

CHAPTER 10

NOTICES OF VIOLATION AND CIVIL ASSESSMENTS

SECTION 1 NOTICE OF VIOLATION: REPORTING OF VIOLATION

- A. The Commission may issue a Notice of Violation to any gaming operator, licensee or permittee for any violation(s) of any provision of these regulations, Title XV of the Choctaw Tribal Code, the Indian Gaming Regulatory Act of 1988, *et seq.*, the Tribal-State Compact, other applicable Federal Law, or any regulation, or rule related thereto.
- B. A Notice of Violation shall contain:
1. A citation to the tribal or federal law, regulation, ordinance, or resolution or Tribal-State Compact provision that has been or is being violated;
 2. A description of the circumstances surrounding the violation, set forth in common and concise language;
 3. Measures required to correct the violation;
 4. A reasonable time for correction, if the gaming operator, licensee or permittee cannot take measures to correct the violation immediately;
 5. The civil assessment, if any, for the violation or other enforcement action taken or any other actions taken, including, but not limited to, the suspension or revocation of a license or permit;
 6. Deadline for payment of civil assessment, if any; and
 7. Instructions on how to seek administrative review of the Commission's decision.
- C. Prior to the Commission's issuance of a Notice of Violation, the Commission may provide a letter of concern to a gaming operator, licensee or permittee detailing concerns regarding the gaming operator, licensee or permittee's compliance with applicable law and regulations. A letter of concern should describe the available facts and information, including a preliminary assessment regarding the incident or condition, and indicate that it may be a violation. A letter of concern issued under this section must provide a reasonable time period for the gaming operator, licensee or permittee to respond. The Commission's discretion to issue a Notice of Violation and take any accompanying enforcement action is not limited or constrained in any way by this subsection (C).

- D. Any violation(s) of the provisions of the Tribal-State Compact, the Indian Gaming Regulatory Act of 1988, the Tribal Code or of Tribal ordinances by a gaming operator, licensee, permittee, or any person on the licensed premises whether or not associated with the gaming operator, licensee, or permittee shall be reported immediately to the Gaming Commission. If an investigation results in the issuance of a Notice of Violation to a gaming operator or licensee, the Gaming Commission shall forward a summary of such Notices of Violation to the Mississippi Gaming Commission on a continuing basis. The Gaming Commission may request the Mississippi Gaming Commission to assist in any investigation initiated by the Gaming Commission and provide other requested services to ensure proper compliance with the provisions of the Tribal-State Compact, the Tribal ordinances, the Indian Gaming Regulatory Act, and other applicable federal laws and any regulations promulgated thereunder.

SECTION 2 ORDER OF TEMPORARY CLOSURE

- A. When an Order of Temporary Closure May Be Issued: The Commission may also issue an order of temporary closure with a Notice of Violation of all or part of the licensed premises if one or more of the following substantial violations are present:
1. A gaming operator, licensee, or permittee fails to correct violations or pay an assessment within the time permitted by order of the Commission;
 2. Any party required to have a license or work permit operates or works on licensed premises without such a license or work permit or with a suspended or revoked license or work permit from the Gaming Commission;
 3. There is clear and convincing evidence that the gaming operator, licensee, or permittee's operation defrauds a customer;
 4. The gaming operator, licensee, or permittee, or any of its agents or employees, knowingly submits false or misleading information to the Gaming Commission in response to any provision of Title XV of the Choctaw Tribal Code, the Indian Gaming Regulatory Act of 1988, or any rule or regulation promulgated thereunder;
 5. A gaming operator, licensee, or permittee, or any employee or agent of a gaming operator, licensee, or permittee, refuses to allow an authorized representative of the Gaming Commission or the National Indian Gaming Commission or the Mississippi Gaming Commission, after such agent has presented a badge or proper form of official identification, to enter or inspect its licensed premises or neglects or refuses to produce records or evidence or to give information upon proper demand or to interfere or attempt to interfere with any proper efforts to obtain such information or to enter and inspect its licensed premises;
 6. A gaming operator or licensee fails to suspend employment of any employee upon notification by the Gaming Commission that the employee does not meet the standards for employment;
 7. A gaming operator or licensee's facility is constructed, maintained, or operated in a manner that threatens the environment or the public health, welfare and safety; and
 8. Any other violations set forth in these regulations as a substantial violation.

- B. Order Effective Upon Receipt: The gaming operator or licensee shall close the licensed premises upon receipt of an Order of Temporary Closure, unless the order provides otherwise. The order may specify that only a certain part of the licensed premises shall be closed, and in such event only that portion described in the order shall be closed.

SECTION 3 CIVIL ASSESSMENTS BY THE COMMISSION

A. HOW ASSESSMENTS ARE MADE

The Commission shall review each violation to determine whether an assessment is appropriate, and, in the case of continuing violations, whether each daily illegal act or omission will be deemed a separate violation for purposes of the total amount assessed. The Commission shall also take into consideration reasons put forth by the gaming operator, licensee, or permittee why immediate action to restrict, suspend, or revoke a license, permit, or gaming operator's authority to operate should not be taken. The Commission may assess any gaming operator, licensee, or permittee up to the amount set forth in subsection "B" for each violation and giving consideration to the following factors:

1. **Economic Benefit of Non-Compliance:** The Commission shall consider the extent to which the respondent obtained an economic benefit from the non-compliance that gave rise to the violation, as well as the likelihood of escaping detection.
 - a. The Commission may consider the documented benefits derived from the likelihood of escaping detection.
 - b. If non-compliance continues for more than one day, the Commission may treat each daily illegal act or omission as a separate violation.
2. **Seriousness of the Violation:** The Commission may adjust the amount of the assessment to reflect the seriousness of the violation. In doing so, the Commission shall consider the extent to *which* the violation threatens the integrity of the operation. Serious violations include, but are not limited to, the substantial violations identified in Section 2 of this chapter.
3. **History of Violations:** The Commission may adjust an assessment by an amount that reflects the respondent's history of violations over the preceding five (5) years.
 - a. A violation shall not be considered unless the associated notice or order is a final order of the Commission.
 - b. No violation for which the associated notice or order has been vacated shall be considered.
 - c. Each violation shall be considered whether or not it led to an assessment.

4. Negligence or Willfulness: The Commission may adjust the amount of an assessment based on the degree of fault of the gaming operator, licensee, or permittee in causing or failing to correct the violation, either through act or omission.

5. Good Faith: The Commission may adjust the amount of an assessment based on the degree of good faith of the gaming operator, licensee, or permittee in attempting to achieve rapid compliance after notification of the violation.

B. SCHEDULE OF CIVIL ASSESSMENTS

1. The following schedule sets forth the standard amount to be assessed per violation:

Choctaw Gaming Section Reference	Description	Fine (Up to)
§15-1-14(1), §15-1-15(16), Chapter 2, §1(D)	License Requirement for Operation and Management (Primary Management Officials, Key Employees, Management Contractors)	\$5,000
§15-1-14(2) Chapter 2, §1(E)	Gaming License Requirement for Gaming Employees who are not Primary Management Officials, Key Employees, or Management Contractors)	\$5,000
Chapter 2, §1(F)	Work Permit Requirement for Non-Gaming Employees	\$5,000
Chapter 2, §1(H)	Requirement that Non-Gaming Employee not Perform Duties of Gaming Employee	\$2,500
§15-1-14 (5) Chapter 2, §1(I)	Display of Identification Badge	\$2,500
Chapter 2, §1(U)	Gaming Operator to Require Contractors to Not Employ Convicted Felons or Those Under Eighteen Years of Age/Escort Those Between Eighteen and Twenty-One Years of Age When on Gaming Floor	\$10,000
Chapter 2, Section 1(V)	Gaming Operator or Licensee to Suspend Employment of Individual upon Notification from Gaming Commission that Individual Does Not Meet Eligibility Requirements for License/Work Permit	\$25,000
Chapter 2, §6(B)	Report of Death or Disability of Licensee	\$2,500
Chapter 2, §6(C)	Report of Change of Ownership	\$2,500
Chapter 2, §6(D)	Report of Insolvency	\$2,500

Chapter 3 Gaming Operations: General Rules		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§1(A) §2(A)(6)	Manner of Gaming Conduct, General	\$5,000
§1(B) & 4(A)	Unauthorized Games & Unlicensed Games or Devices	\$25,000
§2(A)(1)	Gaming Participants Under the Influence	\$2,500
§2(A)(2)-(5)	Marking, Tampering, Cheating, Thieving	\$25,000
§2(A)(7)	Allowing Persons Under the Age of 21 on Gaming Floor	\$10,000
§2(A)(7)	Under Age Gaming	\$10,000
§2(A)(7)	Minors Consuming Alcoholic Beverages	\$25,000
§2(A)(8)	Failure to Reimburse Minors for Wagers Made	\$25,000
§2(B)	Failure to Comply with Specific Directive of the Commission	\$15,000
§2(C)	Failure to Comply with Order of the Commission	\$25,000
§3(A)	Gaming Aids	\$10,000
§3(B)-(C)	Changing of Game or Location of Game	\$10,000
§4(A)	Unlicensed Games or Devices	\$10,000
§4(B)	Temporary Removal or Suspension of Game from License Status	\$10,000
§4(C)	Reactivation of Suspended Game	\$10,000
§5	Posting of Rules	\$12,500
§6	Publication of Payoffs	\$12,500
§7	Gaming by Owners, Directors, Officers, Licensees and Employees, Tribal Officials, Department Heads, and Enterprise Managers, and for Certain of these individuals, Members of Their Immediate Families	\$10,000
§8	Periodic Payments	\$7,500
§9	Finder's Fee	\$7,500
§10	Gaming Credit Collection	\$5,000
§11(A)	Reports of Violations	\$5,000
§11(B)	Minimum Bankroll Requirements	\$25,000
§11(C)	Written Normal and Emergency Drop Procedures	\$10,000

Chapter 3 Gaming Operations: General Rules <i>(continued from previous page)</i>		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§12(A)	Posting Gaming Commission Address	\$5,000
§12(B)	Health and Safety Standards	\$25,000
§13-14	New Game and Gaming Devices Approval	\$10,000
§15	Field Test Requirements for New Games Gaming Devices	\$10,000
§16(A)-(D)	Sale or Disposal of Gaming Devices	\$10,000

Chapter 4 Licensed Games Rules of Play		
Choctaw Gaming Section Reference	Description	Fine (Up to)
Chapter 4	Licensed Games Rules of Play, except wagers	\$2,500
Chapter 4	Wagers	\$5,000

Chapter 4A Racebooks and Sports Pools		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§2	Approval of Race Book or Sports Pool	\$25,000
§3.1	Reserve Requirements	\$25,000
§3.2	House Rules	\$12,500
§3.3	Issuance and Control of Betting Tickets	\$12,500
§3.4	Acceptance of Wagers	\$10,000
§3.5	Wagers and Payouts Exceeding \$10,000	\$10,000
§3.6	Multiple Wagers	\$10,000
§3.7	Structured Wagers	\$10,000
§3.8	Payment of Winning Wagers	\$10,000
§3.9	Computerized Bookmaking Systems	\$10,000
§3.10	Layoff Bets	\$10,000

Chapter 4A Racebooks and Sports Pools <i>(continued from previous page)</i>		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§3.11	Prohibited Wagers	\$25,000
§3.12	Reports of Suspicious Wagers	\$15,000
§3.13	Wagers; Terms and Conditions	\$10,000
§3.14	Communications Technology	\$10,000
§3.15	Sports Pool or Race Book Wagering by Electronic Means	\$10,000
§3.16	Required Personnel; Records and Forms	\$10,000
§3.17	Accounting	\$10,000
§3.18	Global Risk Management	\$5,000
§3.19	Sports Integrity	\$5,000

Chapter 4B (Pari-Mutuel Wagering)		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§4.3	Simulcasting	\$10,000
§4.4	Commissions	\$10,000
§4.5	Accounting	\$10,000
§4.6	Operation of Pari-Mutuel Facilities	\$10,000
§4.7	Computation Equipment	\$10,000
§4.8	Wagers	\$10,000
§4.9	Wagering, Computations and Payoffs	\$10,000
§4.10	Payment on Wagers	\$10,000

Chapter 5 Technical Standards for Slot Games		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§1	Testing and Approval of Slot Games	\$10,000
§3(A)-(B)	Modifications of Approved Slot Games	\$10,000
§4	Information Provided Prior to Installation of Slot Games	\$10,000
§5	Hardware Requirements for Slot Games	\$10,000
§6	Computer Monitoring of Gaming Devices and Record Retention	\$10,000
§7	Software Requirements for Video Games	\$10,000
§8	Requirements for Reel Games of Chance	\$10,000
§ 9	Requirements for Games of Skill and Hybrid Games	\$10,000
§10(A)	Token Approval	\$10,000
§10(B)	Slot Machine Log Requirements	\$2,500
§11(A)-(E)	Rules for Progressive Slot Machines	\$10,000
§11(F)	Record Retention for Slot Progressive Machines	\$2,500

Chapter 6 Minimum Internal Control Standards Part 1: Table Games		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§1(B)	Authorized Credit Systems	\$5,000
§2	Marker Credit Play Standards	\$5,000
§3	Non-Marker Credit Play Standards	\$5,000
§4	Call Bets and Rim Credit	\$5,000
§5	Fill and Credit Standards	\$5,000
§6	Table Drop Standards	\$10,000
§7	Soft Count Standards	\$10,000
§8	Key Control Standards	\$10,000
§9	Statistics	\$10,000
§10	Accounting/Auditing Procedures	\$10,000

Chapter 6 Minimum Internal Control Standards Part II: Gaming Machines		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§1	Computerized Applications; Coin Drop Standards	\$5,000
§2	Equipment Standards	\$5,000
§3	Game Machine Count and Wrap Standards	\$5,000
§4	Currency Acceptor Drop and Count Standards	\$10,000
§5	Jackpots, Payouts, Gaming Machine Fills and Short Pays	\$5,000
§6	Gaming Machine Department Funds Standards	\$5,000
§7	EPROM Duplication	\$10,000
§8	Theoretical/Actual Hold Percentage	\$10,000
§9	Procedures for Temporary or Permanent Removal of Machines from Game Floor	\$10,000
§10	Game Machine Drop Keys	\$10,000
§11	Player Tracking Systems	\$5,000
§12	Progressive Gaming Machines	\$5,000
§13	Gaming Machine Audit Procedures	\$10,000
§14	Cash-Out Ticket Procedures	\$5,000

Chapter 6 Minimum Internal Control Standards Part III: Bingo		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§ 1	Bingo Card Sales	\$10,000
§ 2	Bingo Cards	\$10,000
§ 3	Draw	\$10,000

Chapter 6 Minimum Internal Control Standards Part IV: Keno (Manual)		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§1	Physical Controls over Equipment Utilized	\$10,000
§2	Game Play Standards	\$10,000
§3	Number Selection	\$10,000
§4	Winning Ticket Verification and Payment	\$10,000
§5	Checkout Standards; Statistics	\$10,000
§6	Key Control	\$10,000
§7	Keno Audit	\$10,000
§8	Multi-Race	\$10,000

Chapter 6 Minimum Internal Control Standards Part V: Keno (Computerized)		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§1	Equipment Maintenance	\$10,000
§2	Game Play Standards	\$10,000
§3	Number Selection/Random Number Generator	\$10,000
§4	Winning Ticket Verification and Payment	\$10,000
§5	Checkout Standards; Statistics	\$10,000
§6	System Security	\$10,000
§7	Keno Audit	\$10,000
§8	Multi-Race	\$10,000

Chapter 6 Minimum Internal Control Standards Part VI: Card Games		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§2	Supervision	\$2,500
§3(A)	Drop and Count Standards	\$10,000
§3(B-C)	Access to Playing Cards	\$2,500
§3(D-E)	Reconciliation of Banks	\$2,500
§4	Card Game Drop Box Procedures	\$10,000
§5	Accounting for and Limitations on the Use of Card Room Banks and Card Table Banks	\$10,000
§6(A-C)	Rake Off and Time Buy-Ins	\$5,000
§6(D-E)	Use of Shills and Proposition Players	\$25,000
§6(F)	Wager Restrictions on Dealer	\$15,000
§7	Standards for Promotional Progressive Pots and Pools	\$10,000

Chapter 6 Minimum Internal Control Standards Part VII: Progressive Table Games		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§1	Progressive Meter Reconciliation	\$5,000
§2	Table and Progressive Drop	\$10,000
§3	Progressive Meter Key Standards and Records	\$10,000
§4	Camera Surveillance Standards	\$15,000

Chapter 6 Minimum Internal Control Standards Part VIII: Cage and Credit		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§1	Authorization and Extension of Credit	\$10,000
§2	Counter and Traveler's Checks	\$10,000
§3	Payment Standards	\$10,000
§4(A-E)	Access to Credit Documentation	\$7,500
§4(F-G)	Write-Off Standards	\$5,000
§4(H)	Use of Collection Agencies	\$5,000
§5	Front Money and Cash Deposits	\$10,000
§6	Cage Vault Accountability	\$15,000
§7	Audit Standards	\$10,000

Chapter 6 Minimum Internal Control Standards Part IX: Entertainment		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§1	Entertainment Sales Controls	\$10,000

Chapter 6 Minimum Internal Control Standards Part X: Internal Audit		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§1	Internal Audit Standards	\$5,000

Chapter 6 Minimum Internal Control Standards Part XI: Information Technology		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§1	Electronic Data Processing Standards	\$10,000

Chapter 6 Minimum Internal Control Standards Part XII: Complimentary Services or Items		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§1	Complimentary Service or Item Standards	\$25,000

Chapter 6 Minimum Internal Control Standards Part XIII: Pull Tabs		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§1	Supervision of Pull Tabs	\$10,000

Chapter 6 Minimum Internal Control Standards Part XIV: Patron Deposit Accounts and Cashless Systems		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§1	Supervision of Patron Deposit Accounts and Cashless Systems	\$10,000

Chapter 7 Chips, Tokens, Tickets and Other Items of Value		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§2	Chip and Token Approval	\$10,000
§3-4	Specifications for Chips and Tokens	\$10,000
§5	Use of Chips and Tokens	\$10,000
§6	Redemption and Disposal of Discontinued Chips and Tokens	\$10,000
§7	Destruction of Counterfeit Chips and Tokens	\$10,000
§8	Promotional and Tournament Chips and Tokens and Other Instrumentalities	\$10,000
§9	Receipt of Gaming Chips or Tokens from Manufacturer or Distributor	\$10,000
§10	Inventory of Chips	\$10,000

Chapter 8 Audit and Accounting		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§2	Commission Audit Procedures	\$10,000
§3	Accounting Records	\$10,000
§4	Records of Management Company Ownership	\$5,000
§5	Record Retention; Standard Financial Statements	\$15,000
§6	Audited Financial Statements	\$10,000
§7	Internal Controls	\$25,000
§8	Gross Revenue Computations	\$25,000
§9	Treatment of Credit for Purposes of Computing Gross Review	\$10,000
§10	Mandatory Count Procedure; Handling of Cash	\$10,000
§11	Prohibited Currency Transactions and Reporting; Internal Review Service Reporting Requirements; Audit of Contracts and Subcontracts	\$25,000

Chapter 9 Surveillance		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§2	Surveillance Systems: General Standards	\$10,000
§3	Surveillance Systems: Count Rooms and Casino Cage	\$25,000
§4	Surveillance Systems: Table Games and Card Rooms	\$25,000
§5	Surveillance Systems: Keno, Progressive Table Games, Bingo, Pari-Mutuel and Slot Machines	\$25,000
§6	Surveillance Systems: Casino Security Officers, Casino Surveillance System Malfunctions	\$10,000
§7	Surveillance System: Recording Requirements	\$10,000
§8	Surveillance System Plans: Alterations to Surveillance System	\$10,000
§9	Reporting of Violations	\$25,000

Chapter 11 Manufacturers and Distributors		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§1(A)	License Required	\$10,000
§1(C)	Commission Approval Required	\$10,000
§2	Field Test of New Gaming Devices	\$10,000
§3	Shipping Requirements	\$10,000

Chapter 12 Exclusion of Persons		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§1	Duty to Exclude	\$10,000

Chapter 13 Enforcement		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§3	Access to Premises and Production of Records; Record of Enforcement Action	\$15,000

Chapter 15 Junket Representatives		
Choctaw Gaming Section Reference	Description	Fine (Up to)
§2	Filing and License Determination	\$10,000
§3	Required Reports and Record Keeping by Gaming Operator	\$10,000
§4	Mandatory Requirements for Junket Representatives	\$10,000

2. The standard assessment may be reduced based on the factors set forth in subsection A of this section.
3. In the event the same subsection of the schedule is violated on more than one occasion within the preceding twelve (12) months, the Commission shall have the option to increase the standard assessment up to \$25,000 per violation. Considering the factors set forth in subsection A, the Commission may determine, however, that an assessment lower than the standard is warranted.
4. Certain conduct may violate multiple sections of the schedule and can, in the discretion of the Commission, be considered a violation of each section of the schedule or subject to assessment under one or more of the sections.

SECTION 4 PROCEDURES FOLLOWING NOTICE OF VIOLATION

- A. If the gaming operator, licensee or permittee disputes that a violation occurred or believes the civil assessment, order of temporary closure, or other enforcement action is not warranted, the gaming operator, licensee, or permittee may request a hearing pursuant to the procedures set forth in Section 5 of this Chapter.
- B. If the gaming operator, licensee or permittee fails to request a hearing as provided in Section 5 of this Chapter, an assessment or other enforcement action shall become a final order of the Gaming Commission.
- C. The Gaming Commission shall transfer penalties paid under this Chapter to the Tribal General Fund.
- D. The Commission may review and reassess the fact of the violation and any assessment or other enforcement action, if necessary, to consider facts that were not reasonably available on the date of issuance of the Notice of Violation.

SECTION 5 REQUEST FOR HEARING

- A. After complying with all administrative prerequisites, if any, a gaming operator, licensee or permittee may contest the following matters by submitting a request for hearing to the Gaming Commission:
1. A Notice of Violation;
 2. Civil assessment;
 3. An Order of Temporary Closure;
 4. Suspension or revocation of a license or permit; and
 5. Any other enforcement action.
- B. The applicable deadlines and procedures for hearings before the Commission as set out in Chapter 14 of these Regulations shall apply.