARDS**

- A. Prior to making payment on a ticket the writer/cashier shall input the ticket for verification and payment authorization.
- B. The system shall brand the ticket with a paid designation, the amount of payment and date, or if a writer/cashier manually inputs the ticket sequence number into the computer, the writer/cashier shall immediately date stamp and write/stamp a paid designation on the patron's ticket.
- C. The computer shall be incapable of authorizing payment on a ticket which has been previously paid, a voided ticket, a losing ticket, or an un-issued ticket.
- D. In case of computer failure, tickets may be paid. In those instances where system failures have occurred and tickets are manually paid, a log shall be maintained which includes:
  - 1. Date and time of system failure;
  - 2. Reason for failure; and
  - 3. Date and time system is restored.
- E. A log for all manually paid tickets shall be maintained which shall include:
  - 1. An alpha-numeric ticket number (the alpha-numeric need not be used if the numeric series is not used during the business year);
  - 2. Gaming operation name and station number;
  - 3. Racetrack, race number, runner identification or event identification, as applicable;
  - 4. Type of bet(s), each bet amount, total number of bets and total take; and
  - 5. Date and time.
- F. All manually paid tickets shall be entered into the computer system as soon as possible to verify the accuracy of the payout (this does not apply to purged, unpaid winning tickets). All manually paid tickets shall be re-graded as part of the end-of-day audit process should the computer system be inoperative.



### **SECTION 3 CHECKOUT STANDARDS**

- A. Whenever the betting station is closed or the writer/cashier is replaced, the writer/cashier shall sign off and the computer shall document the gaming operation name, station number, the writer/cashier identifier, the date and time, and cash balance.
- B. For each writer/cashier station a summary report shall be completed at the conclusion of each shift including:
  - 1. Computation of cash turned in for the shift; and
  - 2. Signatures of two employees who have verified the cash turned in for the shift.
- C. Pari-mutual book employees shall be prohibited from wagering on race events while on duty, including during break periods and from wagering on race events occurring while the employee is on duty.

#### **SECTION 4 COMPUTER REPORTS STANDARDS**

- A. Adequate documentation of all pertinent pari-mutuel information shall be generated by the computer system.
- B. This documentation shall be restricted to authorized personnel.
- C. The documentation shall be created daily and shall include, but is not limited to:
  - 1. Ticket/voucher number;
  - 2. Date and time of transactions;
  - 3. Type of wager;
  - 4. Animal identification or event identification;
  - 5. Amount of wagers (by ticket, writer/SAM, track/event, and total);
  - 6. Amount of payout (by ticket, writer/SAM, track/event, and total);
  - 7. Tickets refunded (by ticket, writer, track/event, and total);
  - 8. Unpaid winners/vouchers (“outs”) (by ticket/voucher, track/event, and total);
  - 9. Voucher sales/payments (by ticket, writer/SAM, and track/event);
  - 10. Voids (by ticket, writer and total);
  - 11. Future wagers (by ticket, date of event, total by day, and total at the time of revenue recognition);
  - 12. Results (winners and payout data);
  - 13. Breakage data (by race and track/event);
  - 14. Commission data (by race and track/event); and
  - 15. Purged data (by ticket and total).

- D. The system shall generate the following reports:
1. A daily reconciliation report that summarizes totals by track/event including write, the day's winning ticket total, 1-commission and breakage due the gaming operation, and net funds transferred to or from the gaming operation's bank account;
  2. 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
  3. A purged ticket report that contains a listing of ticket numbers, description, ticket cost and value, and date purged.

**SECTION 5 ACCOUNTING AND AUDIT STANDARDS**

- A. The pari-mutuel audit shall be conducted by someone independent of the race, sports, and pari-mutuel operation.
- B. Documentation shall be maintained evidencing the performance of all parimutuel accounting and auditing procedures.
- C. An accounting employee shall review handle, commission, and breakage, for each day's play and recalculate the net amount due to or from the system operator on a weekly basis.
- D. The auditor shall verify daily cash turn-in by comparing actual cash turned in to Cash turn-in per pari-mutuel reports:

Beginning Balance  
+ Fills (draws)  
+ Net Write (Sold less voids)  
- Payouts (Net of IRS withholding)  
- Moneybacks (paid)  
= Cash turn-in

- E. For one track/event per day, the auditor shall verify commissions per the daily reconciliation report by recalculating track/event commissions.
- F. For the track/event selected, the auditor shall verify daily transfers due to/from the system's operator by recalculating the deposits.

Net sales  
+ Negative Breakage  
- Commissions  
- Positive Breakage  
- Accrual Pays  
= Deposit

- G. An accounting employee shall produce a gross revenue recap report to calculate gross revenue on a daily and month-to-month basis, including the following totals:
  - 1. Commission;
  - 2. Positive breakage;

3. Negative breakage;
  4. Track/event fees:
  5. Track/event fee rebates; and
  6. Purged tickets.
- H. Track/event fees and track/event fee rebates shall be traced to the invoices received from the system's operator.
- I. All winning tickets and vouchers from the SAM's shall be removed on a daily basis by an accounting employee.
- J. SAM's winning tickets and vouchers shall be immediately delivered to the accounting department.
- K. In the event a SAM does not balance for a day's play, the auditor shall perform the following procedures:
1. Foot the winning tickets and vouchers deposited and trace to the totals of SAM activity produced by the system;
  2. Foot the listing of cashed vouchers and trace to the totals produced by the system;
  3. Review all exceptions for propriety of transactions and unusual occurrences;
  4. Review all voids for propriety;
  5. Verify the results as produced by the system to the results provided by an independent source;
  6. Re-grade 1% of paid (cashed) tickets to ensure accuracy and propriety; and
  7. When applicable, reconcile the totals of futures tickets written to the totals produced by the system for both unearned and earned take, and review of the reports to ascertain that future wagers are properly included on the day of the event.

- L. At least annually the auditor shall:
  - 1. Foot the wagers for one day and trace to the total produced by the system.
- M. At least one day per quarter, the auditor shall recalculate and verify the change in the unpaid winners to the total purged tickets.
- N. For any computer applications utilized, alternate documentation and/or procedures which provide at least the level of control described by the standards in this section will be acceptable.

## **PART XV: PATRON DEPOSIT ACCOUNTS AND CASHLESS SYSTEMS**

- A. Patron deposit accounts and cashless systems
1. Smart cards cannot maintain the only source of account data.
  2. Establishment of patron deposit accounts. The following standards apply when a patron establishes an account:
    - a. The patron must appear at the gaming operation in person, at a designated area of accountability, and present valid government issued picture identification; and
    - b. An agent must examine the patron's identification and record the following information:
      - (i) Type, number, and expiration date of the identification;
      - (ii) Patron's name;
      - (iii) A unique account identifier;
      - (iv) Date the account was opened; and
      - (v) The agent's name.
  3. The patron must sign the account documentation before the agent may activate the account.
  4. The agent or cashless system must provide the patron deposit account holder with a secure method of access.
- B. Patron deposits, withdrawals and adjustments.
1. Prior to the patron making a deposit or withdrawal from a patron deposit account, the agent or cashless system must verify the patron deposit account, the patron identity, and availability of funds. A personal identification number (PIN) is an acceptable form of verifying identification.
  2. Adjustments made to the patron deposit accounts must be performed by an agent.
  3. When a deposit, withdrawal, or adjustment is processed by an agent, a transaction record must be created containing the following information:

- a. Same document number on all copies;
  - b. Type of transaction, (deposit, withdrawal, or adjustment);
  - c. Name or other identifier of the patron;
  - d. The unique account identifier;
  - e. Patron signature for withdrawals, unless a secured method of access is utilized;
  - f. For adjustments to the account, the reason for the adjustment;
  - g. Date and time of transaction;
  - h. Amount of transaction;
  - i. Nature of deposit, withdrawal, or adjustment (cash, check, chips); and
  - j. Signature of the agent processing the transaction.
4. When a patron deposits or withdraws funds from a patron deposit account electronically, the following must be recorded:
    - a. Date and time of transaction;
    - b. Location (player interface, kiosk);
    - c. Type of transaction (deposit, withdrawal);
    - d. Amount of transaction; and
    - e. The unique account identifier.
  5. Patron deposit account transaction records must be available to the patron upon reasonable request.
  6. If electronic funds transfers are made to or from a gaming operation bank account for patron deposit account funds, the bank account must be dedicated and may not be used for any other types of transactions.



- C. Variances. The operation must establish, as approved by the Commission, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.