

PROPOSED PART 543 – MINIMUM INTERNAL CONTROL STANDARDS FOR CLASS II GAMING

Sec.

- 543.1 What does this part cover?
- 543.2 What are the definitions for this part?
- 543.3 How do tribal governments comply with this part?
- 543.4 [RESERVED]
- 543.5 [RESERVED]
- 543.6 Does this part apply to small and charitable gaming operations?
- 543.7 What are the minimum internal control standards for bingo?
- 543.8 What are the minimum internal control standards for pull tabs?
- 543.9 What are the minimum internal control standards for card games?
- 543.10 What are the minimum internal control standards for gaming promotions?
- 543.11 What are the minimum internal control standards for patron deposit accounts and cashless systems?
- 543.12 [RESERVED]
- 543.13 [RESERVED]
- 543.14 What are the minimum internal control standards for the cage, vault, cash and cash equivalents?
- 543.15 What are the minimum internal control standards for lines of credit?
- 543.16 What are the minimum internal ~~controls~~control standards for Security and Management of Server, Server Software and Data Associated with Class II Gaming Systems?
- 543.17 What are the minimum internal control standards for complimentary services or items?
- ~~542.18~~ 543.18 How does a gaming operation apply for a variance from the standards of this part?
- 543.19 What are the minimum internal control standards for ~~accounting?~~ Audit and Accounting?

542.20 What is a Tier A Gaming Operation?

- 543.20 [RESERVED]
- 543.21 What are the minimum internal control standards for ~~drop~~Drop and ~~count for a Tier A gaming operations~~Count?
- ~~543.22 What are the minimum internal control standards for internal audit for Tier A gaming operations?~~ [RESERVED]
- 543.23 What are the minimum internal control standards for surveillance ~~for Tier A gaming operations?~~

542.30 What is a Tier B Gaming Operation?

543.31 What are the minimum internal control standards for drop and count for a Tier B gaming operations?

543.32 What are the minimum internal control standards for internal audit for Tier B gaming operations?

543.33 What are the minimum internal control standards for surveillance for Tier B gaming operations?

~~542.40 What is a Tier C Gaming Operation?~~

~~543.41 What are the minimum internal control standards for drop and count for a Tier C gaming operations?~~

~~543.42 What are the minimum internal control standards for internal audit for Tier C gaming operations?~~

~~543.43 What are the minimum internal control standards for surveillance for Tier C gaming operations?~~

~~543.50 What are the minimum internal control standards for Revenue Audit?~~

§ 543.1 What does this part cover?

This part, along with §§ ~~542.14 through 542.15, 542.17 through 542.18, 542.20 through 542.23, 542.30 through 542.33, and 542.40 through 542.43~~ of this chapter establishes the minimum internal control standards for the conduct of Class II ~~bingo and other games similar to bingo~~ on Indian lands as described in 25 U.S.C. 2701 *et seq.* ~~Throughout this part the term bingo includes other games similar to bingo.~~

§ 543.2 What are the definitions for this part?

The definitions in this section shall apply only in the context in which the terms appear in 25 CFR Part 543 apply to all sections of this part unless otherwise noted.

~~*Account access component.* A component within a Class II gaming system that reads or recognizes account access media and gives a patron the ability to interact with their account.~~

~~*Account access medium.* A magnetic stripe card or any other medium inserted into, or otherwise made to interact with, an account access component in order to give a patron the ability to interact with an account.~~

Accountability. All financial instruments, receivables, and patron deposits constituting the total amount for which the bankroll custodian is responsible at a given time.

Accumulated credit payout. Credit earnedaccrued in a player interface that is paid to a patron manually in lieu of a player interface payout (i.e. hand pay, manual pay).

~~*Actual bingo win percentage.* The percentage calculated by dividing the bingo win by the bingo sales. Can be calculated for individual prize schedules or type of player interfaces on a per-day or cumulative basis.~~

Agent. ~~An employee or licensed~~ A person authorized by the gaming operation, as approved by the tribal gaming regulatory authority, ~~designated for certain authorizations, decisions,~~ TGRA, to make decisions or perform assigned tasks and/or actions in/on behalf of the gaming operation. This definition ~~is not intended to eliminate nor suggests that appropriate management contracts are not required, where applicable, as referenced in 25 U.S.C. 2711,~~ permits the use of computer applications to perform the function(s) of an agent.

Amount in. ~~The total value of all financial instruments and cashless transactions accepted by the Class II gaming system.~~

Amount out. ~~The total value of all financial instruments and cashless transactions paid by the Class II gaming system, plus the total value of manual payments.~~

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

~~**Bill-in meter. A meter included on a player interface accepting cash that tracks the number of bills put in the player interface.**~~

Bingo paper. A consumable physical object that has one or more bingo cards on its face.

Bingo sales. ~~The~~ Sales transactions and/or the value of purchases made by players to participate in bingo.

Bingo win. ~~The result of bingo sales minus prize payouts.~~ ~~**Bonus payout. An award of cashable or non-cashable credits placed on the credit meter of the player interface. The amount placed on the credit meter may or may not result from a wager**~~ the game(s).

Cage. A secure work area within the gaming operation for cashiers which may include a storage area for the gaming operation bankroll.

~~**Cage accountability. All financial instruments, receivables, and patron deposits in the possession of the cage as summarized on a daily basis on a cage accountability form that includes, but is not limited to, items such as currency, coin, markers, and chips/tokens. Contents of safe deposits boxes to which the gaming operation does not have access are excluded.**~~

~~**Cage accountability form. An itemized list of the cash and cash equivalents that make up the cage department's accountability.**~~

~~**Cage credit. Advances in the form of cash or gaming chips made to patrons at the cage, which are documented on a cage credit instrument signed by the patron/borrower, such as a marker similar to a counter check.**~~

~~**Cage marker form. A document, signed by the patron, evidencing an extension of credit at the cage to the patron by the gaming operation (i.e. cage credit marker form).**~~

~~**Calibration module. The section of a weigh scale used to set the scale to a specific amount or number of coins to be counted.**~~

~~**Card game. A game played with cards in which the gaming operation is not party to wagers and from which the gaming operation receives compensation in the form of a rake, a time buy-in, or other fee or payment from a player for the privilege of playing.**~~

~~**Card room. An area set aside for the conduct of card games such as poker.**~~

~~**Card room bank. The operating fund assigned to the card room or main card room bank.**~~

~~**Chairman. The Chairman of the National Indian Gaming Commission.**~~

Cash equivalents. ~~The monetary value that a gaming operation may assign to~~ Documents, financial instruments other than cash, or anything else of representative value to which the gaming operation has assigned a monetary value. ~~other than cash.~~ A cash equivalent includes, but is not limited to, tokens, chips, coupons, vouchers, payout slips and tickets, and other items to which a gaming operation has assigned an exchange value.

Cashless system. A system that performs cashless transactions and maintains records of those cashless transactions.

Cashless transaction. A movement of funds electronically from one component to another, often to or from a patron deposit account, or promotional account.

Chips. Cash substitutes, in various denominations, issued by a gaming operation ~~and used for~~ **wagering.**

Class II game. ~~A game as described in~~ Class II gaming shall have the same meaning as defined in 25 U.S.C. 2703(7) (A).

Class II Gaming System. All components, whether or not technologic aids in electronic, computer, mechanical, or other technologic form, that function together to aid the play of one or more Class II games including accounting functions mandated by these regulations part 547 of this chapter.

~~**Coin-in meter. The meter that displays the total amount wagered in a player interface that includes coins in and credits played.**~~

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

~~**Coin room. An area where coins and tokens are stored.**~~

~~**Coin room inventory. Coins and tokens stored in the coin room that are generally used for player interface department operation.**~~

Commission. The National Indian Gaming Commission. established by the Indian Gaming Regulatory Act, 25 U.S.C. 2701 et seq.

Complimentary. A service or item provided at no ~~cost,~~ or ~~at a~~ reduced cost, to a patron at the discretion of an individual agent authorized to issue such services or items.

~~**Computerized casino accounting system. A system utilized by a gaming operation that securely maintains and monitors data which may include but is not limited to player tracking, system-based gaming activity and marketing functionality, inclusive of other activities that interface with the system. In addition, the casino accounting system may**~~

~~**provide the gaming operation with the ability to perform cashless transactions and monitor, detect, report and log system exceptions.**~~

Count. The act of counting and recording the drop and/or other funds. Also, the total funds counted for a particular game, player interface, shift, or other period.

Count room. A secured room location where the count is performed in which the ~~**drop is cash and cash equivalents are**~~ counted.

~~*Count team.* Agents who perform the count.~~

~~**Counter check. A form provided by the gaming operation for the patron to use in lieu of a personal check.**~~

~~**Counter game. A game in which the gaming operation is a party to wagers and wherein the gaming operation documents all wagering activity. The term includes bingo and pull tabs.**~~

~~*Coupon.* A financial instrument of fixed wagering value, usually paper, that can only be used to acquire non-cashable credits through interaction with a voucher system. This does not include instruments such as printed advertising material that cannot be validated directly by a voucher system.~~

~~*Credit line (see Lines of credit).* The privilege granted by a gaming operation to a patron to (1) defer payment of debt or (2) to incur debt and defer its payment under specific terms and conditions.~~

~~*Credit line limit.* The maximum dollar amount of credit assigned to a patron by the gaming operation.~~

~~**Credit slip. A form used to record either:**~~

~~**(1) The return of chips from a gaming table to the cage; or**~~

~~**(2) The transfer of IOUs, markers, or negotiable checks from a gaming table to a cage or bankroll.**~~

~~**Critical IT system. The collective hardware, software, network infrastructure and associated equipment, to include computerized casino accounting system (if applicable), used to produce, accumulate, monitor, record, store and report gaming revenues and associated financial data. At the minimum, the term 'critical system' is applicable to the gaming revenue centers and the following activities and functions, as related to the recognition and recordation of the gaming activity: cage, credit, complimentary services and items, accounting, drop and count, internal audit and surveillance.**~~

~~**Currency counter. A device that identifies currency by means of an optical sensing and correlating technique to both count and differentiate denomination. The counter may perform two counts by independent central processing units prior to transferring the currency into a stacker. It may interface with the accounting systems of the gaming operation and account for cash-out tickets redeemed and promotional coupons cancelled.**~~

~~**Currency counter interface. A link between a currency counter and typically the accounting software systems of the gaming operation in which access is restricted to authorized persons.**~~

~~**Deal. A specific pull tab game that has a specific serial number associated with each game.**~~

~~Dedicated camera.~~ A video camera ~~required to that~~ continuously ~~record a specific activity.~~
~~Digital Video Recorder (DVR).~~ ~~A device that records video in a digital format to tape, digital video disk, or other storage medium, for later reproduction.~~
~~records a specific activity.~~

~~Discount Wager.~~ ~~A wager in which a patron is given credit for an amount greater than the actual amount placed at risk and is supported by documentation, often a promotional coupon (e.g., match play).~~

~~Drop.~~ ~~The process of removing the drop boxes from the player interface or point of purchase.~~

~~Drop proceeds.~~ The total amount of financial instruments removed from ~~financial instrument storage components~~ ~~or card game~~ ~~the~~ drop boxes ~~in Class II gaming systems.~~

~~Drop box.~~ A locked container ~~affixed to the card game table into which the drop is placed.~~ ~~The table number and shift shall be indicated on the box,~~ ~~in which cash or cash equivalents are placed at the time of the transaction.~~

~~Drop box contents key.~~ ~~The key used to open drop boxes.~~

~~Drop box release key.~~ ~~The key used to release drop boxes from tables.~~

~~Drop box storage rack key.~~ ~~The key used to access the storage rack where drop boxes are secured.~~

~~Drop bucket.~~ ~~A container located in the drop cabinet (or in a secured portion of the player interface in coinless/cashless configurations) for the purpose of collecting coins, and tokens from the player interface.~~

~~Drop cabinet.~~ ~~The wooden or metal base of the player interface that contains the drop bucket.~~

~~Drop period.~~ The period of time that occurs between sequential drops.

~~Electronic funds transfer,~~ ~~A transfer of funds to or from a Class II gaming system through the use of a cashless system, which are transfers from an external financial institution.~~

~~Exception Report.~~ A ~~computer-generated~~ listing of occurrences, transactions or items that fall outside a predetermined range of acceptability.

~~Fill.~~ ~~A transaction whereby a supply of chips, coins, or tokens is transferred from a bankroll to a card room bank or player interface.~~

~~Fill slip.~~ A document evidencing a fill.

~~Financial instrument.~~ Any tangible item of value tendered in Class II game play, including, but not limited to bills, coins, vouchers, and coupons.

~~Financial instrument acceptor.~~ Any component that accepts financial instruments.

~~Financial instrument storage component.~~ Any component that stores financial instruments.

~~Flare.~~ ~~The information sheet provided by the manufacturer that sets forth the rules of a particular pull tab game and that is associated with a specific deal of pull tabs. The flare shall contain the following information:~~

~~(1) Name of the game;~~

~~(2) Manufacturer's name or manufacturer's logo;~~

~~(3) Ticket count; and~~

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

~~**Free Play Wager. A non-value promotional consideration afforded a patron to participate in a game without requiring the patron to place anything at risk.**~~

~~*Game software.* The operational program or programs that govern the play, display of results, and/or awarding of prizes or credits for Class II games.~~

~~*Gaming equipment.* All electronic, electro-mechanical, mechanical or other physical components utilized in the play of Class II games.~~

~~**Gaming operation accounts receivable (for gaming operation credit). Credit extended to gaming operation patrons in the form of markers, returned checks, or other credit instruments that have not been repaid.**~~

~~*Gaming Promotion.* A type of marketing activity conducted by a gaming operation which includes two, but not all three, of the following elements: prize, chance, consideration.~~

~~*Generally Accepted Accounting Principles (GAAP).* A widely accepted set of rules, conventions, standards, and procedures for reporting financial information, as established by the Financial Accounting Standards Board (FASB), including but not limited to the standards for casino accounting published by the American Institute of Certified Public Accountant (AICPA).~~

~~**Gross gaming revenue. Annual total amount of cash wagered on class II games and admission fees (including table or card fees), less any amounts paid out as prizes or paid for prizes awarded.**~~~~*Governmental Accounting Standards Board (GASB).* Generally accepted accounting principles used by state and local governments.~~

~~*Independent.* The separation of functions so that the person or process monitoring, reviewing or authorizing the controlled activity, function, transaction(s) is separate from the persons or process performing the controlled activity, function, transaction(s).~~

~~*Inter-tribal prize pool.* A fund to which multiple tribes contribute from which prizes are paid to winning players at a participating tribal gaming facility and which is administered by one of the participating tribes or a third party, (e.g. progressive prize pools, shared prize pools, etc.).~~

~~**Increase/decrease to cage accountability. The change in the cage accountability (inventory), which is a function of the gaming transactions. For example, the cash inventory is affected by (a) the cash collected from the drop and transferred to the cage; (b) payments received from markers; (c) funds transferred to or from bank a financial institution; (d) changes in the chip/token inventory due to the chip float (chips/tokens in possession of patrons); and (e) front money and patron account transactions.**~~

~~*Internal audit.* Persons who perform an audit function of a gaming operation that are independent of the department subject to audit. Independence is obtained through the organizational reporting relationship, as the internal audit department shall not report to management of the gaming operation. Internal audit activities should be conducted in a manner that permits objective~~

~~evaluation of areas examined. Internal audit personnel may provide audit coverage to more than one operation within a tribe's gaming operation holdings.~~

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

~~**Kiosk. A self-serve point of sale or other component capable of accepting or dispensing financial instruments and may also be capable of initiating cashless transactions of values to or from a patron deposit account or promotional account.**~~

~~**Linked electronic game. Any game linked to two (2) or more gaming operations that are physically separate and not regulated by the same Tribal gaming regulatory authority.**~~

~~**Main card room bank. A fund of cash, coin, and chips used primarily for poker and pan card game areas. Used to make even cash transfers between various games as needed. May be used similarly in other areas of the gaming operation.**~~

~~**Lines of credit. The privilege granted by a gaming operation to a patron to (1) defer payment of debt or (2) to incur debt and defer its payment under specific terms and conditions.**~~

~~**Manual payout. The Hand payment to a player of some or all of a player's accumulated credits (e.g. short pays, cancelled credits, etc.) or an amount owed as a result of a winning event by an agent of the gaming operation.**~~

~~**Marker. A document, signed by the patron, evidencing an extension of promising to repay credit to him issued by the gaming operation.**~~

~~**Marker credit play. Players are allowed to purchase chips using credit in the form of a marker.**~~

~~**Match play. A type of discount wager requiring a cash bet of equal amount.**~~

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

~~**Meter. An electronic (soft) or mechanical (hard) apparatus in a player interface. May record the number of coins wagered, the number of coins dropped, the number of times the handle was pulled, or the number of coins paid out to winning players.**~~

~~MICS. Minimum internal control standards in this part.~~

~~**Mobile gaming system. A system that allows for the conduct of games through mobile communications devices operated solely within a designated, authorized area of a gaming operation.**~~

~~**Motion activated dedicated camera. A video camera that, upon its detection of activity or motion in a specific area, begins to record the activity or area.**~~

~~**Non-cashable credit. Credits given by an operator to a patron; placed on a Class II gaming system through a coupon, cashless transaction, or other approved means; and capable of activating play but not being converted to cash.**~~

~~**On-line player interface monitoring system. A system used by a gaming operation to monitor player interface meter readings and/or other activities on an on-line basis.**~~

Patron. A person who is a customer or guest of the gaming operation and may interact with a Class II game. Also may be referred to as “player”.

Patron deposit account. An account maintained on behalf of a patron, for the purpose of depositing and withdrawing ~~cashable~~ funds for the primary purpose of interacting with a gaming activity.

~~*Patron deposits.* The funds placed with a designated cashier by patrons for the patrons’ use at a future time.~~

~~**Payment slip. That part of a marker form on which patron payments are recorded.**~~

~~**PIN. The personal identification number used to access a player's account.**~~

Permanent Record. Those records that must be maintained for a minimum period of 5 years, including all documents that contain original signatures or represent audit papers.

Player interface. Any component(s) or components of a Class II gaming system, including an electronic or technological aid (not limited to terminals, player stations, handhelds, fixed units, etc.), that directly ~~enable(s)~~ enables player interaction in a Class II game.

~~*Player tracking system.* A system typically or component of a computerized casino accounting system used to record the gaming play of ~~an~~ individual patrons.~~

~~**Points. A representative of value awarded to a patron based upon specific criteria established by the gaming operation.**~~

~~**Premium points. Points earned as a result of a winning event and the award is reflected on the payout schedule.**~~

~~**Primary and secondary prize payouts. Promotional pools offered at certain card games that can be won in addition to the pot.**~~

Prize payout. ~~A transaction~~ Payment to a player associated with a winning or qualifying event.

~~*Prize schedule.* A set of prizes available to players for achieving predesignated patterns in Class II game(s).~~

~~*Progressive prize.* A prize that increases by a selectable or predefined amount based on play of a Class II game.~~

~~*Promotional account.* A file, record, or other data structure that records transactions involving a patron or patrons that are not otherwise recorded in a patron deposit account.~~

~~*Promotional prize payout.* Merchandise or awards given to players by the gaming operation which is based on gaming activity.~~

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

~~**Rabbit ears. A device, generally V-shaped, that holds the numbered balls selected during a bingo game so that the numbers are visible to players and bingo personnel.**~~

~~**Rake. A commission charged by the house for maintaining or dealing a game such as poker.**~~

~~**Rake circle. The area of a table where rake is placed.**~~

~~Random number generator (RNG). A software module, hardware component or combination of these designed to produce outputs generate numbers that are effectively random.~~

~~Rejected currency. Currency that a currency counter has rejected due to the authenticity data (comparison of the note to a predetermined standard) failing to confirm the legitimacy of the note.~~

~~Runner. An individual who transports chips/ cash to or from a card room table and a cashier.~~

~~Safe Deposit Box. A type of safe which may be located in the cage area to hold items of value. The content is not subject to casino access within the normal course of business and is not included in its accountability record-keeping.~~

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

Restricted patron deposit account. An account that can be accessed only by a specific patron using a secured method.

~~Server. A computer which controls one or more applications or environments.~~

SSAE. Standards for Attestation Engagements.

~~Shift. An eight-hour~~ A time period, unless otherwise approved by the ~~Tribal~~tribal gaming regulatory authority, not to exceed 24 hours.

~~Shill. A member of An agent financed by the gaming operation's staff financed by the house and acting as a player~~ for the purpose of starting or maintaining a sufficient number of players in a game.

~~Short pay. The payment of the unpaid balance of an incomplete payout by a player interface.~~

SICS. System of Internal Controls.

~~Smart card. A card with embedded integrated circuits which can process data, that possesses the means to electronically store and/or retrieve data, account data, and is the only source of that data.~~

~~Soft count. The count of the contents in a drop box or a player interface financial instrument storage component.~~

~~Sufficient clarity. The capacity of a surveillance system to record images at a minimum of 30 fps (frames per second), and if digital, with a resolution of at least 4 CIF (Common Intermediate Format), which is generally defined as resolution 704 X 576.~~

~~Surveillance operation room(s). The secured area(s) of the surveillance department where surveillance is taking place and/or where active surveillance equipment is located.~~

~~Surveillance system. A system of video cameras, monitors, recorders, video printers, switches, selectors, and other ancillary equipment used for casino surveillance.~~

~~Tier A. Gaming operations with annual gross gaming revenues of more than \$1-\$3 million but not more than \$5-\$8 million.~~

Tier B. Gaming operations with annual gross gaming revenues of more than \$8 million but not more than \$15 million.

Tier C. Gaming operations with annual gross gaming revenues of more than \$15 million.

TGRA. Tribal gaming regulatory authority ~~(TGRA).~~ The which is the entity authorized by tribal law to regulate gaming conducted pursuant to the Indian Gaming Regulatory Act.

TICS. Tribal Internal Control Standards.

Unrestricted patron deposit account. An account that may be accessed by the holder of the account number.

Vault. A secure area ~~within the gaming operation~~ where ~~tokens, checks, cash, coins,~~ and ~~chips~~ cash equivalents are stored.

~~*Voucher.* A financial instrument of fixed value that can only be used to acquire an equivalent value of cashable credits or cash through interaction with a voucher system.~~

~~*Voucher System.* A component of the Class II gaming system or an external system that securely maintains records of vouchers and coupons; validates payment of vouchers; records successful or failed payments of vouchers and coupons; and controls the purging of expired vouchers and coupons.~~

~~*Wager.* The placing at risk of money or something of value on a gambling game that has an uncertain outcome with the primary intent of winning additional money and/or personal property.~~

~~*Weigh/count.* The value of coins and tokens counted by a weigh machine.~~

~~*Weigh scale calibration module.* The device used to adjust a coin weigh scale.~~

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

~~*Weigh tape.* The tape where weighed coin is recorded.~~

~~*Win.* The net win resulting from all gaming activities. Net win results from deducting all gaming losses from all wins prior to considering associated operating expenses.~~

~~*Win to write hold percentage.* Win divided by write to determine hold percentage.~~

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

~~*Write.* The total amount wagered in bingo and pull tabs operations.~~

~~*Writer.* An individual who writes bingo and pull tabs tickets.~~

~~§ 543.3 How do tribal governments comply with this part?~~

(a) Compliance based upon tier.
{Reserved}

~~(b) Determination of tier. [Reserved]~~

§ 543.3 How do tribal governments comply with this part?

(a) Determination of tier.

(1) The determination of tier level shall be made based upon the annual gross gaming revenues indicated within the gaming operation's audited financial statements.

(2) Gaming operations moving from one tier to another shall have nine (9) months from the date of the independent certified public accountant's audit report to achieve compliance with the requirements of the new tier. The TGRA may extend the deadline by an additional six (6) months if written notice is provided to the Commission no later than two (2) weeks before the expiration of the nine (9) month period.

~~(c) Tribal internal control standards. Within six months of October 10, 2008, each tribal gaming regulatory authority~~b) TICS. TGRAs shall ensure that TICS are established and implemented that provide a level of control that equals or exceeds those set forth in this part.

(1) Evaluation of Existing TICS. Each TGRA must, in accordance with the tribal gaming ordinance, ~~establish or ensure that tribal internal control standards are established and implemented that must~~ determine whether and to what extent their TICS require revision to ensure compliance with this part.

~~(1) Provide a level of control that equals or exceeds those set forth in this part; and
(2) Contain standards to identify, detect and deter money laundering in furtherance of a criminal enterprise, terrorism, tax evasion or other unlawful activity. The standards should be designed to facilitate the keeping of records and the filing of reports with the appropriate federal regulatory and law enforcement authorities.~~Compliance Date. All changes necessary to ensure compliance with this part shall be promulgated within twelve (12) months from the effective date of this part and implemented at the commencement at the next fiscal year. At the discretion of the TGRA, gaming operations may have an additional six (6) months to come into compliance with the TICS.

~~(3) Establish a deadline, which must not exceed six months from the date the tribal gaming regulatory authority establishes internal controls by which a gaming operation must come into compliance with the tribal internal control standards. However, the tribal gaming regulatory authority may extend the deadline by an~~

~~additional six months if written notice citing justification is provided to the Commission no later than two weeks before the expiration of the six month period.~~

~~(d) Gaming operations.~~ (c) SICS. Each gaming operation must develop and implement ~~an internal control system~~ a SICS that, at a minimum, complies with the ~~tribal internal control standards~~ TICS.

(1) Existing gaming operations. All gaming operations that are operating on or before ~~November 10, 2008,~~ the effective date of this part, must comply with this part within the time requirements established in paragraph ~~(e)~~ (b) of this section. In the interim, such operations must continue to comply with existing ~~tribal internal control standards~~ TICS.

(2) New gaming operations. All gaming operations that commence operations after ~~April 10, 2009,~~ the effective date of this part, must comply with this part before commencement of operations.

~~(e)~~ (d) Submission to Commission. Tribal regulations promulgated pursuant to this part are not required to be submitted to the Commission pursuant to Sec. 522.3(b) of this chapter.

~~(f) CPA testing.~~ (e) Enforcement of Commission MICS.

~~(1) An independent certified public accountant (CPA) must be engaged to perform "Agreed-Upon Procedures" to verify that the gaming operation is in compliance with the minimum internal control standards (MICS) set forth in this part or a tribally approved variance thereto that has received Commission concurrence. The CPA must report each event and procedure discovered by or brought to the CPA's attention that the CPA believes does not satisfy the minimum standards or tribally approved variance that has received Commission concurrence. The "Agreed-Upon Procedures" may be performed in conjunction with the annual audit. The tribe must submit two copies of the report to the Commission within 120 days of the gaming operation's fiscal year end. In performing the compliance audit, the CPA must use the Statements on Standards for Attestation Engagements No. 10 at Sections 101 ("Attest Engagements") and 201 ("Agreed-Upon Procedures Engagements") (collectively "SSAE's"), July 12, 2007, American Institute of Certified Public Accountants Inc. (AICPA). SSAE No. 10 at Sections 101 and 201 are incorporated by reference into this section with the approval of the Director of the Federal Register under 5 U.S.C. 552(a) and 1 CFR part 51. To enforce any edition other than that specified in this section, the Commission must publish notice of change in the Federal Register and the material must be available to the public. You may obtain a copy from the American Institute of Certified Public Accountants, 220 Leigh Farm Rd., Durham, NC 27707, 1-888-777-7077, at <http://www.aicpa.org>. You may inspect a copy at the National Indian Gaming Commission, 1441 L Street, NW., Suite 9100, Washington, DC 20005, 202-632-7003. All approved material is available for~~

inspection at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030 or go to http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html. The CPA must perform the “Agreed-Upon Procedures” in accordance with the following:

- (i) As a prerequisite to the evaluation of the gaming operation’s internal control systems, it is recommended that the CPA obtain and review an organization chart depicting segregation of functions and responsibilities, a description of the duties and responsibilities of each position shown on the organization chart, and an accurate, detailed narrative description of the gaming operation’s procedures in effect that demonstrate compliance.
- (ii) Complete the CPA NIGC MICS Compliance checklists or other comparable testing procedures. The checklists should measure compliance on a sampling basis by performing inspections, observations and substantive testing. The CPA must complete separate checklists for bingo and information technology. All questions on each applicable checklist should be completed. Work paper references are suggested for all “no” responses for the results obtained during testing (unless a note in the “W/P Ref” can explain the exception).
- (iii) The CPA must perform, at a minimum, the following procedures in conjunction with the completion of the checklists:

- (A) At least one unannounced observation of each of the following: financial instrument acceptor drop and count. For purposes of these procedures, “unannounced” means that no officers, directors, or employees are given advance information regarding the dates or times of such observations. The independent accountant should make arrangements with the gaming operation and tribal gaming regulatory authority to ensure proper identification of the CPA’s personnel and to provide for their prompt access to the count rooms. The checklists should provide for drop and count observations. The count room should not be entered until the count is in process and the CPA should not leave the room until the monies have been counted and verified to the count sheet by the CPA and accepted into accountability.
- (B) Observations of the gaming operation’s agents as they perform their duties.
- (C) Interviews with the gaming operation’s agents who perform the relevant procedures.
- (D) Compliance testing of various documents relevant to the procedures. The scope of such testing should be indicated on the checklist where applicable.
- (E) For new gaming operations that have been in operation for three months or less at the end of their business year, performance of this regulation, this section, is not required for the partial period.

(2) Alternatively, at the discretion of the tribe, the tribe may engage an independent CPA to perform the testing, observations and procedures reflected in paragraphs (f)(1)(i), (ii), and (iii) of this section utilizing the tribal internal control standards

~~adopted by the tribal gaming regulatory authority or tribally approved variance that has received Commission concurrence. Accordingly, the CPA will verify compliance by the gaming operation with the tribal internal control standards. Should the tribe elect this alternative, as a prerequisite, the CPA will perform the following:~~

~~(i) The CPA must compare the tribal internal control standards to the MICS to ascertain whether the criteria set forth in the MICS or Commission approved variances are adequately addressed.~~

~~(ii) The CPA may utilize personnel of the tribal gaming regulatory authority to cross-reference the tribal internal control standards to the MICS, provided the CPA performs a review of the tribal gaming regulatory authority personnel's work and assumes complete responsibility for the proper completion of the work product.~~

~~(iii) The CPA must report each procedure discovered by or brought to the CPA's attention that the CPA believes does not satisfy paragraph (f)(2)(i) of this section.~~

~~(3) Reliance on Internal Auditors:~~

~~(i) The CPA may rely on the work of an internal auditor, to the extent allowed by the professional standards, for the performance of the recommended procedures specified in paragraphs (f)(1)(iii)(B), (C), and (D) of this section, and for the completion of the checklists as they relate to the procedures covered therein.~~

~~(ii) Agreed-upon procedures are to be performed by the CPA to determine that the internal audit procedures performed for a past 12-month period (includes two six month periods) encompassing a portion or all of the most recent business year has been properly completed. The CPA will apply the following agreed-upon procedures to the gaming operation's written assertion:~~

~~(A) Obtain internal audit department work papers completed for a 12-month period (includes two six month periods) encompassing a portion or all of the most recent business year and determine whether the CPA NIGC MICS Compliance Checklists or other comparable testing procedures were included in the internal audit workpapers and all steps described in the checklists were initialed or signed by an internal audit representative.~~

~~(B) For the internal audit work papers obtained in paragraph (f)(3)(ii)(A) of this section, on a sample basis, re-perform the procedures included in CPA NIGC MICS Compliance Checklists or other comparable testing procedures prepared by internal audit and determine if all instances of noncompliance noted in the sample were documented as such by internal audit. The CPA NIGC MICS Compliance Checklists or other comparable testing procedures for the applicable Drop and Count procedures are not included in the sample reperformance of procedures because the CPA is required to perform the drop and count observations as required under paragraph (f)(1)(iii)(A) of this section of the agreed-upon procedures. The CPA's sample should comprise a minimum of three percent of the~~

~~procedures required in each CPA NIGC MICS Compliance Checklist or other comparable testing procedures for the bingo department and five percent for the other departments completed by internal audit in compliance with the internal audit MICS. The re-performance of procedures is performed as follows:~~

~~(1) For inquiries, the CPA should either speak with the same individual or an individual of the same job position as the internal auditor did for the procedure indicated in the CPA checklist.~~

~~(2) For observations, the CPA should observe the same process as the internal auditor did for the procedure as indicated in their checklist.~~

~~(3) For document testing, the CPA should look at the same original document as tested by the internal auditor for the procedure as indicated in their checklist. The CPA need only retest the minimum sample size required in the checklist.~~

~~(C) The CPA is to investigate and document any differences between their re-performance results and the internal audit results.~~

~~(D) Documentation must be maintained for five years by the CPA indicating the procedures re-performed along with the results.~~

~~(E) When performing the procedures for paragraph (f)(3)(ii)(B) of this section in subsequent years, the CPA must select a different sample so that the CPA will re-perform substantially all of the procedures after several years.~~

~~(F) Additional procedures performed at the request of the Commission, the tribal gaming regulatory authority or management should be included in the Agreed-Upon Procedures report transmitted to the Commission.~~

~~(4) Report Format. The NIGC has concluded that the performance of these procedures is an attestation engagement in which the CPA applies such Agreed-Upon Procedures to the gaming operation's assertion that it is in compliance with the MICS and, if applicable under paragraph (f)(2) of this section, the tribal internal control standards and approved variances, provide a level of control that equals or exceeds that of the MICS. Accordingly, the **Statements on Standards for Attestation Engagements** (SSAE's), specifically SSAE 10, at Sections 101 and 201 are applicable. SSAE 10 provides current, pertinent guidance regarding agreed-upon procedure engagements, and the sample report formats included within those standards should be used, as appropriate, in the preparation of the CPA's agreed-upon procedures report. If future revisions are made to this standard or new SSAE's are adopted that are applicable to this type of engagement, the CPA is to comply with any revised professional standards in issuing their agreed-upon procedures report. The Commission will provide an example report and letter formats upon request that may be used and contain all of the information discussed below. The report must describe all instances of procedural noncompliance (regardless of materiality) with the MICS or approved variations, and all instances where the tribal gaming regulatory authority's regulations do not comply with the MICS. When describing~~

~~the agreed-upon procedures performed, the CPA should also indicate whether procedures performed by other individuals were utilized to substitute for the procedures required to be performed by the CPA. For each instance of noncompliance noted in the CPA's agreed-upon procedures report, the following information must be included: The citation of the applicable MICS for which the instance of noncompliance was noted; a narrative description of the noncompliance, including the number of exceptions and sample size tested.~~

~~(5) Report Submission Requirements.~~

~~(i) The CPA must prepare a report of the findings for the tribe and management. The tribe must submit two copies of the report to the Commission no later than 120 days after the gaming operation's business year end. This report should be provided in addition to any other reports required to be submitted to the Commission.~~

~~(ii) The CPA should maintain the work papers supporting the report for a minimum of five years. Digital storage is acceptable. The Commission may request access to these work papers, through the tribe.~~

~~(6) CPA NIGC MICS Compliance Checklists. In connection with the CPA testing pursuant to this section and as referenced therein, the Commission will provide CPA MICS Compliance Checklists upon request.~~

~~(g) Enforcement of Commission Minimum Internal Control Standards.~~

(1) Each ~~tribal gaming regulatory authority~~TGRA is required to establish and implement ~~internal control standards~~TICS pursuant to paragraph ~~(eb)~~ of this section. Each gaming operation is then required, pursuant to paragraph ~~(dc)~~ of this section, to develop and implement ~~an internal control system~~a SICS that complies with the ~~tribal internal control standards~~TICS. Failure to do so may subject the tribal operator of the gaming operation, or the management contractor, to penalties under 25 U.S.C. 2713.

(2) Recognizing that tribes are the primary regulator of their gaming operation(s), enforcement action by the Commission will not be initiated under this part without first informing the tribe and ~~tribal gaming regulatory authority~~TGRA of deficiencies in the ~~internal controls~~SICS of its gaming operation and allowing a reasonable period of time to address such deficiencies. Such prior notice and opportunity for corrective action is not required where the threat to the integrity of the gaming operation is immediate and severe.

§ 543.4 [RESERVED]

§ 543.5 [RESERVED]

§ 543.6 Does this part apply to small and charitable gaming operations?

(a) Small gaming operations. This part does not apply to small gaming operations provided that:

- (1) The ~~tribal gaming regulatory authority~~[TGRA](#) permits the operation to be exempt from this part;
- (2) The annual gross gaming revenue of the operation does not exceed ~~\$2~~~~\$~~3 million; and
- (3) The ~~tribal gaming regulatory authority~~[TGRA](#) develops and the operation complies with alternate procedures that:
 - (i) Protect the integrity of games offered;
 - (ii) Safeguard the assets used in connection with the operation; and
 - (iii) Create, prepare and maintain records in accordance with Generally Accepted Accounting Principles.

(b) Charitable gaming operations. This part does not apply to charitable gaming operations provided that:

- (1) All proceeds are for the benefit of a charitable organization;
- (2) The ~~tribal gaming regulatory authority~~[TGRA](#) permits the charitable organization to be exempt from this part;
- (3) The charitable gaming operation is operated wholly by the charitable organization's agents;
- (4) The annual gross gaming revenue of the charitable operation does not exceed ~~\$2~~~~\$~~3 million; and
- (5) The ~~tribal gaming regulatory authority~~[TGRA](#) develops and the charitable gaming operation complies with alternate procedures that:
 - (i) Protect the integrity of the games offered;
 - (ii) Safeguard the assets used in connection with the gaming operation; and
 - (iii) Create, prepare and maintain records in accordance with Generally Accepted Accounting Principles. For more information please see www.fasb.gov or www.fasb.org.

(c) Independent operators. Nothing in this section exempts gaming operations conducted by independent operators for the benefit of a charitable organization.

§ 543.7 What are the minimum internal control standards for bingo?

~~(a) Bingo Cards—(1) Inventory of bingo paper. (i) The bingo paper inventory must be controlled so as to assure the integrity of the bingo paper being used as follows:~~Internal Control Procedures. Subject to the approval and oversight of the TGRA, each gaming operation shall establish, implement and adhere to internal control policies and procedures that provide at least the level of control established by the standards of this section.

~~(A) When received, bingo paper must be inventoried and secured by an authorized agent(s) independent of bingo sales;~~

~~(B) The issue of bingo paper to the cashiers must be documented and signed for by the authorized agent(s) responsible for inventory control and a cashier. The bingo control log must include the series number of the bingo paper;~~

~~(C) The bingo control log must be utilized by the gaming operation to verify the integrity of the bingo paper being used; and~~

~~(D) Once each month, an authorized agent(s) independent of both bingo paper sales and bingo paper inventory control must verify the accuracy of the ending balance in the bingo control log by reconciling it with the bingo paper inventory.~~

~~(ii) Paragraph (a) (1) of this section does not apply where no physical inventory is applicable~~

(b) Computerized applications. For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control established by the standards of this section, as approved in writing by the TGRA, will be acceptable.

(c) Variances. The TGRA shall establish the threshold level at which a variance shall be reviewed. Any such review shall be documented.

(d) Bingo Cards

(1) Inventory of bingo paper.

(i) The bingo paper inventory must be controlled in a manner designed to prevent unauthorized access, misappropriation, or fraud. Such controls shall address bingo paper exchanged between two agents, increases and decreases to inventory, and inventory reconciliation.

(2) Bingo sales.

(i) ~~There must be an accurate accounting of~~ Bingo sales must be controlled in a manner to adequately record, track, and reconcile all bingo sales, including but not limited to voids of bingo cards.

~~(ii) All bingo sales records must include the following information:~~

~~(A) Date;~~

~~(B) Time;~~

~~(C) Shift or session;~~

~~(D) Sales transaction identifiers, which may be the unique card identifier(s) sold or when electronic bingo card faces are sold, the unique identifiers of the card faces sold;~~

~~(E) Quantity of bingo cards sold;~~

~~(F) Dollar amount of bingo sales;~~

~~(G) Signature, initials, or identification of the agent or device who conducted the bingo sales; and~~

~~(Hii) When bingo sales are recorded manually, total sales are verified by an authorized agent independent of the bingo sales being verified and the signature, initials, or identification of the authorized agent who verified the bingo sales is recorded.~~

(iii) No person shall have unrestricted access to ~~modify~~ bingo sales records.

~~(b(iv) An authorized agent independent of the seller must perform the following standards for each seller at the end of each session:~~

~~(A) Reconcile the documented total dollar amount of cards sold to the documented quantity of cards sold;~~

~~(B) Note any variances; and~~

~~(C) Appropriately investigate any noted variances with the results of the follow-up documented.~~

~~(3) Voiding bingo cards. (i) Procedures must be established and implemented to prevent the voiding of card sales after the start of the calling of the game for which the bingo card was sold. Cards may not be voided after the start of a game for which the card was sold.~~

~~(ii) When a bingo card must be voided the following controls must apply as relevant:~~

~~(A) A non-electronic bingo card must be marked void; and~~

~~(B) The authorization of the void, by an authorized agent independent of the original sale transaction (supervisor recommended), must be recorded either by signature on the bingo card or by electronically associating the void authorization to the sale transaction of the voided bingo card.~~

~~(4) Reissue of previously sold bingo cards. When one or more previously sold bingo cards need to be reissued, the following controls must apply: the original sale of the bingo cards must be verified; and the reissue of the bingo cards must be documented, including the identity of the agent authorizing reissuance.~~
e Draw—(1) Verification and display. (i) Procedures must be established and implemented to ensure

(1) The draw must be controlled in a manner that ensures the identity of each object drawn is accurately recorded and transmitted to the participants. ~~The procedures must identify the method used to ensure the identity of each object drawn.~~

~~(ii) For all games offering a prize payout of \$1,200 or more, as the objects are drawn, the identity of the objects must be immediately recorded and maintained for a minimum of 24 hours.~~
~~(iii)~~2 Controls must be present to assureensure that all objects eligible for the draw are available to be drawn ~~prior to the next draw.~~

~~(e) Manual Payouts and Short Pays. (1) Procedures must be established and implemented to prevent unauthorized access or fraudulent transactions using manual payout documents, including:~~

~~(i) Payout documents~~ 1) Manual payouts must be controlled and completed in a manner that is intended to prevent a custodian of funds from altering the dollar amount on all parts of the payout document subsequent to the manual payout and misappropriating the funds.

~~(ii) Payout documents must be controlled and completed in a manner that deters any one individual from initiating and producing a fraudulent payout document, obtaining the funds, forging signatures on the payout document, routing all parts of the document, and misappropriating the funds. Recommended procedures of this standard include but are~~ in a manner designed to prevent unauthorized access to, or misappropriation of, cash or cash equivalents. Such controls shall include, but not be limited to, the following:

~~(A) Funds are issued either to a second verifier of the manual payout (i.e., someone other than the agents who generated/requested the payout) or to two agents concurrently (i.e., the generator/requestor of the document and the verifier of the manual payout). Both witness the manual payout; or~~ i) Manual payout documents;

~~(B) The routing of one part of the completed document is under the physical control (e.g., dropped in a locked box) of an agent other than the agent that obtained/issued the funds and the agent that obtained/issued the funds must not be able to place the document in the locked box.~~

~~(iii) Segregation of responsibilities. The functions of sales and prize payout verification must be segregated, if performed manually. Agents who sell bingo cards on the floor must not verify bingo cards for prize payouts with bingo cards in their possession of the same type as the bingo card being verified for the game. Floor clerks who sell bingo cards on the floor are permitted to announce the identifiers of winning bingo cards.~~

~~(iv~~

~~(ii) Validation. Procedures must be established and implemented to determine the validity of the claim prior to the payment of a prize (i.e., bingo card was sold for the game played, not voided, etc.) by at least two persons.~~

~~(v) Verification. Procedures must be established and implemented to ensure that at least two persons verify the winning pattern has been achieved on the winning card prior to the payment of a prize.~~ and Verification;

~~(vi) Authorization and signatures. (A) A Class II gaming system may substitute as one authorization/signature verifying, validating or authorizing a winning card of less than \$1,200 or other manual payout. Where a Class II gaming system substitutes as an authorization/signature, the manual payout is subject to the limitations provided in this section.~~ iii) Authorization and signatures;

~~(B) For manual prize payouts of \$1,200 or more and less than a predetermined amount not to exceed \$50,000, at least two agents must authorize, sign and witness the manual prize payout.~~

~~(1) Manual prize payouts over a predetermined amount not to exceed \$50,000 must require one of the two signatures and verifications to be a supervisory or management employee independent of the operation of bingo.~~

~~(2) This predetermined amount, not to exceed \$50,000, must be authorized by management, approved by the tribal gaming regulatory authority, documented, and maintained.~~

~~(3) (2) Documentation, including:~~

~~——— **Justification:** Correction of numbering error.~~

~~(i) Manual payouts and short-pays exceeding \$10 must be documented on a two-part form, of which a restricted system record can be considered one part of the form, and documentation, must include the following information:~~

~~(A) Date and time;~~

~~(B) Player interface identifier or game identifier;~~

~~(C) Dollar amount paid (both alpha and numeric) or description of personal property awarded, including fair market value. Alpha is optional if another unalterable method is used for evidencing the amount paid;~~

~~(D) Type of manual payout (e.g., prize payout, external bonus payout, short pay, etc.);~~

~~(E) Game outcome (e.g., patterns, symbols, bingo card identifier/description, etc.) for manual prize payouts, external bonus description, reason for short pay, etc.;~~

~~(F) Preprinted or concurrently printed sequential manual payout identifier; and~~

~~(G) Signatures or other authorizations, as required by this part.~~

~~(ii) For short-pays of \$10 or less, the documentation (single part form or log is acceptable) must include the following information:~~

~~(A) Date and time;~~

~~(B) Player interface number;~~

~~(C) Dollar amount paid (both alpha and numeric). Alpha is optional if another unalterable method is used for evidencing the amount paid;~~

~~(D) The signature of at least one agent verifying and witnessing the short pay; and~~

~~(E) Reason for short pay.~~

~~(iii) In other situations that allow an agent to input a prize payout or change the dollar amount of the prize payout by more than \$1 in a Class II gaming system that has an automated prize payout component, two agents, one of which is a supervisory employee, must be physically involved in verifying and witnessing the prize payout.~~

~~(iv) For manually paid promotional prize payouts, as a result of the play of a game and where the amount paid is not included in the prize schedule, the documentation~~

~~(single part form or log is acceptable) must include the following information:~~ [Changes to Prize Payout amounts:](#)

~~(A) Date and time;~~

~~(B) Player interface number;~~

~~(C) Dollar amount paid (both alpha and numeric). Alpha is optional if another unalterable method is used for evidencing the amount paid;~~

~~(D) The signature of at least one agent verifying and witnessing the manual promotional prize payout of \$599 or less and two agents verifying and witnessing the manual promotional prize payout exceeding \$599;~~

~~(E) Description or name of the promotion; and~~

~~(F) Total amount of manual promotional prize payouts must be recorded by shift, session or other relevant time period.~~

~~(v) When a controlled manual payout document is voided, the agent completing the void must clearly mark "void" across the face of the document, sign across the face of the document and all parts of the document must be retained for accountability.~~

~~(d) Operational controls. (1) Procedures must be established and implemented with the intent to prevent unauthorized access to or fraudulent transactions involving cash or cash equivalents.~~

~~(2) Cash or cash equivalents exchanged between two persons must be counted independently by at least two persons and reconciled to the recorded amounts at the end of each shift or if applicable each session. Unexplained variances must be documented and maintained. Unverified transfers of cash or cash equivalents are prohibited.~~

~~(3) Procedures must be established and implemented to control cash or cash equivalents in accordance with this section and based on the amount of the transaction. These procedures include,~~

~~but are not limited to, counting and recording on an accountability form by shift, session or relevant time period the following:~~

~~(i) Inventory, including any increases or decreases;~~

~~(ii) Transfers;~~

~~(iii) Exchanges, including acknowledging signatures or initials; and~~

~~(iv) Resulting variances.~~

~~(4) Any change of control of accountability, exchange or transfer must require the cash or cash equivalents be counted and recorded independently by at least two persons and reconciled to the recorded amount.~~

~~(e) Gaming equipment. (1) Procedures must be established and implemented with the intention to restrict access to agents for the following:~~

~~(i) Controlled gaming equipment/components (e.g. , draw objects and back up draw objects); and~~

~~(ii) Random number generator software. (Additional information technology security standards can be found in §543.16 of this part.)~~

~~(2) The game software components of a Class II gaming system will be identified in the test laboratory report. When initially received, the software must be verified to be authentic copies, as certified by the independent testing laboratory.~~

~~(3) Procedures must be established relating to the periodic inspection, maintenance, testing, and documentation of a random sampling of gaming equipment/components, including but not limited to:~~

~~(i) Software related to game outcome must be authenticated semi-annually by an agent independent of bingo operations by comparing signatures against the test laboratory letter on file with the tribal gaming regulatory authority for that version.~~

~~(ii) Class II gaming system interfaces to external systems must be tested annually for accurate communications and appropriate logging of events.~~

~~(4) Records must be maintained for each player interface that indicate the date the player interface was placed into service or made available for play, the date the player interface was removed from service and not available for play, and any changes in player interface identifiers.~~

~~(f) Voucher systems. (1) The voucher system must be utilized to verify the authenticity of each voucher or coupon redeemed.~~

~~(2) If the voucher is valid, the patron is paid the appropriate amount.~~

~~(3) Procedures must be established and implemented to document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated (e.g., mutilated, expired, lost, stolen, etc.).~~

~~(i) If paid, appropriate documentation is retained for reconciliation purposes.~~

~~(ii) Payment of a voucher for \$50 or more, a supervisory employee must review the applicable voucher system, player interface or other transaction history records to verify the validity of the voucher and initial the voucher or documentation prior to payment.~~

~~(4) Vouchers redeemed must remain in the cashier's accountability for reconciliation purposes. The voucher redemption system reports must be used to ensure all paid vouchers have been validated.~~

~~(5) Vouchers paid during a period while the voucher system is temporarily out of operation must be marked "paid", initialed and dated by the cashier. If the voucher is greater than a predetermined~~

~~amount approved (not to exceed \$500), a supervisory employee must approve the payment and evidence that approval by initialing the voucher prior to payment.~~

~~(6) Paid vouchers are maintained in the cashier's accountability for reconciliation purposes.~~

~~(7) Upon restored operation of the voucher system, vouchers redeemed while the voucher system was temporarily out of operation must be validated as expeditiously as possible.~~

~~(8) Unredeemed vouchers can only be voided in the voucher system by supervisory employees. The supervisory employee completing the void must clearly mark "void" across the face of the voucher and sign across the face of the voucher, if available. The accounting department will maintain the voided voucher, if available.~~ Manually paid promotional prize payouts; and

(vi) Voids.

(g) Cash or cash equivalent controls. Cash or cash equivalents must be controlled in a manner designed to prevent unauthorized access, misappropriation, forgery or fraud. Such controls shall be in accordance with cash and cash equivalent controls established in sub part 543.14.

(h) Class II Gaming systems. Internal control procedures must be established to safeguard the integrity of all or part of a Class II gaming system during installations, operations, modifications, and retirements. Such procedures must include, but not be limited to, the following:

(1) Shipping and receiving;

(2) Access credential control methods;

(3) Record keeping and audit processes;

(4) System software signature verification;

(5) Testing;

(6) Display of rules and necessary disclaimers such as "Malfunctions void all prizes and pays", etc.

(7) Dispute resolution;

(8) Malfunctions; and

(9) Removal, retirement, and/or destruction.

§ 543.8 What are the minimum internal control standards for pull tabs?

(a) Internal Control Procedures. Subject to the approval and oversight of the TGRA, each gaming operation shall establish, implement and adhere to internal control policies and procedures that provide at least the level of control established by the standards of this section.

(b) Computerized applications. For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control established by the standards of this section, as approved in writing by the TGRA, will be acceptable.

(c) Variances. The TGRA shall establish the threshold level at which a variance shall be reviewed. Any such review shall be documented.

(d) Inventory of pull tabs. The pull tab inventory must be controlled in a manner designed to prevent unauthorized access, misappropriation, or fraud. Such controls shall address tabs exchanged between two agents, increases and decreases to inventory, and inventory reconciliation.

(e) Pull tab sales.

(1) Pull tab sales must be controlled in a manner to adequately record, track, and reconcile all pull tab sales and voids.

(2) When pull tab sales are recorded manually, total sales are verified by an agent independent of the pull tab sales being verified.

(3) No person shall have unrestricted access to pull tab sales records.

(d) Winning pull tabs.

(1) Redeemed pull tabs must be controlled in a manner to adequately record, track, and reconcile all pull tab payouts.

(2) The redeemed pull tabs shall be defaced so that they cannot be redeemed for payment again.

(e) Cash or cash equivalent controls. Cash or cash equivalents must be controlled in a manner designed to prevent unauthorized access, misappropriation, forgery or fraud. Such controls shall be in accordance with cash and cash equivalent controls established in sub part 543.14.

§ 543.9 What are the minimum internal control standards for card games?

(a) Internal Control Procedures. Subject to the approval and oversight of the TGRA, each gaming operation shall establish, implement and adhere to internal control policies and procedures that provide at least the level of control established by the standards of this section.

(b) Computerized applications. For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control established by the standards of this section, as approved in writing by the TGRA, will be acceptable.

(c) Variances. The TGRA shall establish the threshold level at which a variance shall be reviewed. Any such review shall be documented.

(d) Supervision. Supervision shall be provided during the card room operations by an agent(s) with authority equal to or greater than those being supervised.

(e) Inventory of playing cards. The playing card inventory must be controlled in a manner designed to prevent unauthorized access, misappropriation, or fraud. Such controls shall address tabs exchanged between two agents, increases and decreases to inventory, and inventory reconciliation.

(f) Shill funds. Issuance and return of shill funds shall be recorded and have the written approval of another agent.

(g) Cash or cash equivalent controls. Cash or cash equivalents must be controlled in a manner designed to prevent unauthorized access, misappropriation, forgery or fraud. Such controls shall be in accordance with cash and cash equivalent controls established in sub part 543.14.

(h) Posted rules. The rules shall be displayed or available for patron review at the gaming operation, including rules governing contests, prize payouts, fees, etc.

(i) Promotional progressive pots and pools such as contests, tournaments, drawings and giveaway programs. Funds contributed by patrons to prize pools shall be returned and documented in accordance with the posted rules.

(1) Promotional pool contributions shall be controlled in a manner to properly distinguish between gaming revenue and promotional pool contributions.

(i) Promotional pool contributions shall be placed in a locked container;

(ii) Agents transporting the locked container shall be precluded from having access to the contents keys.

(2) At least once a day, increases and decreases to the promotional pool amount shall be verified, supported by documentation, recorded and reconciled to the cash by an agent independent of the card room.

§ 543.10 What are the minimum internal control standards for gaming promotions?

(a) Internal Control Procedures. Subject to the approval and oversight of the TGRA, each gaming operation shall establish, implement and adhere to internal control policies and procedures that provide at least the level of control established by the standards of this section.

(b) Computerized applications. For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control established by the standards of this section, as approved in writing by the TGRA, will be acceptable.

(c) Variances. The TGRA shall establish the threshold level at which a variance shall be reviewed. Any such review shall be documented.

(d) Gaming promotions. Controls must be established in a manner designed to prevent unauthorized access, cheating, misappropriation, forgery or fraud. Such controls must include, but not be limited to, the following:

(1) Rules of the gaming promotion;

(2) Gaming promotion accounting; and

(3) TGRA approval.

§ 543.11 What are the minimum internal control standards for patron deposit accounts and cashless systems?

(a) Internal Control Procedures. Subject to the approval and oversight of the TGRA, each gaming operation shall establish, implement and adhere to internal control policies and procedures that provide at least the level of control established by the standards of this section.

(b) Computerized applications. For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control established by the standards of this section, as approved in writing by the TGRA, will be acceptable.

(c) Conflicts of Standards. If there are any inconsistencies between these regulations and external standards incorporated by this provision, such as Title 31 and Credit Card Act, such other applicable standards shall prevail.

(d) Variances. The TGRA shall establish the threshold level at which a variance shall be reviewed. Any such review shall be documented.

(e) Patron deposit accounts and cashless systems.

(1) Patron deposit accounts and cashless systems must be controlled in a manner designed to prevent unauthorized access, misappropriation, forgery or fraud.

~~(g) Patron accounts and cashless systems.~~ (12) All smart cards (i.e. , cards that possess the means to electronically store or retrieve data) that maintain the only source of account data are prohibited.

~~(23) For patron~~ Patron deposit accounts ~~the~~ may be unrestricted or restricted to a specific patron.

(4) Establishment of patron deposit accounts. The following standards must apply: ~~(i) For each~~ apply when the patron establishes an account and optionally makes an initial deposit.

(i) For restricted patron deposit ~~account, an agent must:~~ accounts:

~~(A) Require the~~ The patron ~~to personally~~ must appear at the gaming operation; ~~(B) Record the type of identification credential examined, the credential number, the expiration date of credential, and the date credential was examined. (Note: A patron's driver's license is the preferred method for verifying the patron's identity. A passport, non-resident alien identification card, other government issued identification credential or another picture identification credential normally acceptable as a means of identification when cashing checks, may also be used.);~~ in person, at a designated area of accountability, and present a valid government issued picture identification credential.

~~(C) Record the patron's name and may include another identifier (e.g., nickname, title, etc.) of the patron, if requested by patron;~~ (B) An agent must examine the patron's identification and record, at a minimum, the following information:

(1) Type, number, and expiration date of the identification;

(2) Patron's name;

~~(D3)~~ Record a A unique ~~identity for each patron deposit~~ account;
identifier;

~~(E) Record the date~~ 4) Date the account was opened; and

~~(F) Provide the account holder with a secure method of access to the
account.~~ 5) The agent's name.

(C) The agent must require the patron to sign the account documentation
before the account is activated.

(D) The agent or cashless system shall provide the patron deposit account
holder with a secure method of access.

~~(ii) Patron deposit accounts must be established for patrons at designated areas of
accountability and the creation of the account must meet all the controls of
paragraph (g)(2)(i) of this section when the patron makes an initial deposit of cash
or cash equivalents.~~ For unrestricted patron deposit accounts:

~~(iii) If patron deposit account adjustments may be made by the operation,
the operation must be authorized by the account holder to make necessary
adjustments. This requirement can be met through the collection of a single
authorization that covers the life of the patron deposit account.~~ A) The
patron must be informed of the unrestricted nature of the account, and the
fact that the account may be accessible to anyone with the account number.

(B) The patron must acknowledge and accept the risks associated with
unrestricted accounts.

~~(iv)~~ 5) Patron deposits & withdrawals and adjustments.

(A) i) Prior to the patron making a deposit or a withdrawal from a patron deposit
account, the cashier/agent or cashless system must verify the identity of the patron
deposit account, the patron identity for restricted accounts, and availability of
funds. Reliance on a secured PIN/personal identification number (PIN) entered by
the patron is an acceptable method of verifying patron identity.

~~(B) A multi-part deposit/ii) Adjustments made to the patron deposit accounts must be performed by an agent.~~

~~(iii) When a deposit, withdrawal, or adjustment is processed by an agent, a multi-part transaction record must be created when the transaction is processed by a cashier, including; containing the following information:~~

- ~~(1) A~~ Same document number on all copies;
- ~~(2) B~~ Type of transaction, (e.g., deposit ~~or~~, withdrawal, or adjustment);
- ~~(3) C~~ Name or other identifier of the patron for restricted patron deposit accounts;
- ~~(4) At least the last four digits of the~~ D) The unique account identifier;
- ~~(5) E~~ Patron signature for withdrawals, unless a secured ~~PIN~~ method of access is utilized ~~by the patron~~;
- ~~(6) F~~ Date and time of transaction;
- ~~(7) G~~ Dollar amount of transaction;
- ~~(8) H~~ Nature of deposit ~~or~~, withdrawal, or adjustment (e.g. , cash, check, chips); and
- ~~(9) I~~ Signature of the ~~cashier~~ agent processing the transaction.

~~(C) A copy of the transaction record must be secured for reconciliation of the cashier's bank for each shift. All transactions involving patron deposit accounts must be accurately tracked.~~ iv) When a patron deposits or withdraws funds from a patron deposit account electronically, the following shall be recorded and reported:

~~(D) The copy of the transaction record must be forwarded to the accounting department at the end of the gaming day.~~

~~(E) When a cashier is not involved in the deposit/withdrawal of funds, procedures must be established that safeguard the integrity of the process used.~~

~~(v) Patron Deposit Account Adjustments. (A) Adjustments to the patron deposit accounts must be performed by an agent.~~

~~(B) A record must be created when the transaction is processed, including;~~

~~(1) Unique transaction identifier;~~

~~(2) Type of transaction, adjustment;~~

~~(3) Name or other identifier of the patron;~~

~~(4) At least the last four digits of the account identifier;~~

~~(5) Date of transaction;~~

~~(6) A) Date and time of transaction;~~

~~(B) Location (e.g., player interface, kiosk);~~

~~(C) Dollar amount of transaction;~~

~~(7) Reason for the adjustment; and~~

~~(8) Signature or unique identifier for the agent who made the adjustment.~~

~~(C) The transaction record must be forwarded to the accounting department at the end of the gaming day.~~

~~(vi) Where available, systems reports that indicate the dollar amount of transactions for patron deposit accounts (e.g., deposits, withdrawals, account adjustments, etc.) that should be reflected in each cashier's accountability must be utilized at the conclusion of each shift in the reconciling of funds.~~

~~(vii) Cashless transactions and electronic funds transfers to and from patron deposit accounts must be recorded and maintained at the end of the gaming operations specified 24-hour accounting period.~~

~~(viii) Procedures must be established to maintain a detailed record for each patron deposit account that includes the dollar amount of all funds deposited and withdrawn, account adjustments made, and the transfers to or from player interfaces. and~~

(D) The unique account identifier.

~~(ix)~~ Detailed patron deposit account transaction records must be available to the patron upon reasonable request ~~and to the tribal gaming regulatory authority upon request.~~

~~(x) Only dedicated gaming operation bank accounts must be used to record~~ vi) If electronic funds transfers are made to or from ~~the patron deposit accounts. Gaming operation bank accounts dedicated to electronic funds transfers to or from the patron deposit accounts must~~ 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.

~~(3) For promotional and other accounts the following standards must apply:~~

~~(i) Changes to promotional and other accounts must be performed by an agent.~~

~~(ii) The following standards apply if a player tracking system is utilized:~~

~~(A) In the absence of the patron, modifications to balances on a promotional or other account must be made under the authorization of supervisory employees and must be sufficiently documented (including substantiation of reasons for modification). Modifications are randomly verified by independent agents on a quarterly basis. This standard does not apply to the deletion of balances related to inactive or closed accounts through an automated process.~~

~~(B) Access to inactive or closed accounts is restricted to supervisory employees.~~

~~(C) Patron identification is required when redeeming values.~~

~~Reliance on a secured PIN by the patron is an acceptable method of verifying patron identification.~~

~~(h) Promotions. (1) The conditions for participating in promotional programs, including drawings and giveaway programs must be approved and available for patron review at the gaming operation.~~

~~(2) Changes to the player tracking systems, promotional accounts, 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 employees independent of the department initiating the change on a monthly basis.~~

~~(3) All other changes to the player tracking system must be appropriately documented.~~

~~(4) All relevant controls from Sec. 543.16 of this part will apply.~~

~~§ 543.8~~ 543.12 [RESERVED]

§ 543.13 [RESERVED]

§ 543.14 **What are the minimum internal control standards for ~~pull tabs~~the cage, vault, cash and cash equivalents?**

(a) ~~Computer~~Internal Control Procedures. Subject to the approval and oversight of the TGRA, each gaming operation shall establish, implement and adhere to internal control policies and procedures that provide at least the level of control established by the standards of this section.

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

~~(b) Pull tab inventory. (1) Pull tab inventory (including unused tickets) shall be controlled to assure the integrity of the pull tabs.~~

~~(2) Purchased pull tabs shall be inventoried and secured by a person or persons independent of the pull tab sales.~~

~~(3) The issue of pull tabs to the cashier or sales location shall be documented and signed for by the person responsible for inventory control and the cashier. The document log shall include the serial number of the pull tabs issued.~~

~~(4) Appropriate documentation shall be given to the redemption booth for purposes of determining if the winner purchased the pull tab from the pull tabs issued by the gaming operation. Electronic verification satisfies this requirement.~~

~~(c) Access. Access to pull tabs shall be restricted to authorized persons.~~

~~(d) Transfers. Transfers of pull tabs from storage to the sale location shall be secured and independently controlled~~

(c) Variances. The TGRA shall establish the threshold level at which a variance shall be reviewed. Any such review shall be documented.

(d) Cash or cash equivalent controls.

(1) Cash or cash equivalents must be controlled in a manner designed to prevent unauthorized access, misappropriation, forgery or fraud. Such controls must include, but not be limited to, the following actions:

(i) Counting;

(ii) Recording increases and decreases to inventory;

(iii) Inventory reconciliation;

(iv) Issuance and redemption;

(v) Inspecting, validating and verifying;

(vi) Cancelations and voids;

(vii) Authorization; and

(viii) Document retention.

~~(e) *Winning pull tabs.* (1) Winning pull tabs shall be verified and paid as follows:~~

~~(i) Prize payouts of \$600 or more, or a lesser amount established by the gaming operation, shall be verified by at least two persons, documentation required. Tribal gaming regulatory authority approval of this amount is recommended.~~

~~(ii) Prize payouts over a predetermined amount shall require the signature and verification of two individuals, one of whom must be a member of supervisory or management staff independent of the pull tab department. This predetermined amount (Tribal gaming regulatory authority approval recommended) shall be authorized by management, documented, and maintained.~~

~~(iii) Total payout shall be computed and recorded by shift.~~

~~(iv) The winning pull tabs shall be voided so that they cannot be presented for payment~~

~~again.~~ Check Cashing. Check cashing must be controlled in a manner designed to prevent unauthorized access, misappropriation, forgery or fraud. Such controls must include, but not be limited to, the following:

(1) Acceptance of checks;

(2) Deposit of checks (Checks not deposited in the normal course of business are subject to § 543.15 Credit standards).

(3) Collecting and recording returned checks;

(4) Re-deposit; and

(5) Write-off authorization.

(6) If a third party check cashing or guarantee service is used, **the examination and documentation procedures** required by the service provider shall apply unless otherwise provided by Tribal law or regulation.

~~(f) *Accountability form.* (1) All funds used to operate the pull tab game shall be recorded on an (f) Cage and vault accountability ~~form.~~~~

~~(2) All funds used to operate the pull tab game shall be counted independently by at least two persons and reconciled to the~~ 1) Increases and decreases to cage inventory shall be

verified, supported by documentation, and recorded ~~amounts at the end of each shift or session~~. Unverified transfers of cash and/or cash equivalents are prohibited.

~~(g) Standards for statistical reports. (1) Records shall be maintained, which include (for games sold in their entirety) a win to write hold percentage as compared to the expected hold percentage derived from the flare. Records shall also include win and write (sales) for each deal or type of game, for:~~

~~(i) Each shift;~~

~~(ii) Each day;~~

~~(iii) Month to date; and~~

~~(iv) Year to date or fiscal year to date as applicable.~~

~~(2) A manager independent of the pull tab operations shall review statistical information at least on a monthly basis and shall investigate any large or unusual statistical fluctuations. These investigations shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request. The cage and vault inventories (including coin rooms/vaults) shall be counted independently by at least two agents, attested to by signature, and recorded in ink or other permanent form at the end of each shift during which activity took place.~~

~~**§ 543.9—What are the minimum internal control standards for card games?**~~

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

~~(b) Standards for drop and count. The procedures for the collection of the card game drop and the count thereof shall comply with §543.21, §543.31, or §543.41 (as applicable).~~

~~(c) Standards for supervision. (1) Supervision shall be provided at all times the card room is in operation by personnel with authority equal to or greater than those being supervised.~~

~~(i) A supervisor may function as a dealer without any other supervision if disputes are resolved by supervisory personnel independent of the card games department; or~~

~~(ii) A dealer may function as a supervisor, if not dealing the game.~~

~~(2) Exchanges between table banks and the main card room bank (or cage, if a main card room bank is not used) shall be authorized by a supervisor. All exchanges shall be evidenced by the use of a lammer unless the exchange of chips, tokens, and/or cash takes place at the table. If table banks are maintained at an imprest level and runners are used for the exchanges at the table, no supervisory authorization is required.~~

~~(3) Exchanges from the main card room bank or cage, if a main card room bank is not used, to the table banks shall be verified by the card room dealer and the runner.~~

~~(4) If applicable, transfers between the main card room bank and the cage shall be properly authorized and documented. Documentation must be retained for at least 24 hours.~~

~~(5) A rake collected or ante placed shall be done in accordance with the posted rules.~~

~~(d) *Standards for playing cards.* (1) New and used playing cards to be issued to a table shall be maintained in a secure location to prevent unauthorized access and reduce the possibility of tampering. Used playing cards that are not to be re-used shall be properly canceled and removed from service. The cancellation and removal procedure shall be subject to TGRA review and approval.~~

~~(2) This standard shall not apply where playing cards are retained for an investigation.~~

~~(e) *Standards for shills.* (1) Issuance of shill funds shall be recorded on a shill sign-out form and shall have the written approval of the supervisor.~~

~~(2) Returned shill funds shall be recorded on a shill sign-out form and verified by a supervisor who signs the form.~~

~~(3) The replenishment of skill funds shall be documented.~~

~~(f) Standards for reconciliation of card room bank. (1) The amount of the main card room bank shall be counted, recorded, and reconciled at least once every eight hours or when accountability transfers.~~

~~(2) At least once every eight hours, the table banks that were opened during that shift shall be counted, recorded, and reconciled by a dealer or other person, and a supervisor (or an employee independent of the card games department), and shall be attested to by their signatures on the check-out form. For imprest banks that remain with the dealer, the banks shall be counted, recorded and reconciled upon issuance and upon return by the dealer and a supervisor (or an employee independent of the card games department), and attested to by their signing the checkout form.~~

~~(g) Standards for promotional progressive pots and pools. (1) All funds contributed by players into the pools shall be returned when won in accordance with the posted rules with no commission or administrative fee withheld.~~

~~(i) The payout may be in the form of personal property (e.g., car).~~

~~(ii) A combination of a promotion and progressive pool may be offered.~~

~~(2) The conditions for participating in current card game promotional progressive pots, pools, and any related promotions including drawings and giveaway programs shall be prominently displayed or available for customer review at the gaming operation.~~

~~(3) Payouts for card game promotional progressive pots, pools and any other promotion, including related drawings and giveaway programs, that are \$600 or more shall be documented at the time of the payout to include the following:~~

~~(i) Customer's name;~~

~~(ii) Date of payout;~~

~~(iii) Dollar amount of entry payout (both alpha and numeric, or unalterable numeric) and/or nature and dollar value of any noncash payout;~~

~~(iv) Signature of individual completing transaction attesting to the disbursement of the payout with the customer; and~~

~~(v) Name of contest/tournament.~~

~~(4) If the cash (or cash equivalent) payout for the card game promotional progressive pot, pool, or related promotion, including a payout resulting from a drawing or giveaway program, is less than \$600, documentation shall be created to support accountability of the bank from which the payout was made. Such documentation may consist of a line item on a card games department or cage accountability document (e.g., 43 (forty three) \$10 card games giveaway coupons = \$430).~~

~~(5) Rules governing current promotional pools shall be conspicuously posted in the card room and/or available in writing for customer review. The rules shall designate:~~

~~(i) The amount of funds to be contributed from each pot;~~

~~(ii) What type of hand it takes to win the pool (e.g., what constitutes a “bad beat”);~~

~~(iii) How the promotional funds will be paid out;~~

~~(iv) How/when the contributed funds are added to the pools; and~~

~~(v) Amount/percentage of funds allocated to primary and secondary pools, if applicable.~~

~~(6) 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.~~

~~(7) The amount of the pools shall be conspicuously displayed in the card room.~~

~~(8) At least once a day, the posted pool amount shall be updated to reflect the current pool amount.~~

~~(9) At least once a day, increases to the posted pool amount shall be reconciled to the cash previously counted or received by the cage by personnel independent of the card room.~~

~~(10) All decreases to the pool must be properly documented, including a reason for the decrease.~~

~~(11) Promotional funds removed from the card game shall be placed in a locked container (e.g., a separate locked container affixed to a card game table used solely for promotional pool funds).~~

~~(12) Persons authorized to transport the locked container shall be precluded from having access to the contents keys.~~

~~(13) The contents key shall be maintained by a department independent of the card room.~~

~~(14) At least once a day, the locked container shall be removed by two persons, one of whom is independent of the card games department, and transported directly to the cage or other secure room to be counted, recorded, and verified, prior to accepting the funds into cage accountability.~~

~~(h) *Card Room Contests and Tournaments* (1) All contest/tournament entry fees and prize payouts shall be summarized on a cash accountability document on a daily basis.~~

~~(2) When, in accordance with the rules of the contest/tournament as established by the gaming operation, identification of the entrant is required for making the subsequent payout of \$600 or more, (e.g., high hand of the day/week), the entry fee(s) shall be recorded on a document which contains:~~

~~(i) Customer's name;~~

~~(ii) Date of entry;~~

~~(iii) Dollar amount of entry fee (both alpha and numeric, or unalterable numeric);~~

~~(iv) Signature of individual completing transaction attesting to the receipt the entry fee with the customer; and~~

~~(v) Name of contest/tournament.~~

~~(3) When contest/tournament payouts of \$600 or more are transacted, the transactions shall be recorded on a document which contains:~~

~~(i) Customer's name;~~

~~(ii) Date of payout;~~

~~(iii) Dollar amount of entry payout (both alpha and numeric, or unalterable numeric) and/or nature and dollar value of any noncash payout;~~

~~(iv) Signature of individual completing transaction attesting to the disbursement of the payout with the customer; and~~

~~(v) Name of contest/tournament.~~

~~(4) Contest/tournament prize pools that have the amount of the pool determined through player contributions from card game pots are subject to the requirements of §543.9 (g) (5) and §543.9 (g) (11)-(14).~~

~~(5) The contest/tournament entry fees and payouts shall be summarized and posted to the accounting records on at least a monthly basis.~~

~~(6) Current contest/tournament rules shall be included on all entry forms/brochures and prominently displayed or available for customer review at the gaming operation. The rules must include at a minimum:~~

~~(i) All conditions customers must meet to qualify for entry into, and advancement through, the contest/tournament;~~

~~(ii) Specific information pertaining to any single contest/tournament, inclusive of the following:~~

~~(A) Dollar amount of money placed in to the prize pool;~~

~~(B) If dollar amount not predetermined, the method by which the dollar contribution will be determined; and~~

~~(C) Description of merchandise contributed, inclusive a dollar value.~~

~~(iii) The distribution of funds based on specific outcomes.~~

~~(7) Results of current contests/tournaments shall be recorded and available for participants to review, including the name of the event, date(s) of event, total number of entries, dollar amount of entry fees, total prize pool, and the dollar amount paid for each winning category. The gaming operation shall establish a reasonable retention period to maintain the information, which shall be subject to TGRA concurrence.~~

~~(i) For contest/tournament prize pools where the amount of the pool is determined through patron contributions from card game pots, the daily contributions and the total contributions shall be recorded.~~

~~(ii) Two employees, one of whom is independent of the collection of entry fees, shall reconcile the total amount of card game chips issued for the contest/tournament in exchange for entry fees to the final chip count at the end of the contest/tournament. The reconciliation shall be documented and signed by the employees.~~

~~(i) Computerized Player Tracking Systems (1) The following standards apply only to computerized player tracking systems that accumulate points that are subsequently redeemed by the customer for cash, merchandise, etc.~~

~~(2) The addition/deletion of points to player tracking accounts other than through an automated process related to actual play must be sufficiently documented (including substantiation of reasons~~

~~for increases) and authorized or performed by supervisory personnel of the player tracking, promotions, or card games departments.~~

~~(i) The addition/deletion of points to player tracking accounts authorized by supervisory personnel shall be documented and randomly verified by accounting/audit personnel on at least a quarterly basis.~~

~~(ii) The above requirements do not apply to the deletion of points related to inactive or closed accounts through an automated process.~~

~~(3) Employees who redeem points for patrons shall not have access to inactive or closed accounts without supervisory personnel authorization. Documentation of such access and approval shall be created and maintained.~~

~~(4) Customer identification shall be required when redeeming points for cash or at any time points are being redeemed without a player tracking card.~~

~~(5) Changes to the player tracking system parameters, such as point structures and employee access, must be performed by supervisory personnel independent of the card games department. Alternatively, changes to player tracking system parameters may be performed by card games supervisory personnel if sufficient documentation is generated and the propriety of the changes is randomly verified by personnel independent of the card games department on a quarterly basis.~~

~~(6) Rules and policies for player tracking accounts including the awarding, redeeming and expiration of points shall be prominently displayed or available for customer review at the gaming operation.~~

§ 543.14—What are the minimum internal control standards for the cage?

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

~~(b) *Personal checks, cashier's checks, traveler's checks, payroll checks, and counter checks.* (1) If personal checks, cashier's checks, traveler's checks, payroll checks or counter checks are cashed at~~

~~the cage, the gaming operation shall establish and comply with appropriate controls that, at a minimum, provide for security and integrity. For each check cashing transaction, the minimum controls shall include the following:~~

~~(i) Verify the patron's identity by examining an identification credential (e.g. driver's license) or other method to ensure the patron's identity. The identification credential information shall be documented on the check unless the information is maintained elsewhere. In such cases, record "Account on file" on the check as the verification source and results.~~

~~(ii) Examine the check to ensure it includes the patron's name, current address, and signature;~~

~~(iii) For personal checks, verify the patron's check cashing authority and record the source and results in accordance with management policy.~~

~~(iv) If a check guarantee service is used to guarantee the transaction and the procedures required by the check guarantee service are followed, then the above requirements do not apply.~~

~~(2) When counter checks are issued, the following shall be included on the check:~~

~~(i) The patron's name and signature;~~

~~(ii) The dollar amount of the counter check (both alpha and numeric);~~

~~(iii) Patron's bank name and bank routing and account numbers;~~

~~(iv) Date of issuance; and~~

~~(v) Signature of the person approving the counter check transaction.~~

~~(3) Personal checks, payroll checks, and counter checks that are not deposited in the normal course of business as established by management (held checks) are subject to §543.15 Credit standards.~~

~~(4) When traveler's checks or other guaranteed drafts such as cashier's checks are presented, the cashier shall comply with **the examination and documentation procedures** as required by the issuer.~~

~~(c) *Patron deposited funds.* If a gaming operation permits a patron to deposit funds for safekeeping and/or front money purposes with the gaming operation at the cage, the following standards shall apply. These standards also apply when transfers are made from such deposit accounts to a wagering account resulting in the funds being transferred to a gaming area for wagering purposes.~~

~~(1) The receipt or withdrawal of a patron deposit shall be evidenced by at least a completed two-part document with one copy given to the patron and one copy remaining in the cage.~~

~~(2) Each of the two parts of the sequentially numbered receipt shall contain the following information:~~

~~(i) Same receipt number on each copy;~~

~~(ii) Patron's name and signature;~~

~~(iii) Date of receipt and withdrawal;~~

~~(iv) Dollar amount of deposit/withdrawal (for foreign currency transactions include the US dollar equivalent, the name of the foreign country, and the amount of the foreign currency by denomination);~~

~~(v) Nature of deposit/withdrawal (cash, check, chips); and~~

~~(vi) Name and signature of individual who conducted the transaction.~~

~~(3) The following procedures shall be established and complied with for front money deposits:~~

~~(i) Maintain a detailed record by patron name and date of all funds on deposit;~~

~~(ii) Maintain a current balance of all patron deposits that are in the cage/vault inventory or accountability; and~~

~~(iii) Reconcile this current balance with the deposits and withdrawals at least daily.~~

~~(d) *Safe Deposit Boxes.* (1) The issuance and closure of a patron's safe deposit box in the gaming area shall be evidenced by a document that includes the following information:~~

~~(i) Safe deposit box number;~~

~~(ii) Date of issuance and closure;~~

~~(iii) Patron's name and signature;~~

~~(iv) Verify the patron's identity by examining an identification credential (e.g. driver's license) or other method to ensure the patron's identity. The identification credential information shall be documented unless the information is maintained elsewhere. In such cases, record "Account on file" as the verification source and results; and~~

~~(v) Name and signature of cashier who issued or closed the safe deposit box.~~

~~(2) Procedures shall be established to maintain a detailed record of all cage/vault safe deposit boxes and the current status of each box (e.g. issued, not issued).~~

~~(3) It is recommended that the preceding procedures for maintaining accurate records on the issuance and closure of safe deposit boxes also be adhered to in non-gaming areas.~~

~~(e) *Cage and vault accountability standards.* (1) All transactions that flow through the cage shall be summarized on a cage accountability form for each work shift of the cage and shall be supported by documentation.~~

~~(2) Increases and decreases to the total cage inventory shall be supported by documentation. For any individual increase/decrease which exceeds \$100, documentation shall include the date and shift, the purpose of the increase/decrease, the person(s) completing the transaction, and the person or department receiving the cage funds (for decreases only).~~

~~(3) The cage and vault (including coin room) inventories shall be counted by at least two individuals at the end of each work shift. These persons shall make individual counts for comparison for accuracy and maintenance of individual accountability. Such counts shall be recorded at the end of each shift during which activity took place. All discrepancies shall be noted and investigated.~~

~~(4) The gaming operation shall establish and comply with a 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 Commission upon request.~~ (g) [Chip\(s\) and token\(s\). Controls must be established to ensure accountability of chip and token inventory. Such controls must include, but not be limited to, the following:](#)

~~(f) *Chip and token standards.* The gaming operation shall establish and comply with procedures for the receipt, inventory, storage, and destruction of gaming chips and tokens.~~

~~(g) *Promotional Payments, Drawings, and Giveaway Programs.* At a minimum, the following procedures shall apply to any payment resulting from a promotional payment, drawing, or giveaway program (e.g. paycheck wheels) disbursed by the cage department or any other department. Such payments are associated with gaming activity or a promotional program to encourage patron participation in gaming activities. However, this section does not apply to programs that are addressed elsewhere in this Part.~~

~~(1) The conditions for participating in promotional payments, including drawings and giveaway programs, shall be prominently displayed or available for patron review at the gaming operation.~~

~~(2) Payments of \$100 or more shall be documented at the time of the payment. Documentation shall include the following:~~

~~(i) Date and time.~~

~~(ii) Dollar amount of payment or description of personal property (e.g. car).~~

~~(iii) Reason for payment (e.g. name of promotion).~~

~~(iv) Patron's name (drawings only).~~

~~(v) Signature(s) of the following number of persons verifying, authorizing, and completing the promotional payment with the patron:~~

~~(A) Two signatures for all payments of \$100 or more; or~~

~~(B) For computerized systems that validate and print the dollar amount of the payment on a computer-generated form, only one signature is required on the payment form.~~

~~(vi) The required documentation may be prepared by an individual who does not work in the cage department as long as the required signatures are those of the individuals completing the payment with the patron.~~

~~(3) For payments that are less than \$100, documentation shall be produced to support the cage accountability. Such documentation may consist of a line item on a cage accountability document (e.g. "25 \$10 cash giveaway coupons = \$250).~~

(1) Purchase;

(2) Receipt;

(3) Inventory;

(4) Storage; and

(5) Destruction.

(h) Cage and vault access. Controls must be established in a manner designed to prevent unauthorized access, misappropriation, forgery or fraud. Such controls must include, but not be limited to, the following:

(1) Physical access to the cage to cage department agents, designated staff, and other persons authorized; and

~~(h) Extraneous items. The gaming operation shall establish and comply with procedures to address the transporting of extraneous items, which may include but is not limited to, coats, purses, and/or boxes;~~
(2) Transportation of extraneous items (e.g., personal belongings, tool boxes, beverage containers, etc.) into and out of the cage, coin room, count room, vault, or other secure area.

§ 543.15 What are the minimum internal control standards for lines of credit?

(a) Internal Control Procedures. Subject to the approval and oversight of the TGRA, each gaming operation shall establish, implement and adhere to internal control policies and procedures that provide at least the level of control established by the standards of this section.

~~(a) Computer~~(b) Computerized applications. For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control ~~described~~established by the standards ~~in of~~ in of this section, as approved in writing by the ~~Tribal gaming regulatory authority~~TGRA, will be acceptable.

~~(b) Credit standards. The following standards shall apply if the gaming operation authorizes and extends credit to patrons;~~
(c) Variances. The TGRA shall establish the threshold level at which a variance shall be reviewed. Any such review shall be documented.

(d) Establishment of Lines of Credit Policy.

~~(1) At least the following information shall be recorded for patrons that have credit limits or are issued credit (including the issuance of markers but excluding personal checks, payroll checks, cashier's checks, counter checks and traveler's checks):~~
If a gaming operation extends lines of credit, controls must be established to safeguard the assets of the gaming operation. Such controls must include the establishment of a lines of credit policy including the following:

(i) A process for the patron to apply for, modify, and/or re-establish lines of credit, to include required documentation and credit line limit;

(ii) Credit issuer authorization levels;

(iii) Identification of agents authorized to issue lines of credit;

(iv) A process for verifying lines of credit worthiness of applicants;

(v) A system for recording patron information; to include:

~~(i) Patron's name~~ Name, current address, and signature;

~~(ii) Identification verifications including type of identification credential, credential number, expiration date of credential, and date credential was examined. A driver's license is the preferred method for verifying the patron's identity. A passport, non-resident alien identification card, other government issued identification credential or another picture identification credential normally acceptable as a means of identification when cashing checks, may also be used.~~ B) Identification credential;

~~(iii) C~~ C) Authorized credit line limit; and

~~(iv) Signature of approval by a person~~ D) Approval by an agent authorized by management to approve credit line limits ~~(for computerized systems, a credit limit approval controlled through system passwords is adequate);~~

~~(v) Date, time and amount of credit issuances and payments; and~~

~~(vi) Amount of available credit~~ A process for issuing lines of credit to include the following:

~~(2) Prior to the issuance of gaming credit the individual preparing to issue the credit shall:~~

~~(i) Determine whether the credit limit is properly authorized;~~

~~(ii) Determine the amount of available credit and whether remaining credit is sufficient to cover the credit issuance; and~~

~~(iii) Verify the identity of the patron by examining the patron's identity credential or other reasonable method to ensure the patron's identity.~~

~~(3) Credit extensions over specified dollar amounts shall be approved by personnel designated by management.~~

~~(4) Proper approval of credit extensions over ten percent (10%) of the previously established limit, including a temporary increase, shall be documented.~~

~~(5) The job functions of credit approval (i.e., establishing the patron's credit worthiness) and credit extension (i.e., advancing patron's credit) shall be segregated for credit extensions to a single patron of \$10,000 or more per day (applies whether the credit is extended in the pit or the cage).~~

~~(6) If cage credit is extended to a single patron in an amount exceeding the threshold established by management (threshold not to exceed \$10,000), appropriate gaming personnel shall be notified on a timely basis (e.g., via computer and provided the gaming department can access computer record of gaming activity) of the patrons playing on cage credit, the applicable amount of credit issued, and the available balance.~~

~~(i) The threshold amount that the cage is authorized to extend credit without required notification to appropriate gaming personnel shall be approved by the Tribal gaming regulatory authority.~~

~~(ii) [Reserved]~~

~~(7) Cage marker forms shall be at least two parts (the original marker and a payment slip), prenumbered by the printer or concurrently numbered by the computerized system, and utilized in numerical sequence.~~

~~(8) The completed original cage marker shall contain at least the following information:~~

~~(i) Marker number;~~

~~(ii) Player's name and signature;~~

~~(iii) Amount of credit issued (both alpha and numeric); and~~

~~(iv) Signature of the cashier.~~

~~(9) 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.~~

~~(c) *Payment standards.* (1) All payments received on outstanding credit instruments shall be recorded in ink or other permanent form of recordation in the gaming operation's records.~~

~~(2) When partial payments are made on credit instruments, they shall be evidenced by a multi-part sequentially numbered receipt (or another equivalent document) that contains:~~

~~(i) The same preprinted receipt number on all copies;~~

~~(ii) Patron's name;~~

~~(iii) Date of payment;~~

~~(iv) Dollar amount of payment (or remaining balance if a new marker is issued), and nature of settlement (cash, chips, etc.);~~

~~(v) Signature of individual receiving payment; and~~

~~(vi) Marker number of credit instrument on which partial payment is being made.~~

~~(3) Unless credit account balances are routinely confirmed on a random basis by the accounting or internal audit departments, or statements are mailed by a person independent of the credit transactions and collections thereon, and the department receiving payments cannot access cash, then the following standards shall apply:~~

~~(i) The routing procedures for credit instrument payments by mail require that they be received by a department independent of credit instrument custody and collection;~~

~~(ii) Credit instrument payments received by mail shall be documented on a listing indicating the patron's name (and the name of the individual making the payment if different than the patron), amount of payment, nature of payment (if other than a check), and date payment received and~~

~~(iii) The total amount of the listing of mail receipts shall be reconciled with the total mail receipts recorded on the appropriate accountability form by the accounting department on a random basis (for at least three (3) days per month).~~

~~(d) Access to credit documentation. (1) Access to credit documentation shall be restricted as follows:~~

~~(i) The credit information shall be restricted to those positions that require access and are so authorized by management;~~

~~(ii) Outstanding credit instruments shall be restricted to persons authorized by management; and~~

~~(iii) Written off credit instruments shall be further restricted to persons authorized by management.~~

~~(2) [Reserved]~~

~~(e) Maintenance of credit documentation. (1) All extensions of cage credit, pit credit transferred to the cage, and subsequent payments received shall be documented by cage personnel on a credit instrument control form.~~

~~(2) Records of all correspondence, transfers to and from outside agencies, and other documents related to issued credit instruments shall be maintained.~~

~~(f) *Write-off and settlement standards.* (1) Written-off or settled credit instruments shall be authorized in writing.~~

~~(2) Such authorizations shall be made by at least two management officials at least one of whom is independent of the initial credit limit approval process and the issuance and collection of credit relative to the patron's account. The individuals approving the write-off or settlement must sign a document indicating their authorization.~~

~~(3) Completed written-off and settled credit instrument documentation shall be submitted to the accounting department within 72 hours of completion.~~

~~(g) *Collection agency standards.* (1) If credit instruments are transferred to collection agencies or other collection representatives, a copy of the credit instrument and a receipt from the collection representative shall be obtained and maintained until the original credit instrument is returned or payment is received.~~

(A) Notice to patron of lines of credit terms including patron written acknowledgment by signature;

(B) Completion of a uniquely identified, multi-part, lines of credit issuance form, such as a marker or counter check, which includes the terms of that lines of credit transaction;

(C) Signatory requirements;

(D) Determining the amount of the patron's available lines of credit;

(E) Creation and maintenance of current lines of credit balance record updated at the time of each transaction to assure that lines of credit issued is within the established limit and balance for that patron.

(F) Requirement that the agent issuing the lines of credit must be independent of the agent who authorized the lines of credit.

(vii) A policy establishing credit line limit exceptions to include the following:

(A) Identification of the agent(s) authorized to permit a credit line limit to be exceeded;

(B) Authorization thresholds; and

(C) Required documentation.

(viii) A policy governing increases and decreases to a patron's lines of **credit account balances** to include the following:

(A) Documentation and record keeping requirements;

(B) Independence between the department that receives the payment and the department that maintains custody of the credit balance for payments made by mail;

(C) Collections;

(D) Periodic audits and confirmation of balances; and

(E) If a collection agency is utilized, a process to ensure documentation of increases and decreases to the lines of credit account balances.

(ix) A policy governing write-offs and settlements to include:

(A) Identification of agent(s) authorized to approve write-offs and settlements;

(B) Authorization levels for write-offs and settlements of lines of credit instruments;

(C) Required documentation for write-offs and settlements;

(D) Independence between the agent who established the lines of credit and the agent writing off or settling the lines of credit instrument.

~~(2) A person independent of credit transactions and collections shall periodically review the documents in paragraph (g) (1) of this section to ensure all required documents are present.~~E) Necessary documentation for the approval of write-offs and settlements and transmittal to the appropriate department for recording and deductibility.

~~§543.16 What are the minimum internal control standards for information technology?~~ 543.16
What are the minimum internal control standards for Security and Management of Server, Server Software and Data Associated with Class II Gaming Systems?

~~(a) **Physical Access and Maintenance Controls (1) The critical IT systems and equipment for each gaming application (e.g., bingo) and each application for financials, shall be maintained in a physically secured area. The area housing the critical IT systems and equipment for each gaming and other critical IT systems and equipment shall be equipped with the following:**~~Internal Control Procedures. Subject to the approval and oversight of the TGRA, each gaming operation shall establish, implement and adhere to internal control policies and procedures that provide at least the level of control established by the standards of this section.

~~(b) Computerized applications. For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control established by the standards of this section, as approved in writing by the TGRA, will be acceptable.~~

~~(c) Class II gaming systems and physical controls. Controls must be established to ensure:~~

~~(i) **Uninterruptible power supply to reduce the risk of data loss in the event of an interruption to commercial power. Components in a player interface cabinet are not required to maintain an uninterruptible power supply.**~~1) Control of physical and logical access to server, server software and data associated with Class II gaming systems;

~~(ii) **A security mechanism to prevent unauthorized physical access to areas housing critical IT systems and equipment for gaming and financial applications, such as traditional key locks, biometrics, combination door lock, or electronic key card system.**~~

~~(2) **Access to areas housing critical IT systems and equipment for gaming and financial applications, including vendor supported systems, shall be limited to authorized IT**~~

~~personnel as approved by the Tribal gaming regulatory authority. Non-IT personnel, including vendors of the gaming computer equipment, shall only be allowed access to the areas housing critical IT systems and equipment for gaming applications when authorized by IT Management in accordance with IT policies and procedures. At a minimum, such policies and procedures shall require monitoring of personnel during each access.~~

~~(i) A record of each access by non-IT personnel shall be maintained by IT management to include the name of the visitor(s), time and date of entry, reason for visit, company or organization and the name of the designated and authorized personnel escorting the visitor, followed by the time and date of visitor departure.~~

~~(ii) The administration of the electronic security systems, if used to secure areas housing critical IT systems and equipment, shall be performed by personnel independent of a gaming or financial department in accordance with policies and procedures approved by the Tribal gaming regulatory authority.~~

~~(b) System Parameters (1) The computer systems, including application software, shall be logically secured through the use of passwords, biometrics, or other means approved by the Tribal gaming regulatory authority.~~

~~(2) Security parameters for passwords, if configurable, shall meet the following minimum requirements:~~

~~(i) Passwords shall be changed at least once every 90 days (quarterly);~~

~~(ii) Passwords shall be at least 8 characters in length and contain a combination of at least two of the following criteria: upper case letters, lower case letters, numeric and/or special characters;~~

~~(iii) If the system maintains an electronic record of old or previously used passwords, passwords may not be re-used for a period of 18 months.~~

~~(iv) User accounts shall be automatically locked out after 3 failed login attempts. The system may, subject to the approval of the TGRA, release a locked out account after 30 minutes has elapsed.~~

~~(v) The written system of internal controls shall delineate whether the system is configurable for security parameters for passwords, including temporary passwords, and to what extent the system is configurable in meeting the security parameter requirements.~~

~~(3) A system event log (incident log) or series of reports/logs for critical IT systems, if capable of being created by all components that communicate within the gaming network, will be configured to track the following events:~~

~~(i) Failed login attempts.~~

~~(ii) Changes to live data files occurring outside of normal program and operating system execution.~~

~~(iii) Changes to operating system, database, network, and application policies and parameters.~~

~~(iv) Audit trail of information changed by administrator accounts; and~~

~~(v) Changes to date/time on master time server.~~

~~(4) (i) Daily system event logs shall be reviewed at least once weekly (for each day of the entire previous week) by IT personnel other than the system administrator for events listed in 543.16 (b) (3). For Tier A and B gaming operations, the system administrator restriction is not applicable. The system event logs shall be maintained for a minimum of the preceding seven (7) days. Documentation of this review (e.g., log, checklist, notation on reports) shall be maintained for a minimum of ninety (90) days and include the date, time, name of individual performing the review, the exceptions noted, and any follow-up of the noted exception.~~

~~(ii) An automated tool that polls the event logs for all gaming and financial related servers, and provides the system administrators notification of the above may be used. Maintaining the notification for ninety (90) days shall serve as evidence of the review.~~

~~(5) Exception reports, if capable, for components that communicate within the gaming network (e.g. changes to system parameters, corrections, overrides, voids, etc.) shall be maintained and include at a minimum:”~~

~~(i) Date and time of alteration;~~

~~(ii) Identification of user that performed alteration;~~

~~(iii) Data or parameter altered;~~

~~(iv) Data or parameter value prior to alteration; and~~

~~(v) Data or parameter value after alteration.~~

~~(c) *User Accounts* (1) Management personnel, or persons independent of the department being controlled, shall establish, or review and approve, user accounts to ensure that, at a minimum, assigned application functions match the employee’s current job responsibilities, unless otherwise authorized by management personnel, and to ensure adequate segregation of duties.~~

~~(2) At a minimum, the review shall ensure that any previously assigned application function access for the employee's user account is changed to inactive (disabled) prior to the employee accessing their new user account for their role or position in a new department.~~

~~(3) User access listings shall include, if the system is capable of providing such information, at a minimum:~~

~~(i) Employee name and title or position.~~

~~(ii) User login name.~~

~~(iii) Full list and description of application functions that each group/user account may execute. This list may be available in a separate report if the menu functions are easily referenced between the user access listing report and the menu function report.~~

~~(iv) Date and time account created.~~

~~(v) Date and time of last login.~~

~~(vi) Date of last password change.~~

~~(vii) Date and time account disabled/deactivated.~~

~~(viii) Group membership of user account, if applicable.~~

~~(4) When multiple user accounts for one individual per application are used, only one user account may be active (enabled) at a time if the concurrent use of the multiple accounts by the individual could create a segregation of duties deficiency resulting in noncompliance with one or more MICS. Additionally, the user account has a unique prefix/suffix to easily identify the users with multiple user accounts within one application.~~

~~(5) The system administrator or designee and the Tribal gaming regulatory authority shall be notified as soon as possible when an employee is known to be no longer employed (e.g., voluntary or involuntary termination of employment). Upon notification, the system administrator shall change the status of the employee's user account from active to inactive (disabled) status.~~

~~(6) The system administrator or designee and the Tribal gaming regulatory authority shall be notified as soon as possible when a user's authorized remote access capability is suspended or revoked. Upon notification, the system administrator or designee shall change the status of the user's account from active to inactive (disabled) status.~~

~~(7) User access listings for gaming applications at the application layer shall be reviewed quarterly by personnel independent of the authorization and user provisioning processes.~~

~~The review shall consist of examining a sample of at least 25 users included in the listing or more as determined by the Tribal gaming regulatory authority. The reviewer shall maintain adequate evidence to support the review process, which shall include the identified accounts reviewed, documentation of the results of the review, and e-mails or signatures and dates indicating when the user access listing was reviewed. For each of the randomly selected users, the reviewer shall determine whether:~~

~~(i) The assigned system functions are being used as authorized (i.e., system functions are appropriate for user's job position);~~

~~(ii) The assigned functions provide an adequate segregation of duties;~~

~~(iii) Terminated users' accounts have been changed to inactive (disabled) status;~~

~~(iv) Passwords have been changed within the last ninety (90) days. The review for password changes within 90 days applies regardless of whether the system parameter has been configured to forcefully request a password change every 90 days.~~

~~(v) There are no inappropriate assigned functions for group membership, if applicable.~~

~~(d) *Generic User Accounts* (1) Generic user accounts at the operating system level, if used, shall be configured such that the user is automatically brought to the application logon screen immediately upon logging into the operating system. The generic user accounts must also be configured such that the user is logged out of the operating system automatically upon exiting the application.~~

~~(2) Generic user accounts at the application system level shall be prohibited unless user access is restricted to inquiry or read only functions.~~

~~(e) *Service and Default Accounts* (1) Service accounts, if utilized, shall be configured in a manner that prevents unauthorized and inappropriate usage to gain logical access to an~~

~~application and the underlying databases and operating system. The individual responsible for the documentation indicating the method used to prevent unauthorized and inappropriate usage of these service accounts shall be identified in the written system of internal controls, that include at a minimum::~~

~~(i) Service accounts shall be configured such that the account cannot be used to directly log into the console of a server or workstation; and~~

~~(ii) Service account passwords shall be changed at least once every 90 days, and deactivated immediately upon the completion of services provided.~~

~~(2) User accounts created by default upon installation of any operating system, database or application (default user accounts) shall be configured, which may include deactivation or disabling, to minimize the possibility that these accounts may be utilized to gain unauthorized access to system resources and data. The individual responsible for the documentation indicating the procedures implemented to restrict access through the use of default accounts shall be identified in the written system of internal controls.~~

~~(3) Any other default accounts that are not administrator, service, or guest accounts shall be disabled unless they are necessary for proper operation of the system. If these accounts must remain enabled, the passwords shall be changed at least once every 90 days.~~

~~(f) Administrative Access (1) Access to administer the network, operating system, applications, and database security and system parameters shall be limited to supervisory and/or management employees of the IT department or IT employees under the supervision of supervisory and/or management employees of the IT department. If there is no formal IT department, supervisory or management personnel independent of the department using such system and/or application may perform the administrative procedures. The Tribal regulatory gaming authority shall be notified by the IT department (or supervisory or~~

~~management personnel independent of the department using the system, if there is no formal IT department) of those individuals who have been given administrator level access.~~

~~Such notification shall occur no less than quarterly or whenever changes occur to the listing.~~

~~(2) Systems being administered shall be enabled to log usage of all administrative accounts, if provided by the system. Such logs shall be maintained for 30 days and include time, date, login account name, description of event, the value before the change, and the value after the change.~~

~~(3) An individual independent of the gaming machine department shall daily review the requirements of a system based game and a system supported game ensuring the proper use of split or dual passwords by system administrators. This standard requires a review to confirm that the system requires or warrants the use of split or dual passwords and that split or dual passwords have been used.~~

~~(g) Backups (1) Daily backup and recovery procedures shall be in place and, if applicable, include:~~

~~(1) The IT department shall develop and implement daily backup and recovery procedures which, if applicable, shall address at a minimum the following:~~

~~(i) Application data (this standard only applies if data files have been updated);~~

~~(ii) Application executable files (unless such files can be reinstalled);~~

~~(iii) Database contents and transaction logs.~~

~~(2) Upon completion of the backup process, the backup media shall be transferred as soon as practicable to a location separate from the location housing the systems' servers and data being backed up (for temporary and permanent storage). The storage location shall be secured to prevent unauthorized access and provides adequate protection to prevent the permanent loss of any data.~~

~~(3) Backup data files and programs can be maintained in a secured manner in another building on the premises that is physically separated from the building where the system's hardware and software are located. They may also be stored in the same building as the system hardware/software as long as they are secured in a fireproof safe (1000 degrees Fahrenheit for one (1) hour minimum) or in some other manner that will ensure the safety of the files and programs in the event of a fire or other disaster.~~

~~(4) Backup system logs, if provided by the system, shall be reviewed by IT personnel or individuals authorized by IT personnel (daily review recommended) at a frequency determined by the Tribal gaming regulatory authority to ensure that backup jobs execute correctly and on schedule. The backup system logs shall be maintained for a time period established by the Tribal gaming regulatory authority.~~

~~(5) The IT personnel responsible for the documentation indicating the procedures implemented for the backup processes and for restoring data and application files is delineated in the written system of internal control or policies and procedures.~~

~~(i) In support of data restoration procedures, gaming operations shall test data recovery procedures using actual data at least annually, with documentation, review and IT managerial sign-off of results, which shall be made available to the Tribal gaming regulatory authority upon request.~~

~~(h) *Recordkeeping* (1) Critical IT system documentation for all in-use versions of applications, databases, network hardware, and operating systems shall be readily available, including descriptions of hardware and software (including version numbers), operator manuals, etc.~~

~~(2) System administrators shall maintain a current list of all enabled generic, system, and default accounts. The documentation shall include, at a minimum, the following:~~

~~(i) Name of system (i.e., the application, operating system, or database).~~

~~(ii) The user account login name.~~

~~(iii) A description of the account's purpose.~~

~~(iv) A record (or reference to a record) of the authorization for the account to remain enabled.~~

~~(3) The current list shall be reviewed by IT management in addition to the system administrator at least once every six months to identify any unauthorized or outdated accounts.~~

~~(4) User access listings for all gaming systems shall be retained for at least one (1) day of each month for the most recent five (5) years. The lists may be archived electronically if the listing is written to unalterable media (secured to preclude alteration). If the list of users and user access for any given system is available in electronic format, the list may be analyzed by analytical tools (i.e., spreadsheet or database).~~

~~(5) The IT department shall maintain current documentation with respect to the network topology (e.g., flowchart/diagram), deployment of servers housing applications and databases, and inventory of software and hardware deployed (available upon request by authorized internal and external auditors and by Commission personnel). The employee responsible for maintaining the current documentation on the network topology shall be identified in the IT departmental policies and procedures.~~

~~(i) *Electronic Storage of Documentation* (1) Documents may be scanned or directly stored to unalterable media (secured to preclude alteration) with the following conditions:~~

~~(i) The storage media shall contain the exact duplicate of the original document.~~

~~(ii) All documents stored shall be maintained with a detailed index containing the casino department and date.~~

~~(iii) Controls shall exist to ensure the accurate reproduction of records, up to and including the printing of stored documents used for audit purposes.~~

~~(i) Network Security (1) If guest networks are offered (such as networks that provide internet access for patrons, hotel guests, or vendors), adequate logical segregation, as certified by IT management, shall be provided of the guest network from the network used to serve access to gaming and financial related applications and devices. Traffic on guest networks shall be non-routable to the network serving gaming and financial related applications and devices.~~

~~(2) Production networks serving gaming systems shall be secured from outside traffic (e.g., firewall and routers) such that systems are configured to detect and report security related events (security logs).~~

~~(i) IT personnel responsible for documentation and review of procedures for detecting and reporting security related events shall be identified in the written system of internal control or policies and procedures.~~

~~(ii) If the system is configurable, the system shall log:~~

~~(A) Unauthorized logins,~~

~~(B) Failed login attempts,~~

~~(C) Other security related events (incident logs),~~

~~(iii) Deactivate all unused physical and logical ports and any in-bound connections originating from outside the network.~~

~~(A) Other security related events to be captured by the system include changes to live data files and any other unusual transactions.~~

~~(B) [Reserved]~~

~~(3) Network shared drives containing application files and data for all gaming and financial related applications shall be secured such that only authorized personnel may gain access.~~

~~(4) Server consoles, and unattended user terminals in gaming areas shall be configured to automatically secure themselves after a configurable period of inactivity elapses, the amount of time to be determined by IT department personnel. The time period of inactivity shall be documented in the written system of internal controls or IT policies and procedures. Users shall supply proper login credentials to regain access to the terminal or console.~~

~~(5) Login accounts and passwords required to administer network equipment shall be secured such that only authorized IT personnel may gain access to these devices. The passwords for these accounts shall meet system security parameters in accordance with IT policies and procedures, and shall be immediately disabled when IT personnel are terminated. The Tribal gaming regulatory authority shall be immediately notified of such actions.~~

~~(k) *Changes to Production Environment* (1) The individual responsible for the documentation indicating the process for managing changes to the production environment shall be identified in the written system of internal control or IT policies and procedures. Control shall include all changes to the production environment (operating system, network, databases, and applications) that relate to critical IT, gaming and applications systems. This process includes at a minimum:~~

~~(i) Proposed changes to the production environment shall be evaluated sufficiently by management personnel prior to implementation;~~

~~(ii) Proposed changes shall be properly and sufficiently tested prior to implementation into the production environment;~~

~~(iii) A strategy of reverting back to the last implementation shall be used (rollback plan) if the installation is unsuccessful and the rollback plan shall be tested prior to implementation to the production environment; and;~~

~~(iv) Sufficient documentation shall be maintained evidencing management approvals, testing procedures and results, rollback plans, and any issues/resolutions encountered during implementation.~~

~~(1) Remote Access (1) For each critical IT system application that is accessible remotely for purposes of obtaining vendor support, the written system of internal control or policies and procedures, as approved by the Tribal gaming regulatory authority, shall specifically address remote access procedures including, at a minimum:~~

~~(i) An automated or manual remote access log that denotes the following:~~

~~(A) name of authorized IT technician granting authorization;~~

~~(B) vendor's business name and name of authorized programmer;~~

~~(C) reason for network access;~~

~~(D) critical IT system application to be accessed;~~

~~(E) work to be performed on the system and~~

~~(F) date, time and approximate duration of the access. Description of work performed shall be adequately detailed to include the old and new version numbers of any software that was modified, and details regarding any other changes made to the system. Final duration of access will be annotated upon termination of the vendors' network connection.~~

~~(ii) For computerized casino accounting systems, the approved secured connection shall be such that the system can only be accessed from an authorized authenticated user.~~

~~(iii) The method and procedures used in establishing and using unique user IDs, passwords and IP addressing to allow authorized vendor personnel to access the system through remote access.~~

~~(iv) IT personnel, by name and role, shall be authorized by IT Management to enable the method of establishing a remote access connection to the system. Such authorizations shall be submitted to the Tribal gaming regulatory authority no less than twice annually.~~

~~(v) The name and role of IT personnel involved and procedures performed to ensure the method of establishing remote access connection shall be disabled when vendor remote access is no longer required and not in use. The same shall be submitted to the Tribal gaming regulatory authority no less than twice annually.~~

~~(2) User accounts used by vendors shall remain disabled on all operating systems, databases, network devices, and applications until needed by such vendor. Subsequent to an authorized use by a vendor, the account shall be returned to a disabled state.~~

~~(3) If remote access to the production network (live network) is permissible, and allows access to critical IT system applications, such access shall be logged automatically by the device or software where access is established if such logging is capable within system configurations.~~

~~(m) *Information Technology Department* (1) If a separate IT department is maintained or if there are in-house developed systems, the IT department shall be independent of all gaming departments (e.g., cage, count rooms, etc.) and operational departments.~~

~~(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,~~

~~(d) Independence. All personnel having access to Class II gaming servers, server software and/or data are independent of and restricted from access to:~~

~~(1) Financial instruments (e.g. cash, cash equivalents, vouchers, and coupons);~~

~~(2) Signatory authority over financial instruments and payouts forms; and~~

~~(2) IT personnel shall be precluded from access to wagering instruments and gaming related forms (e.g., player interface jackpot forms). IT personnel shall be restricted from having unauthorized access to cash or other liquid assets as well as initiating general or subsidiary ledger entries.~~3) Accounting, audit, and ledger entries.

~~(n) In-house Developed Systems (1) If source code for gaming and/or financial related software is developed or modified internally, a process (systems development life cycle) shall be adopted to manage this in-house development. The individual responsible for the documentation indicating the process in managing the development or modification of source code shall be identified in the written system of internal control or IT policies and procedures. The process shall address, at a minimum:~~

~~(i) Requests for new programs or program changes shall be reviewed by IT supervisory personnel. Approvals to begin work on the program shall be documented.~~

~~(ii) A written plan of implementation for new and modified programs shall be maintained and include, at a minimum, the date the program is to be placed into service, the nature of the change (if applicable), 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 which operational department is to perform all such procedures.~~

~~(iii) Sufficiently documenting software development and testing procedures through system development life cycle (SDLC) or other suitable, management approved process.~~

~~Documentation of approvals, systems development, testing, results of testing, and implementation into production. Documentation shall include a record of the final program or program changes, including evidence of user acceptance, date in service, programmer, and reason for changes, shall be documented and maintained.~~

~~(iv) Physical and logical segregation of the development and testing environment from the production environments.~~

~~(v) Adequate segregation of duties (i.e., those who develop/test code do not have access to introduce new or modified code into the production environment). In addition, a system administrator shall be precluded from developing/testing code which will be introduced into the production environment.~~

~~(vi) Secured repositories for maintaining code history.~~

~~(vii) End-user documentation (guides and manuals).~~

~~(2) All of the in-house developed systems described within this section must be submitted to the TGRA for approval prior to being implemented on the gaming network.~~

~~(g) Purchased Software Programs (1) For critical IT systems, documentation shall be maintained and include, at a minimum, the date the program was placed into service, the nature of the change (if applicable), 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 the IT technicians who performed such procedures.~~

~~(i) Testing of new and modified programs shall be performed (by the gaming operation or the system manufacturer) and documented prior to full implementation, subject to Tribal gaming regulatory approval.~~

~~(ii) [Reserved]~~

~~(2) [Reserved]~~

§ 543.17 What are the minimum internal control standards for complimentary services or items?

~~(a) Complimentary services and items procedures. (1) Each Tribal gaming regulatory authority~~
~~or~~Internal Control Procedures. Subject to the approval and oversight of the TGRA, each gaming operation shall establish ~~and the gaming operation shall comply with procedures for the~~ authorization, issuance, and tracking of complimentary services and items as defined in §543.2,

~~including cash and non-cash gifts.~~ implement and adhere to internal control policies and procedures that provide at least the level of control established by the standards of this section.

(b) Computerized applications. For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control established by the standards of this section, as approved in writing by the TGRA, will be acceptable.

(c) Variances. The TGRA shall establish the threshold level at which a variance shall be reviewed. Any such review shall be documented.

~~(2) The procedures shall be approved by the Tribal gaming regulatory authority and shall~~d) Complimentary services and items. Controls must be established in a manner designed to prevent unauthorized access, misappropriation, forgery or fraud. Such controls must include, but not be limited to, the ~~procedures by which~~following:

(1) How the gaming operation delegates to its personnel the authority to approve the issuance of complimentary services and items, ~~and the procedures by which conditions or limits, if any, which may apply to such authority are established and modified (including limits based on relationships between the authorizer and recipient), and shall further include effective provisions for audit purposes.~~including levels of authorization for the agents approving the issuance of complimentary services and items;

(2) Written limits and conditions on the approval and issuance of complimentary services or items, and how the conditions or limits of authority may be modified,

~~(3) Each gaming operation shall maintain a written record of limits or conditions which may be placed on the authority of its employees to approve or issue complimentary services or items, and the specific job titles to which they apply.~~

~~(b) Complimentary services and items shall include, but are not limited to, travel, lodging, food, beverages, or entertainment expenses provided directly to the patrons and their guests by the gaming operation or indirectly to patrons and their guests on behalf of the gaming operation by a third party. Complimentary cash gifts shall include, but are not limited to:~~

~~(1) Public relations payments made for the purpose of resolving complaints by or disputes with casino patrons (appeasement payments);~~

~~(2) Travel or “walk money” payments made for the purpose of enabling a patron to return home.~~ Documentation and recordation requirements for the authorization, issuance, and tracking of complimentary services and items, including cash and non-cash gifts;

~~(e) At least monthly, accounting, information technology, or audit personnel that cannot grant or receive complimentary privileges shall prepare reports that~~ Complimentary issuance records shall include the following ~~information~~ for all complimentary items and services: equal to or exceeding an amount established by the TGRA.

~~(1A)~~ (A) Name of patron who received the complimentary service or item;

~~(2B)~~ (B) Name(s) of ~~authorized~~ issuer of the complimentary service or item;

~~(3C)~~ (C) The actual cash value of the complimentary service or item;

~~(iD)~~ (D) ~~A~~ The type of complimentary service or item ~~provided directly to a patron in the normal course of a gaming operation’s business shall be recorded at the full retail price normally charged for such service or item by the gaming operation.~~ (i.e., food, beverage, etc.); and

~~(ii) A complimentary service or item not offered for sale to patrons in the normal course of a gaming operation’s business, but provided directly by the gaming operation, shall be recorded at the actual cost to the gaming operation of providing such service or item.~~

~~(iii) A complimentary service or item provided directly or indirectly to a patron on behalf of a gaming operation by a third party not affiliated with the gaming operation shall be recorded at the actual cost to the gaming operation of having the third party provide such service or item.~~

~~(iv) A complimentary service or item provided directly or indirectly to a patron on behalf of a gaming operation by a third party who is affiliated with the gaming operation shall be recorded as if the affiliated third party were the gaming operation.~~

~~(4) The type of complimentary service or item (i.e., food, beverage, etc.); and~~

~~(5E)~~ (E) Date the complimentary service or item was issued.

~~(d) Complimentary services or items exempt from paragraph (c) reporting requirements:~~ii) Reserved.

~~(1) A non-cash complimentary service or item which has a value no greater than \$150 (as calculated in accordance with (c) (3) above), or a lesser amount established by the Tribal gaming regulatory authority.~~

~~(2) A complimentary cash gift of \$100.00 or less, or an amount established by the Tribal gaming regulatory authority, which shall not be greater than \$100.~~

§~~542.18~~ 543.18 How does a gaming operation apply for a variance from the standards of this part?

~~(a) Tribal gaming regulatory authority approval. (Revised May 4, 2005)~~Variance.

~~(1) A Tribal gaming regulatory authority may approve a variance for a gaming operation if it has determined that the variance will achieve a level of control sufficient to accomplish the purpose of the standard it is to replace.~~Should a TGRA grant a variance to any provision of these MICS, the TGRA shall deliver a notice of the same to the Commission within ten (10) days of such approval.

~~(2) For each enumerated standard for which the Tribal gaming regulatory authority approves a variance, it shall submit to the Chairman of the NIGC, within thirty (30) days, a detailed report, which shall include the following:~~

~~(i) A detailed description of the variance;~~

~~(ii) An explanation of how the variance achieves a level of control sufficient to accomplish the purpose of the standard it is to replace; and~~

~~(iii) Evidence that the Tribal gaming regulatory authority has approved the variance.~~

~~(3) In the event that the Tribal gaming regulatory authority or the Tribe chooses to submit a variance request directly to the Chairman, it may do so without the approval requirement set forth in paragraph (a)(2)(iii) of this section and such request shall be deemed as having been approved by the Tribal gaming regulatory authority.~~

~~(b) Review by the Chairman. (Revised May 4, 2005)~~

~~(1) Following receipt of the variance approval, the Chairman or his or her designee shall have sixty (60) days to concur with or object to the approval of the variance.~~

~~(2) Any objection raised by the Chairman shall be in the form of a written explanation based upon the following criteria:~~

~~(i) There is no valid explanation of why the gaming operation should have received a variance approval from the Tribal gaming regulatory authority on the enumerated standard; or~~ The notice shall contain a complete copy of the information presented to the TGRA and the variance as granted.

~~(ii) The variance as approved by the Tribal gaming regulatory authority does not provide a level of control sufficient to accomplish the purpose of the standard it is to replace.~~

~~(3) If the Chairman fails to object in writing within sixty (60) days after the date of receipt of a complete submission, the variance shall be considered concurred with by the Chairman.~~

~~(4) The 60-day deadline may be extended, provided such extension is mutually agreed upon by the Tribal gaming regulatory authority and the Chairman.~~

~~(e) Curing Chairman's objections. (Revised May 4, 2005)~~ notice shall be forwarded to the Commission within ten (10) days of the granting of the Variance.

(2) During a thirty (30) day period when the Commission first receives the notice required by this subpart, the Chairman may request additional information from the TGRA concerning the subject of variance. Such request shall suspend the thirty (30) day period until the Chairman receives the TGRA response.

(b) Commission Review.

~~(1) Following an objection by the Chairman to the issuance of a variance, the Tribal gaming regulatory authority shall have the opportunity to cure any objections noted by the Chairman.~~ Within the thirty (30) day review period, the Commission may:

~~(2) A Tribal gaming regulatory authority may cure the objections raised by the Chairman by:~~

~~(i) Rescinding its initial approval of the variance; or~~

~~(ii) Rescinding its initial approval, revising the variance, approving it, and re-submitting it to the Chairman.~~

~~(3) Upon any re-submission of a variance approval, the Chairman shall have thirty (30) days to concur with or object to the re-submitted variance.~~

~~(4) If the Chairman fails to object in writing within thirty (30) days after the date of receipt of the re-submitted variance, the re-submitted variance shall be considered concurred with by the Chairman.~~

~~(5) The thirty (30) day deadline may be extended, provided such extension is mutually agreed upon by the Tribal gaming regulatory authority and the Chairman.~~

~~(d) Appeals. (Revised May 4, 2005)~~

~~(1) Upon receipt of objections to a re-submission of a variance, the Tribal gaming regulatory authority shall be entitled to an appeal to the full Commission in accordance with the following process: Comment—Jes to revise to mirror licensing language in IGRA.~~

~~(i) Within thirty (30) days of receiving an objection to a re-submission, the Tribal gaming regulatory authority shall file its notice of appeal.~~

~~(ii) Failure to file an appeal within the time provided by this section shall result in a waiver of the opportunity for an appeal.~~

~~(iii) An appeal under this section shall specify the reasons why the Tribal gaming regulatory authority believes the Chairman's objections should be reviewed, and shall include supporting documentation, if any.~~

~~(iv) The Tribal gaming regulatory authority shall be provided with any comments offered by the Chairman to the Commission on the substance of the appeal by the Tribal gaming regulatory authority and shall be offered the opportunity to respond to any such comments.~~

~~(v) Within thirty (30) days after receipt of the appeal, the Commission shall render a decision based upon the criteria contained within paragraph (b)(2) of this section unless the Tribal gaming regulatory authority elects to waive the thirty (30) day requirement and to provide the Commission additional time, not to exceed an additional thirty (30) days, to render a decision.~~

~~(vi) In the absence of a decision within the time provided, the Tribal gaming regulatory authority's resubmission shall be considered concurred with by the Commission and become effective.~~

~~(2) The Tribal gaming regulatory authority may appeal the Chairman's objection to the approval of a variance to the full Commission without resubmitting the variance by filing a notice of appeal~~

~~with the full Commission within thirty (30) days of the Chairman's objection and complying with the procedures described in paragraph (d)(1) of this section.~~

~~(e) Effective date of variance. The gaming operation shall comply with standards that achieve a level of control sufficient to accomplish the purpose of the standard it is to replace until such time as the Commission objects to the Tribal gaming regulatory authority's approval of a variance as provided in paragraph (b) of this section. Concurrence in a variance by the Chairman or Commission is discretionary and variances will not be granted routinely. The gaming operation shall comply with standards at least as stringent as those set forth in this part until such time as the Chairman or Commission concurs with the Tribal gaming regulatory authority's approval of a variance. (Revised May 4, 2005) Advise the TGRA, in writing, that it has no objection.~~

(ii) Provide the TGRA a written statement itemizing its objections.

(iii) Take no action, in which case, the TGRA's variance shall be final.

(2) If the Commission has provided the TGRA a statement itemizing objections to the variance:

(i) The TGRA shall reconsider the variance taking into account the objections itemized by the Commission.

(ii) The TGRA may seek reconsideration by submitting a request to the Chairman and members of the Commission.

(iii) Upon receipt of a request for reconsideration, the Commission shall conduct an informal hearing with the TGRA within 30 days, which may be conducted in person or through the exchange of documents, as requested by the TGRA.

(iv) After the informal hearing, the Commission must issue a written decision within 14 days. If the Commission disapproves the variance, such written decision must include an explanation of why the requested variance creates an imminent threat to the integrity of the tribal gaming operation.

§543.19 543. 19 What are the minimum internal control standards for ~~accounting?~~ **Audit and Accounting?**

(a) Internal Control Procedures. Subject to the approval and oversight of the TGRA, each gaming operation shall establish, implement and adhere to internal control policies and procedures that provide at least the level of control established by the standards of this section.

(b) Computerized Applications. For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control established by the standards of this section, as approved in writing by the TGRA, will be acceptable.

(c) Conflicts of Standards. If there are any inconsistencies between these regulations and external standards incorporated by this provision, such as GASB, GAAP, FASB, and SSAE, such other applicable standards shall prevail.

(d) Operational Audits (formerly "Revenue Audit"). Controls shall be established to ensure:

(1) All audits are designed in a manner to detect unauthorized access, misappropriation or fraud.

(2) All audits are performed within seven (7) days of the audited activity's occurrence as follows, unless otherwise specified:

(i) Gaming revenue and payouts;

(ii) Increases and decreases to inventory;

(iii) Cash equivalent inventory count;

(iv) Exceptions, overrides, and voids;

(v) Complimentary services and items records (Weekly);

(vi) Manual increases and decreases to/from player accounts (Weekly);

(vii) Promotions, contests, and tournaments (Weekly); and

(viii) Key control records (Quarterly).

(3) Minimum bankroll calculations are audited periodically to ensure that the gaming operation maintains cash in an amount sufficient to satisfy the gaming operation's obligations.

(4) At least bi-annually, an inventory of all drop, count, override, and panel keys are performed and increases and decreases in key inventory are reconciled.

(5) Audit results are summarized and recorded.

(6) Controls are developed to account for the receipt, issuance, and use of controlled inventories (including but not limited to bingo cards, pull tabs, playing cards, keys, pre-numbered and/or multi-part forms, etc.).

(7) Adjustments to original data are controlled to ensure all adjustments are properly completed and documented.

(8) Exceptions are reviewed for suspect and/or unusual transactions.

(9) Documentation must be generated and maintained evidencing the performance of audit procedures.

(10) If the audit is not performed by accounting agents, the agent(s) performing the audit are independent of the agents who performed the transactions being reviewed.

~~(a) Each~~ Accounting. Controls must be established to ensure each gaming operation ~~shall prepare:~~

(1) Prepares accurate, complete, legible, and permanent records of all transactions pertaining to gaming revenue ~~and gaming activities.~~

~~(b) Each gaming operation shall prepare~~ (2) Prepares general accounting records ~~according to Generally Accepted Accounting Principles using~~ on a double-entry system of accounting, ~~and shall maintain~~ maintaining detailed, supporting, subsidiary records, ~~including, but not limited to:~~ and perform the following:

~~(1) Detailed records identifying~~ (i) Record gaming activity transactions in an accounting system to identify and track all revenues, expenses, assets, and liabilities, ~~and equity for each gaming operation;~~

(ii) Produce income and balance sheet statements;

~~(2) Detailed records of all markers, IOU's, returned checks, held checks, or other similar credit instruments;~~ (iii) Produce appropriate subsidiary ledgers to support the balance sheet;

~~(3) Card game statistical game records reflecting drop by each table by shift, by day, cumulative month-to-date, and year-to-date.~~

~~(4) Other records required by this part and by the Tribal internal control standards;~~

(iv) Inventory and safeguard assets;

(v) Prepare, review, and maintain accurate financial statements;

(vi) Prepare minimum bankroll calculations; and

(vii) Maintain and preserve all financial books, records, and relevant supporting documentation.

(f) Internal audit. Controls shall be established to ensure:

(1) Internal auditor(s) perform audits of each department of a gaming operation, at least annually, to review compliance with these MICS, TICS, and SICS.

(2) Internal auditor(s) are independent of the gaming operations with respect to the departments subject to audit (auditors internal to the operation, officers of the TGRA, or outside CPA firm may perform this function).

(3) Internal auditors report directly to the Tribe, TGRA, audit committee, or other entity designated by the Tribe.

~~(5) Journal entries prepared by the gaming operation and by its independent accountants;~~
and (4) Documentation (e.g., checklists, programs, reports, etc.) is prepared to evidence all internal audit work and follow-up performed as it relates to compliance with these MICS, TICS, and SICS.

~~(6) Any other records specifically required to be maintained~~
(5) Reports documenting audits performed are maintained and made available to the Commission upon request.

~~(e) Each gaming operation shall establish administrative and accounting procedures for the purpose of determining effective control over a gaming operation's fiscal affairs. The procedures shall be designed to reasonably ensure that:~~

~~(1) Assets are safeguarded;~~

~~(2) Financial records are accurate and reliable;~~

~~(3) Transactions are performed only in accordance with management's general and specific authorization;~~

~~(4) Transactions are recorded adequately to permit proper reporting of gaming revenue and fees, and to maintain accountability of assets;~~

~~(5) Recorded accountability for assets is compared with actual assets at reasonable intervals, and appropriate action is taken with respect to any discrepancies; and~~

~~(6) Functions, duties, and responsibilities are appropriately segregated in accordance with sound business practices.~~

~~(d) *Gross gaming revenue computations.* (1) For player interfaces, gross revenue equals drop, less fills, prize payouts and personal property awarded to patrons as gambling winnings.~~

~~(2) For each counter game, gross revenue equals:~~

~~(i) The cash accepted by the gaming operation on events or games that occur during the month or will occur in subsequent months, less cash paid out during the month to patrons on winning wagers ("cash basis"); or~~

~~(ii) The cash accepted by the gaming operation on events or games that occur during the month, plus cash, not previously included in gross revenue, that was accepted by the gaming operation in previous months on events or games occurring in the month, less cash paid out during the month to patrons as winning wagers ("modified accrual basis").~~

~~(3) For each card game, gross revenue equals all cash received by the operation as compensation for conducting the game.~~

~~(i) A gaming operation shall not include either skill win or loss in gross revenue computations.~~

~~(ii) [Reserved]~~

~~(4) In computing gross revenue for bingo and pull tabs, the actual cost to the gaming operation of any personal property (other than costs of travel, lodging, services, food, and beverages) awarded as a payout to patrons may be deducted if the gaming operation maintains detailed documents supporting the deduction.~~

~~(e) Each gaming operation shall establish internal control systems sufficient to ensure that currency (other than tips or gratuities) received from a patron in the gaming area is promptly placed in a locked box in the table, or, in the case of a cashier, in the appropriate place in the~~

~~cashier's cage, or on those games which do not have a locked drop box, or on card game tables, in an appropriate place on the table, in the cash register or in another approved repository.~~

~~(f) If the gaming operation provides periodic payments to satisfy a prize payout resulting from a wager, the initial installment payment, when paid, and the actual cost of a payment plan, which is funded by the gaming operation, may be deducted from winnings. The gaming operation is required to obtain the approval of all payment plans from the Tribal gaming regulatory authority. For any funding method which merely guarantees the gaming operation's performance, and under which the gaming operation makes payments out of cash flow (e.g. irrevocable letters of credits, surety bonds, or other similar methods), the gaming operation may only deduct such payments when paid to the patron.~~

~~(g) Vouchers issued at a player interface shall be deducted from gross revenue as prize payouts in the month the vouchers are issued by the player interface. Vouchers deducted from gross revenue that are not redeemed within a period, not to exceed 180 days of issuance, shall be included in gross revenue. An unredeemed voucher previously included in gross revenue may be deducted from gross revenue in the month redeemed.~~

~~(h) A gaming operation may not deduct from gross revenues the unpaid balance of a credit instrument extended for purposes other than gaming.~~

~~(i) A gaming operation may deduct from gross revenue the unpaid balance of a credit instrument if the gaming operation documents, or otherwise keeps detailed records of, compliance with the following requirements. Such records confirming compliance shall be made available to the Tribal gaming regulatory authority or the Commission upon request:~~

~~(1) The gaming operation can document that the credit extended was for gaming purposes;~~

~~(2) The gaming operation has established procedures and relevant criteria to evaluate a patron's credit reputation or financial resources and to then determine that there is a reasonable basis for extending credit in the amount or sum placed at the patron's disposal;~~

~~(3) In the case of personal checks, the gaming operation has established procedures to examine documentation, which would normally be acceptable as a type of identification when cashing checks, and has recorded the patron's bank check guarantee card number or credit card number, or has satisfied paragraph (i) (2) of this section, as management may deem appropriate for the check-cashing authorization granted;~~

~~(4) In the case of third-party checks for which cash, chips, or tokens have been issued to the patron, or which were accepted in payment of another credit instrument, the gaming operation has established procedures to examine documentation, normally accepted as a means of identification when cashing checks, and has, for the check's maker or drawer, satisfied paragraph (i) (2) of this section, as management may deem appropriate for the check-cashing authorization granted;~~

~~(5) In the case of guaranteed drafts, procedures should be established to ensure compliance with the issuance and acceptance procedures prescribed by the issuer;~~

~~(6) The gaming operation has established procedures to ensure that the credit extended is appropriately documented, not least of which would be the patron's identification and signature attesting to the authenticity of the individual credit transactions. The authorizing signature shall be obtained at the time credit is extended.~~

~~(7) The gaming operation has established procedures to effectively document its attempt to collect the full amount of the debt. Such documentation includes, but is not limited to, letters sent to the patron, logs of personal or telephone conversations, proof of presentation of the credit instrument to the patron's bank for collection, settlement agreements, or other documents which demonstrate that the gaming operation has made a good faith attempt to collect the full amount of the debt. Such~~

~~records documenting collection efforts shall be made available to the Tribal gaming regulatory authority or the Commission upon request.~~

~~(j) Allowable and non-allowable deductions from gross revenue. (1) Any prizes, premiums, drawings, benefits or tickets that are redeemable for cash or merchandise or other promotional allowance, except cash or tokens paid at face value or the cost of personal property awarded directly to a patron as the result of a specific wager, must not be deducted.~~

~~(2) Cash paid to fund periodic payments may be deducted.~~

~~(3) For bingo and pull tabs, the actual cost of any personal property distributed to a patron as the result of a specific legitimate wager may be deducted, but not travel expenses, food, refreshments, lodging, or services.~~

~~(4) A gaming operation that provides a patron with additional play at bingo as the result of an initial wager may deduct all cash or tokens paid directly to that patron as a result of such additional play.~~

~~(5) A gaming operation may deduct its pro-rata share of a payout from a game played in a wide area linked system except for a payout made in conjunction with a card game. The amount of the deduction must be determined based upon the written agreement among the gaming establishments participating in the wide area linked system and the operator of the system. All cash prizes and the value of noncash prizes awarded during a contest or tournament conducted in conjunction with a wide area linked system are also deductible on a pro-rata basis to the extent of the compensation received for the right to participate in that contest or tournament.~~

~~(6) Deductibility of free play and promotional items:~~

(i) Card Games	
(A) Buy-in coupons (e.g., \$25 in chips for \$20)	No effect on revenue

buy-in)	
(B) Tournaments played with negotiable chips and rake is taken	Rake is included in revenue. No effect on revenue
(C) Tournaments played with non-negotiable chips, contests and drawings	No effect on revenue.
(D) Prizes (e.g., \$100 prize for high hand of the week)	No effect on revenue.
(E) Promotional progressive pot and/or pool payouts	No effect on revenue.
(F) Skill wins and losses	No effect on revenue.
(ii) Bingo	
(A) Match play/discount wagering	Include cash received in sales and all payouts deductible
(B) Free play wagering (negotiable and non-negotiable)	No effect on sales and all payouts deductible
(C) Non-cash prizes	Include cash received in sales and purchase cost of prizes deductible
(D) Promotional activity reimbursement by external party	Include cash received sales and all payouts deductible
(E) Appeasement payouts (payments made on non-winning cards in response to patron complaints)	Not deductible
(iii) Pull Tabs	

(A) Match play/discount wagering	Include cash received in sales and all payouts deductible
(B) Free play wagering (negotiable and non-negotiable)	No effect on sales and all payouts deductible
(C) Non-cash prizes	Include cash received in sales and purchase cost of prizes deductible
(D) Promotional activity reimbursement by external party	Include cash received in sales and all payouts deductible
(E) Appeasement payouts (payments made on non-winning pull tabs in response to patron complaints)	Not deductible

~~(7) Credit instruments written off as uncollectible are deductible unless any of the following applies:~~

- ~~(i) The instrument was not signed by the patron;~~
- ~~(ii) The gaming operation did not have an address for the patron at the time of accepting the instrument;~~
- ~~(iii) The gaming operation does not maintain evidence that it has made a reasonable effort to collect the debt;~~
- ~~(iv) The gaming operation does not maintain evidence that it checked the credit history of the patron before extending the credit;~~
- ~~(v) The signature of the patron on the instrument was forged and the gaming operation has not made a written report of the forgery to the appropriate law enforcement agency; or~~

~~(vi) The gaming operation is unable to produce the credit instrument within a reasonable time after a request by the Commission. (Note: However, this shall not pertain to circumstances beyond the control of the gaming operation e.g., custody of court, stolen, etc.)~~

~~(k) Maintenance and preservation of books, records, and documents. (1) All original books, records, and documents pertaining to the conduct of wagering activities shall be retained by a gaming operation in accordance with the following schedule. A record that summarizes gaming transactions is sufficient, provided that all documents containing an original signature(s) attesting to the accuracy of a gaming related transaction are independently preserved. Original books, records, or documents shall not include copies of originals, except for copies that contain original comments or notations on parts of multi-part forms. The following original books, records, and documents shall be retained by a gaming operation for a minimum of five (5) years:~~

~~(i) Casino cage documents;~~

~~(ii) Documentation supporting the calculation of bingo win;~~

~~(iii) Documentation supporting the calculation of revenue received from card games, and all other gaming activities offered by the gaming operation;~~

~~(iv) Bingo statistical reports;~~

~~(v) Pull tab statistical reports;~~

~~(vi) Internal audit documentation and reports;~~

~~(vii) Documentation supporting the write-off of gaming credit instruments and named credit instruments;~~

~~(viii) All other books, records, and documents pertaining to the conduct of wagering activities that contain original signature(s) attesting to the accuracy of the gaming related transaction.~~

~~(2) Unless otherwise specified in this part, all other books, records, and documents shall be retained until such time as the accounting records have been audited by the gaming operation's independent certified public accountants.~~

~~(3) The above standards shall apply without regard to the medium by which the book, record or document is generated or maintained (paper, computer-generated, magnetic media, etc.).~~

~~§542.20 What is a Tier A gaming operation?~~

~~A Tier A gaming operation is one with annual gross gaming revenues of more than \$3 million but not more than \$8 million.~~

~~§543.21 What are the minimum internal control standards for drop and count for Tier A gaming operations?~~

~~(a) Computer applications.~~ (6) All material exceptions resulting from internal audit work are investigated and resolved with the results documented.

(7) Internal audit findings are reported to management, responded to by management in the internal audit report stating corrective measures to be taken, and delivered to management, the Tribe, TGRA, audit committee, or other entity designated by the Tribe.

(g) Annual Audits.

(1) Agreed upon procedures. A CPA must be engaged to perform, in accordance with agreed upon procedures and the most recent versions of the Statements on Standards for Attestation Engagements and Agreed-Upon Procedures Engagements (collectively "SSAE's"), issued by the American Institute of Certified Public Accountants Inc., an assessment of whether the gaming operation is in compliance with these MICS, the TICS, and/or the SICS.

(2) The tribe must submit two copies of the agreed-upon procedures report to the Commission within 120 days of the gaming operation's fiscal year end in conjunction with the submission of the annual financial audit report required under 25 CFR Part 571.

(3) Require management to have sufficient knowledge and understanding of the purpose, nature, and scope of the agreed upon procedures to provide adequate oversight and participation in the process to ensure a meaningful and useful outcome.

(4) Reliance on Internal Audit.

(i) Agreed upon procedures are to be performed by the CPA to determine that the internal audit procedures performed during the fiscal year have been properly completed.

(ii) The CPA may rely on the work of internal audit for the completion of the MICS checklists as they relate to the standards covered by this Part.

(5) Report Format. The Statements on Standards for Attestation Engagements and Agreed-Upon Procedure Engagements (SSAE's) are applicable to agreed upon procedures engagements required in this Part. All noted instances of noncompliance must be documented in the report with a narrative description, the number of exceptions and sample size tested.

§ 543.20 [RESERVED]

§ 543.21 What are the minimum internal control standards for Drop and Count?

(a) Internal Control Procedures. Subject to the approval and oversight of the TGRA, each gaming operation shall establish, implement and adhere to internal control policies and procedures that provide at least the level of control established by the standards of this section.

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

~~(b) Card game drop standards. (1) The setting out of empty card game drop boxes and the drop shall be a continuous process. The drop begins with the removal of the first card game drop box; however, empty drop boxes are not required to be placed on tables that are inactive at the time of the drop.~~

~~(2) At the end of each shift:~~

~~(i) All locked card game drop boxes shall be removed from the tables by a person independent of the card game shift being dropped;~~

~~(ii) A separate drop box shall be placed on each table opened at any time during each shift or a gaming operation may utilize a single drop box with separate openings and compartments for each shift; and~~

~~(iii) Upon removal from the tables, card game drop boxes shall be transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.~~

~~(3) If drop boxes are not placed on all tables, then the card game department shall document which tables were open during the shift.~~

~~(4) The transporting of card game drop boxes shall be performed by a minimum of two persons, at least one of whom is independent of the card game shift being dropped.~~

~~(5) All card 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.~~

~~(e) *Soft count room personnel.* (1) The card game soft count and the player interface financial instrument storage component count shall be performed by a minimum of two individuals.~~

~~(2) Count room personnel established by the standards of this section, as approved in writing by the TGRA, will be acceptable.~~

~~(c) Variances. The TGRA shall establish the threshold level at which a variance shall be reviewed. Any such review shall be documented.~~

~~(d) Count Room Access. Controls must be established to limit physical access to the count room to count team agents, designated staff, and other authorized persons. Such controls must include, but not be limited to, the following:~~

~~(1) Count team agents shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. ~~At no time during the count, shall there be fewer than two individuals in the count room until the drop proceeds have been accepted into cage/vault accountability.~~~~

~~(3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same two persons more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count team of more than two individuals.~~

~~(4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments, however, a dealer or a cage cashier may be used if this person is not allowed to perform the recording function. An accounting representative may be used if there is an independent audit of all soft count documentation.~~

~~(5) All coin, tokens, chips and/or cash inventory stored in the count room shall be secured from unauthorized access at all times.~~

~~(d) Card game soft count standards. (1) The card game soft count shall be performed in a soft count room or other equivalently secure area with comparable controls.~~

~~(2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.~~

~~(3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.~~

~~(4) The card game drop boxes shall be individually emptied and counted in such a manner to prevent the commingling of funds between boxes until the count of the box has been recorded.~~

~~(i) The count of each box shall be recorded in ink or other permanent form of recordation.~~

~~(ii) For counts that do not utilize a currency counter, a second count shall be performed by a member of the count team who did not perform the initial count. Separate counts of chips and tokens must always be performed by members of the count team.~~

~~(iii) Coupons or other promotional items not included in gross revenue may be recorded on a supplemental document by either the count team members or accounting personnel. All single-use coupons shall be cancelled daily by either the count team members or accounting personnel to prevent improper recirculation.~~

~~(iv) If a currency counter interface is used:~~

~~(A) It shall be adequately restricted (e.g., password, keys, etc.) so as to prevent unauthorized access.~~

~~(B) The currency drop figures shall be transferred via direct communications line or computer storage media to the accounting department.~~

~~(5) If currency counters are utilized and the count room table is used only to empty boxes and sort/stack contents, a count team member shall be able to observe the loading and unloading of all currency at the currency counter, including rejected currency. The count team member operating the currency counter does not need to be monitored by another count team member if an individual independent of the count process monitors the operator of the currency counter on an unannounced basis for a minimum of one hour during the count process from recorded or live surveillance at least monthly. The date, time, and results of the independent observation shall be documented.~~

~~(6) When the currency counter rejects currency (re-run of rejected currency is permissible) but does not record the amount of rejected currency, procedures shall be developed and implemented to record the rejected currency amount by table and to ensure that two counts of the rejected currency (by table and in total) are performed to ensure the correct amount of the drop is recorded on the count sheet. Posting rejected currency to a nonexistent "dummy" table is prohibited.~~

~~(7) Card game drop boxes, when empty, shall be shown to another member of the count team, or to another person who is observing the count, or to surveillance, provided the count is monitored in its entirety by a person independent of the count.~~

~~(8) To correct errors in soft count documentation, a single line shall be drawn through the error, and the correct figure entered above the original figure. The correction shall be initialed by at least two count team members verifying the change unless the count team only has two (2) members in which case the initials of only one (1) verifying count team member are required. If a currency interface is used, corrections to card games count data shall be made using one of the following:~~

~~(i) Draw a single line through the error on the card games document, and write the correct figure above the original figure. The correction must then be initialed by the two count team members verifying the change, unless the count team only has two (2) members in which case the initials of only one (1) verifying count team member are required. If this procedure is used, an individual independent of the card games department and count team shall enter the correct figure into the computer system prior to the generation of related card games reports; or~~

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

~~(iii) If the computer system does not allow corrections as specified in (ii), management shall develop and implement alternative procedures for documenting corrections to the soft count records and communicating the information to the accounting department.~~

~~(9) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder and variances shall be reconciled and documented.~~

~~(10) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.~~

~~(11) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/individual~~

~~independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the amount of the drop proceeds delivered and received. It is recommended that the individual performing the verification count be precluded from having prior knowledge of the results of previous count performed by count team personnel. Any unresolved variances shall be reconciled, documented, and/or investigated by accounting/revenue audit.~~

~~(12) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.~~

~~(13) The cage/vault person shall sign the count sheet, or other reconciling document, and thereby assume accountability of the currency drop proceeds, ending the count.~~

~~(14) Access to stored, full card game drop boxes shall be restricted to authorized members of the drop and count teams.~~

~~(e) *Player interface financial instrument storage component drop standards.* (1) A minimum of two individuals shall be involved in the removal of the player interface storage component drop, at least one of whom is independent of the player interface department.~~

~~(2) All financial instrument storage components shall be removed only at the time previously designated by the gaming operation and reported to the Tribal gaming regulatory authority, except for emergency drops. The player interface financial instrument storage component drop begins when the first financial instrument storage component is removed.~~

~~(3) The financial instrument storage components shall be removed by a person independent of the player interface department then transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.~~

~~(i) Security shall be provided over the financial instrument storage components removed from the player interfaces and awaiting transport to the count room.~~

~~(ii) The transporting of financial instrument storage components shall be performed by a minimum of two persons, at least one of whom is independent of the player interface department.~~

~~(4) All financial instrument storage components shall be posted with a number corresponding to a permanent number on the player interface.~~

~~(f) *Player interface financial instrument storage component count standards.* (1) The player interface financial instrument storage component count shall be performed in a soft count room or other equivalently secure area with comparable controls.~~

~~(2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.~~

~~(3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.~~

~~(4) The count team shall not have access to bill in meter amounts until after the count is completed and the drop proceeds are accepted into the cage/vault accountability. A count team member is allowed to read/record the amount from the bill in meters provided the count team members do not have knowledge of the dollar amount of currency contained in the financial instrument storage components pursuant to the bill in meters during the count process.~~

~~(5) If a currency counter interface is used:~~

~~(i) It shall be adequately restricted (e.g., password, keys, etc.) so as to prevent unauthorized access.~~

~~(ii) The currency drop figures shall be transferred via direct communications line or computer storage media to the accounting department.~~

~~(6) The financial instrument storage components shall be individually emptied and counted in such a manner to prevent the commingling of funds between storage components until the count of the storage component has been recorded.~~

~~(i) The count of each storage component shall be recorded in ink or other permanent form of recordation.~~

~~(ii) [Reserved]~~

~~(7) If currency counters are utilized and the count room table is used only to empty financial instrument storage components 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. The count team member operating the currency counter does not need to be monitored by another count team member if an individual independent of the count process monitors the operator of the currency counter on an unannounced basis for a minimum of one hour during the count process from recorded or live surveillance at least monthly. The date, time, and results of the independent observation shall be documented.~~

~~(8) When the currency counter rejects currency (re-run of rejected currency is permissible) but does not record the amount of rejected currency, procedures shall be developed and implemented to record the rejected currency amount, by player interface, and to ensure that two counts of the rejected currency (by player interface and in total) are performed to ensure the correct amount of the drop is recorded on the count sheet. Posting rejected currency to a nonexistent "dummy" player interface is prohibited.~~

~~(9) Storage components, when empty, shall be shown to another member of the count team, to another person who is observing the count, or to surveillance, provided that the count is monitored in its entirety by a person independent of the count.~~

~~(10) To correct errors in soft count documentation, a single line shall be drawn through the error, and the correct figure entered above the original figure. The correction shall be initialed by at least two count team members verifying the change unless the count team only has two (2) members in which case the initials of only one (1) verifying member is required. If a currency interface is used, corrections to player interface count data shall be made using one of the following:~~

~~(i) Draw a single line through the error on the player interface document and write the correct figure above the original figure. The correction shall then be initialed by two count team members, verifying the change unless the count team only has two (2) members in which case the initials of only one (1) verifying member is required.~~

~~If this procedure is used, an individual independent of the player interface department and count team shall enter the correct figure into the computer system prior to the generation of related player interface reports; or~~

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

~~(iii) If the computer system does not allow corrections as specified in (ii), management shall develop and implement alternative procedures for documenting corrections to the soft count records and communicating the information to the accounting department.~~

~~(11) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder, and variances shall be reconciled and documented. This standard does not apply to vouchers removed from the financial instrument storage components.~~

~~(12) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.~~

~~(13) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the amount of the drop proceeds delivered and received. It is recommended that the individual performing the verification count be precluded from having prior knowledge of the results of previous count performed by count team personnel. Any unresolved variances shall be reconciled, documented, and/or investigated by accounting/revenue audit.~~

~~(14) The cage/vault person shall sign the count sheet, or other reconciling document, and thereby assume accountability of the currency drop proceeds, ending the count.~~

~~(15) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.~~

~~(16) Access to stored financial instrument storage components, full or empty, shall be restricted to:~~

~~(i) Authorized members of the drop and count teams; and~~

~~(ii) Authorized personnel in an emergency for the resolution of a problem.~~

~~(g) *Player interface coin drop standards.* (1) A minimum of two individuals shall be involved in the removal of the player interface drop, at least one of whom is independent of the player interface department.~~

~~(2) All drop buckets shall be removed only at the time previously designated by the gaming operation and reported to the Tribal gaming regulatory authority, except for emergency drops. The player interface coin drop begins with the removal of the first drop bucket.~~

~~(3) Security shall be provided over the buckets removed from the player interface drop cabinets and awaiting transport to the count room.~~

~~(4) As each player interface is opened, the contents shall be tagged with its respective player interface number if the bucket is not permanently marked with the player interface number. The contents shall be transported directly to the area designated for the counting of such drop proceeds. If more than one trip is required to remove the contents of the player interfaces, the filled carts of coins shall be securely locked in the room designed for counting or in another equivalently secure area with comparable controls. There shall be a locked covering on any carts in which the drop route includes passage out of doors.~~

~~(i) Alternatively, a smart bucket system that electronically identifies and tracks the player interface number, and facilitates the proper recognition of gaming revenue, shall satisfy the requirements of this paragraph.~~

~~(ii) [Reserved]~~

~~(5) Each drop bucket in use shall be:~~

~~(i) Housed in a locked compartment separate from any other compartment of the player interface and keyed differently than other player interface compartments; and~~

~~(ii) Identifiable to the player interface from which it is removed. If the player interface is identified with a removable tag that is placed in the bucket, the tag shall be placed on top of the bucket when it is collected.~~

~~(6) Each player interface shall have drop buckets into which coins or tokens that are retained by the player interface are collected. Drop bucket contents shall not be used to make change or pay hand-paid payouts.~~

~~(7) The collection procedures may include procedures for dropping player interfaces that have trays instead of drop buckets.~~

~~(h) *Hard count room personnel.* (1) The weigh/count shall be performed by a minimum of two individuals.~~

~~(2) At no time during the weigh/count shall there be fewer than two individuals in the count room until the drop proceeds have been accepted into cage/vault accountability.~~

~~(i) If the player interface count is conducted with a continuous mechanical count meter that is not reset during the count and is verified in writing by at least two individuals at the start and end of each denomination count, then one person may perform the wrap.~~

~~(ii) [Reserved]~~

~~(3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same two persons more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count team of more than two persons.~~

~~(4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments, unless they are non-supervisory player interface personnel and perform the laborer function only (Non-supervisory player interface personnel are defined as persons below the level of player interface shift supervisor). A cage cashier may be used if this person is not allowed to perform the recording function. An accounting representative may be used if there is an independent audit of all count documentation.~~

~~(i) *Player interface coin count and wrap standards.* (1) Coins shall include tokens.~~

~~(2) The player interface coin count and wrap shall be performed in a count room or other equivalently secure area with comparable controls.~~

~~(i) Alternatively, an on-the-floor drop system utilizing a mobile scale shall satisfy the requirements of this paragraph, subject to the following conditions:~~

~~(A) The gaming operation shall utilize and maintain an effective on-line player interface monitoring system, as described in §542.13(m) (3);~~

~~(B) Components of the on the floor drop system shall include, but not be limited to, a weigh scale, a laptop computer through which weigh/count applications are operated, a security camera available for the mobile scale system, and a VCR to be housed within the video compartment of the mobile scale. The system may include a mule cart used for mobile weigh scale system locomotion.~~

~~(C) The gaming operation must obtain the security camera available with the system, and this camera must be added in such a way as to eliminate tampering.~~

~~(D) Prior to the drop, the drop/count team shall ensure the scale batteries are charged;~~

~~(E) Prior to the drop, a videotape shall be inserted into the VCR used to record the drop in conjunction with the security camera system and the VCR shall be activated;~~

~~(F) The weigh scale test shall be performed prior to removing the unit from the hard count room for the start of the weigh/drop/count;~~

~~(G~~

~~(2) Surveillance shall be notified when the weigh/drop/count begins and shall be capable of monitoring the entire process;~~

~~(H) An observer independent of the weigh/drop/count teams (independent observer) shall remain by the weigh scale at all times and shall observe the entire weigh/drop/count process;~~

~~(I) Physical custody of the key(s) needed to access the laptop and video compartment shall require the involvement of two persons, one of whom is independent of the drop and count team;~~

~~(J) The mule key (if applicable), the laptop and video compartment keys, and the remote control for the VCR shall be maintained by a department independent of the player interface department. The appropriate personnel shall sign out these keys;~~

~~(K) A person independent of the weigh/drop/count teams shall be required to accompany these keys while they are checked out, and observe each time the laptop compartment is opened;~~

~~(L) The laptop access panel shall not be opened outside the hard count room, except in instances when the laptop must be rebooted as a result of a crash, lock up, or other situation requiring immediate corrective action;~~

~~(M) User access to the system shall be limited to those persons required to have full or limited access to complete the weigh/drop/count; and~~

~~(N) When the weigh/drop/count is completed, the independent observer shall access the laptop compartment, end the recording session, eject the videotape, and deliver the videotape to surveillance.~~

~~(ii) [Reserved]~~

~~(3) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.~~

~~(4) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.~~

~~(5) The following functions shall be performed in the counting of the player interface drop:~~

~~(i) Recorder function, which involves the recording of the player interface count; and~~

~~(ii) Count team supervisor function, which involves the control of the player interface weigh and wrap process. The supervisor shall not perform the initial recording of the weigh/count unless a weigh scale with a printer is used.~~

~~(6) The player interface drop shall be counted, wrapped, and reconciled in such a manner to prevent the commingling of player interface drop coin with coin (for each denomination) from the~~

~~next player interface drop until the count of the player interface drop has been recorded. If the coins are not wrapped immediately after being weighed or counted, they shall be secured and not commingled with other coins.~~

~~(i) The amount of the drop from each player interface shall be recorded in ink or other permanent form of recordation on a player interface count document by the recorder or mechanically printed by the weigh scale. Additionally, if a weigh scale interface is used, the count figures shall be transferred via direct communications line or computer storage media to the accounting department.~~

~~(ii) Corrections to information originally recorded by the count team on player interface count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change unless the count team only has two (2) members in which case the initials of only one (1) verifying member is required.~~

~~(A) If a weigh scale interface is used, corrections to player interface count data shall be made using one of the following:~~

~~(1) Drawing a single line through the error on the player interface document, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members unless the count team only has two (2) members in which case the initials of only one (1) verifying member is required. If this procedure is used, an individual independent of the player interface department and count team shall enter the correct figure into the computer system prior to the generation of related player interface reports; or~~

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

~~(B) [Reserved]~~

~~(7) If applicable, the weight shall be converted to dollar amounts before the reconciliation of the weigh to the wrap.~~

~~(8) If a coin meter is used, a count team member shall convert the coin count for each denomination into dollars and shall enter the results on a summary sheet.~~

~~(9) The recorder and at least one other count team member shall sign the weigh tape and the player interface count document attesting to the accuracy of the weigh/count.~~

~~(10) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.~~

~~(11) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.~~

~~(12) All player interface count and wrap documentation, including any applicable computer storage media, shall be delivered to the accounting department by a count team member or a person independent of the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.~~

~~(13) If the coins are transported off the property, a second (alternative) count procedure shall be performed before the coins leave the property. Any variances shall be documented.~~

~~(14) Variances. Large (by denomination, either \$1,000 or 2% of the drop, whichever is less) or unusual (e.g., zero for weigh/count or patterned for all counts) variances between the weigh/count and wrap shall be investigated by management personnel independent of the player interface department, count team, and the cage/vault functions on a timely basis. The results of such~~

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

~~(j) Security of the count room inventory during the player interface coin count and wrap.~~

~~(1) If the count room serves as a coin room and coin inventory is not secured so as to preclude access by the count team, then the following standards shall apply:~~

~~(i) At the commencement of the player interface count the following requirements shall be met:~~

~~(A) The coin inventory shall be counted by at least two persons, one of whom is a member of the count team and the other is independent of the weigh/count and wrap procedures;~~

~~(B) The count in paragraph (j) (1) (i) (A) of this section shall be recorded on an appropriate inventory form;~~

~~(ii) Upon completion of the wrap of the player interface drop:~~

~~(A) At least two members of the count team (wrap team), independently from each other, shall count the ending coin inventory;~~

~~(B) The counts in paragraph (j)(1)(ii)(A) of this section shall be recorded on a summary report(s) that evidences the calculation of the final wrap by subtracting the beginning inventory from the sum of the ending inventory and transfers in and out of the count room;~~

~~(C) Prior to verification of the count by cage/vault personnel, the same count team members shall compare the calculated wrap to the weigh/count, recording the comparison and noting any variances on the summary report;~~

~~(D) A member of the cage/vault department shall count the ending coin inventory by denomination and shall reconcile it to the beginning inventory, wrap, transfers, and weigh/count. Any reconciliation variance shall be documented; and~~

~~(E) At the conclusion of the reconciliation, at least two count/wrap team members and the verifying cage/vault person shall sign the summary report(s) attesting to its accuracy.~~

~~(iii) The functions described in paragraph (j) (1) (ii) (A) and (C) of this section may be performed by only one count team member. That count team member must then sign the summary report, along with the verifying cage/vault person, as required under paragraph (j) (1) (ii) (E).~~

~~(2) If the count room is segregated from the coin room, or if the coin room is used as a count room and the coin room inventory is secured to preclude access by the count team, all of the following requirements shall be completed, at the conclusion of the count:~~

~~(i) At least two members of the count/wrap team shall count the final wrapped player interface drop independently from each other;~~

~~(ii) The final counts, in total and by denomination, shall be recorded on a summary report;~~

~~(iii) The same count team members (or the accounting department) shall compare the final wrap to the weigh/count, recording the comparison and noting any variances on the summary report;~~

~~(iv) A member of the cage/vault department shall count the wrapped player interface drop by denomination and reconcile it to the weigh/count summary report. Any variance shall be reconciled and documented;~~

~~(v) At the conclusion of the reconciliation, at least two count team members and the cage/vault person shall sign the summary report attesting to its accuracy; and~~

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

~~(vii) The count team shall not have access to coin drop meter amounts until after the count is completed and the drop proceeds have been accepted into the cage/vault accountability. A count team member is allowed to read/record the amount from the coin in meters provided the count~~

~~team members do not have knowledge of the dollar amount of coin contained in the drop buckets pursuant to the coin-in meters during the count process.~~

~~(k) *Transfers of currency and coin during the count.* (1) Transfers may be permitted during the count only if permitted under the internal control standards approved by the Tribal gaming regulatory authority.~~

~~(2) Each transfer shall be recorded on a separate multi-part form with a preprinted or concurrently printed form number that shall be subsequently reconciled by the accounting department.~~

~~(3) Each transfer must be counted and signed for by at least two members of the count team and by a person independent of the count team who is responsible for authorizing the transfer.~~

~~(4) At least one part of the transfer form shall remain in the count room until the drop has been accepted into cage/vault accountability. The other part of the transfer form shall accompany the funds transferred from the count room during the count.~~

~~(l) *Key controls-general* (1) The player interface coin drop cabinet keys, card games drop box release keys, financial instrument storage component release keys, card games drop box contents keys, financial instrument storage component contents keys, and kiosk keys shall all be separately keyed from each other.~~

~~(2) Surveillance monitoring key access does not satisfy the requirements in this part for physical involvement.~~

~~(3) All duplicate keys shall be maintained in a manner that provides the same degree of control as is required for the original keys. Records shall be maintained for each key duplicated that indicate the number of keys made and destroyed.~~

~~(4) Records shall be maintained by the custodian of sensitive keys to document authorization of personnel accessing keys.~~

~~(m) *Player interface drop key control standards.* (1) Player interface coin drop cabinet keys, including duplicates, shall be maintained by a department independent of the player interface department.~~

~~(2) The physical custody of the keys needed to access player interface coin drop cabinets, including duplicates, shall require the involvement of two persons, one of whom is independent of the player interface department.~~

~~(3) Two individuals (separate from key custodian) shall be required to accompany such keys while checked out and observe each time player interface drop cabinets are accessed.~~

~~(n) *Card game drop box key control standards.* (1) Tier A gaming operations shall be exempt from compliance with this paragraph if the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.~~

~~(2) Procedures shall be developed and implemented to insure that unauthorized access to empty card game drop boxes shall not occur from the time the boxes leave the storage racks until they are placed on the tables.~~

~~(3) The involvement of at least two persons independent of the cage department shall be required to access stored empty card game drop boxes.~~

~~(4) At least two count team members are required to be present at the time count room and other count keys are issued for the count.~~

~~(o) *Card game drop box release keys.* (1) Tier A gaming operations shall be exempt from compliance with this paragraph if the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.~~

~~(2) The card game drop box release keys shall be maintained by a department independent of the card game department.~~

~~(3) Only the person(s) authorized to remove card game drop boxes from the tables shall be allowed access to the card game drop box release keys; however, the count team members may have access to the release keys during the soft count in order to reset the card game drop boxes.~~

~~(4) Persons authorized to remove the card game drop boxes shall be precluded from having simultaneous access to the card game drop box contents keys and release keys.~~

~~(5) For situations requiring access to a card game drop box at a time other than the scheduled drop, the date, time, and signature of the individual signing out/in the release key must be documented.~~

~~(p) *Financial instrument storage component release keys.* (1) Tier A gaming operations shall be exempt from compliance with this paragraph if the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.~~

~~(2) The financial instrument storage component release keys shall be maintained by a department independent of the player interface department.~~

~~(3) Only the person(s) authorized to remove financial instrument storage components from the player interfaces shall be allowed access to the release keys.~~

~~(4) Persons authorized to remove the financial instrument storage components shall be precluded from having simultaneous access to the financial instrument storage component contents keys and release keys.~~

~~(5) For situations requiring access to a financial instrument storage component at a time other than the scheduled drop, the date, time, and signature of the individual signing out/in the release key must be documented.~~

~~(q) Card game drop box storage rack keys. (1) Tier A gaming operations shall be exempt from compliance with this paragraph if the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.~~

~~(2) Persons authorized to obtain card game drop box storage rack keys shall be precluded from having simultaneous access to card game drop box contents keys with the exception of the count team~~

~~(r) Financial instrument storage component storage rack keys. (1) Tier A gaming operations shall be exempt from compliance with this paragraph if the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.~~

~~(2) Persons authorized to obtain financial instrument storage component storage rack keys shall be precluded from having simultaneous access to financial instrument storage component contents keys with the exception of the count team.~~

~~(s) Card game drop box contents keys. (1) Tier A gaming operations shall be exempt from compliance with this paragraph if the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.~~

~~(2) Issuance of the card game drop box contents keys at other than scheduled count times shall require the involvement of at least three individuals from separate departments, including management. The reason for issuance shall be documented with the signatures of all participants and observers. Two individuals from separate departments are required to accompany the card game drop box contents key from the time the keys are issued until the time the keys are returned.~~

~~The key custodian issuing keys constitutes physical involvement. A computerized key security system functions as the key custodian.~~

~~(3) Only count team members shall be allowed access to card game drop box content keys during the count process.~~

~~(t) *Financial instrument storage component contents keys.* (1) Tier A gaming operations shall be exempt from compliance with this paragraph if the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, establishes and the gaming operation complies with procedures that maintain adequate key control and restricts access to the keys.~~

~~(2) Issuance of the financial instrument storage component contents key at other than scheduled count times shall require the involvement of at least three persons from separate departments, one of whom must be a supervisor. The reason for issuance shall be documented with the signatures of all participants and observers. Two individuals from separate departments are required to accompany the financial instrument storage component contents key from the time the keys are issued until the time the keys are returned. The key custodian issuing keys constitutes physical involvement. A computerized key security system functions as the key custodian.~~

~~(3) Only the count team members shall be allowed access to financial instrument storage component contents keys during the count process.~~

~~(u) *Player interface computerized key security systems.* (1) Computerized key security systems which restrict access to the player interface 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; refer to paragraphs (m), (p), (r) and (t) of this section. Note: This standard does not apply to the system administrator. The system administrator is defined in paragraph (u) (2) (i) of this section.~~

~~(2) For computerized key security systems, the following additional player interface key control procedures apply:~~

~~(i) Management personnel independent of the player interface department assign and control user access to keys in the computerized key security system (i.e., system administrator) to ensure that player interface drop and count keys are restricted to authorized individuals.~~

~~(ii) 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 player interface 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 individuals signing out/in the emergency manual key(s).~~

~~(iii) The custody of the keys issued pursuant to paragraph (u) (2) (ii) of this section requires the presence of two persons from separate departments from the time of their issuance until the time of their return.~~

~~(iv) Routine physical maintenance that requires accessing the emergency manual key(s) (override key) and does not involve the accessing of the player interface 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 individuals signing out/in the emergency manual key(s).~~

~~(v) Card games computerized key security systems. (1) Computerized key security systems which restrict access to the card 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; refer to paragraphs n), (o), (q) and (s) of this section. This standard does not apply to the system administrator. The system administrator is defined in paragraph (v) (2) (i) of this section.~~

~~(2) For computerized key security systems, the following additional card game key control procedures apply:~~

~~(i) Management personnel independent of the card game department assign and control user access to keys in the computerized key security system (i.e., system administrator) to ensure that card game drop and count keys are restricted to authorized individuals.~~

~~(ii) 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 card game 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 individuals signing out/in the emergency manual key(s).~~

~~(iii) The custody of the keys issued pursuant to paragraph (v)(2)(ii) of this section requires the presence of two persons from separate departments from the time of their issuance until the time of their return.~~

~~(iv) Routine physical maintenance that requires accessing the emergency manual key(s) override key) and does not involve the accessing of the card games 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 individuals signing out/in the emergency manual key(s).~~

~~(w) *Emergency drop procedures.* Emergency drop procedures shall be developed by the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority.~~

~~(x) *Equipment standards for player interface count.* (1) A weigh scale calibration module shall be secured so as to prevent unauthorized access (e.g., prenumbered seal, lock and key, etc.).~~

~~(2) A person independent of the cage, vault, player interface, and count team functions shall be required to be present whenever the calibration module is accessed. Such access shall be documented and maintained.~~

~~(3) If a weigh scale interface is used, it shall be adequately restricted so as to prevent unauthorized access (passwords, keys, etc.).~~

~~(4) If the weigh scale has a zero adjustment mechanism, it shall be physically limited to minor adjustments (e.g., weight of a bucket) or physically situated such that any unnecessary adjustments to it during the weigh process would be observed by other count team members.~~

~~(5) Immediately prior to the player interface count, at least two individuals shall verify the accuracy of the weigh scale with varying weights or with varying amounts of previously counted coin for each denomination to ensure the scale is properly calibrated (varying weights/coin from drop to drop is acceptable).~~

~~(6) If a mechanical coin counter is used (instead of a weigh scale), the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with procedures that are equivalent to those described in paragraphs (x)(4), (x) (5), and 543.50 (g) (2).~~

~~(7) If a coin meter count machine is used, the count team member shall record the machine number denomination and number of coins in ink on a source document, unless the meter machine automatically records such information.~~

~~(i) A count team member shall test the coin meter count machine before the actual count to ascertain if the metering device is functioning properly with a predetermined number of coins for each denomination.~~

~~(ii) [Reserved]~~

§543.22 What are the minimum internal control standards for internal audit for Tier A gaming operations?

~~(a) Internal audit personnel. (1) For Tier A gaming operations, a separate internal audit department shall be maintained. Alternatively, designating personnel (who are independent with respect to the departments/procedures being examined) to perform internal audit work satisfies the requirements of this paragraph.~~

~~(2) The internal audit personnel shall report directly to the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe in accordance with the definition of internal audit in §543.2.~~

~~(b) Audits. Internal audit personnel shall perform audits of the gaming operation.~~

~~(1) The following areas shall be **audited** at least annually:~~

~~(i) Pull tabs, including but not limited to, computer applications, pull tab inventory, access, transfers, winning pull tabs, accountability form, statistical reports, and electronic equipment;~~

~~(ii) Card games, including but not limited to, computer applications, supervision, playing cards, shills, reconciliation of card room bank, promotional progressive pots and pools, card room contests and tournaments, computerized player tracking systems and accounting/audit standards;~~

~~(iii) Cage procedures, including but not limited to, computer applications, personal checks, cashier's checks, traveler's checks, payroll checks, and counter checks, patron deposited funds, safe deposit boxes, cage/vault accountability, chip and token standards, promotional payouts, drawings, and giveaway programs, accounting/auditing standards and extraneous items;~~

~~(iv) Credit procedures, including but not limited to, computer applications, credit standards, payment standards, access to credit documentation, maintenance of credit documentation, write off and settlement, collection agencies, and accounting/ auditing standards;~~

~~(v) Information technology, including but not limited to, physical security, unauthorized individuals, user controls, back-up and recovery, access records, and remote access;~~

~~(vi) Complimentary services or items, including but not limited to, procedures whereby complimentary service items are issued, authorized, redeemed and reported;~~

~~(vii) Accounting standards, including but not limited to, accounting records, GAAP requirements, administrative and accounting procedures, gross gaming revenue computations, currency controls, periodic payment plans, voucher deductibility, unpaid credit instrument deductibility, allowable and non-allowable deductions from gross revenue, and maintenance and preservation of books, records and documents;~~

~~(viii) Drop and count standards, including but not limited to, computer applications, card game drop, soft count room personnel, card game soft count, player interface financial instrument storage component drop, player interface financial instrument storage component count, player interface coin drop, hard count room personnel, player interface coin count and wrap, count room inventory security, transfers of currency and coin during the count, key controls general, player interface drop key controls, card game drop box key controls, card game drop box release keys, player interface financial instrument storage component release keys, card game drop box storage rack keys, player interface financial instrument storage component storage rack keys, card game drop box contents keys, player interface financial instrument storage component contents keys, player interface computerized key security systems, card game computerized key security systems, emergency drop procedures and player interface count equipment; and~~

~~(ix) Any other internal audits as required by the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.~~

~~(2) In addition to the observation and examinations performed under paragraph (b)(1) of this section, follow-up observations and examinations shall be performed to verify that corrective~~

~~action has been taken regarding all instances of noncompliance cited by internal audit, the independent accountant, and/or the Commission. The verification shall be performed within six (6) months following the date of notification.~~

~~(3) The following area shall be **audited** at least semi-annually:~~

~~(i) Bingo, including but not limited to, bingo cards, bingo draw, manual payouts and short pays, operational controls, gaming equipment, voucher systems, patron accounts and cashless systems, promotions, and accounting/auditing standards.~~

~~(ii) [Reserved]~~

~~(4) Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without personnel being forewarned that their activities will be observed). Additionally, if the independent accountant also performs the internal audit function, the accountant shall perform separate observations of the player interface drops and counts to satisfy the internal audit observation requirements and independent accountant tests of controls as required by the American Institute of Certified Public Accountants guide.~~

~~(e) *Documentation.* (1) Documentation (e.g., checklists, programs, reports, etc.) shall be prepared to evidence all internal audit work performed as it relates to the requirements in this section, including all instances of noncompliance.~~

~~(2) The internal audit department shall operate with audit programs, which, at a minimum, address the MICS. Additionally, the department shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. Institute of Internal Auditors standards are recommended but not required.~~

~~(d) *Reports.* (1) Reports documenting audits performed shall be maintained and made available to the Commission upon request.~~

~~(2) Such audit reports shall include the following information:~~

~~(i) Audit objectives;~~

~~(ii) Audit procedures and scope;~~

~~(iii) Findings and conclusions;~~

~~(iv) Recommendations, if applicable; and~~

~~(v) Management's response.~~

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

~~(f) *Role of management.* (1) Internal audit findings shall be reported to management.~~

~~(2) Management shall be required to respond to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception.~~

~~(3) Such management responses shall be included in the internal audit report that will be delivered to management, the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.~~

~~(g) *Internal Audit Guidelines.* In connection with the internal audit testing pursuant to paragraph~~

~~(b) (1) and (b) (3) of this section, the Commission shall develop recommended Internal Audit Guidelines, which shall be available upon request. whenever count room agents exit or enter the count room during the count.~~

(3) The count team policy, at a minimum, shall address the transportation of extraneous items (e.g., personal belongings, tool boxes, beverage containers, etc.) into or out of the count room.

(e) Count team. Controls must be established in a manner designed to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, and fraud. Such controls must include, but not be limited to, the following:

(1) For Tier A and B operations, all counts shall be performed by a minimum of two (2) agents. For Tier C operations, all counts shall be performed by a minimum of three (3) agents.

(2) For Tier A and B operations, at no time during the count shall there be fewer than two (2) count team agents in the count room until the drop proceeds have been accepted into cage/vault accountability. For Tier C operations, at no time during the count shall there be fewer than three (3) count team agents in the count room until the drop proceeds have been accepted into cage/vault accountability.

(3) For Tier A and B operations, count team agents shall be rotated on a routine basis such that the count team is not consistently the same two (2) agents more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count team of more than two (2) agents. For Tier C operations, count team agents shall be rotated on a routine basis such that the count team is not consistently the same three (3) agents more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count team of more than three (3) agents.

(4) Functions performed by count team agents shall be rotated on a routine basis.

(5) For Tier A and B operations, if the count is not viewed live, the operation must establish controls to ensure a review of the recording within seven (7) days by an agent independent of the count operation and the count being reviewed. For Tier C operations, the count shall be viewed live.

(6) Count team agents shall be independent of the department being counted and the cage/vault departments. An accounting agent may be used if there is an independent audit of all count documentation.

(f) Drop. Controls must be established in a manner designed to ensure security of the drop process to prevent unauthorized access to gaming equipment and the drop, misappropriation of funds, and fraud. Such controls must include, but not be limited to, the following:

(1) Drop schedules and periods, including procedure to continue drop once started through completion.

(2) Security during transport of drop boxes, including escort by a minimum of two (2) agents, at least one of whom is independent of the revenue being dropped.

(3) All drop boxes shall be uniquely identified to correspond with the card table, player interface, and/or other location from which the drop box was removed.

(4) Security over drop boxes removed and awaiting transport to the count room.

(5) Security of drop boxes until the count takes place.

(6) Notification to surveillance when a drop is to begin.

(7) Provisions for emergency drop.

(g) Count. Controls must be established in a manner designed to ensure security of the count process to prevent unauthorized access to count equipment and the drop, misappropriation of funds, improper manipulation of financial records, and fraud. Such controls must include, but not be limited to, the following:

(1) Establishment of a dedicated count room;

(2) Manual count process;

(3) Utilization, testing, and calibration of counters and/or validation systems;

(4) Verification of count;

(5) Prevention of the comingling of funds until recorded per drop box;

(6) Accurate and permanent forms of recordation for all cash and cash equivalents and rejected cash or cash equivalents;

(7) For Card Game Counts, additional controls, as applicable, shall be established and procedures implemented to ensure:

(i) Fills/credits, Pit Marker Issue/Payment Slips are recorded and forwarded to the appropriate department for verification and reconciliation.

(ii) Opening/closing card table inventory forms are examined and traced to or recorded on the appropriate documentation with discrepancies investigated and results documented.

(8) The reconciliation of count records to the total drop, which shall address, but not be limited to:

(i) Signature of each agent of the count team attesting to their participation in the count;

(ii) Reconciliation of the total drop by a count team agent who shall not function as the sole recorder; and

(iii) Documentation of all unresolved variances.

(9) Transfer of the drop following the count.

(10) All cash and cash equivalent inventory stored in the count room shall be secured from unauthorized access at all times.

(11) Access to stored drop boxes, full or empty.

(h) Controlled Keys or equivalents. Controls shall be established and procedures implemented to safeguard the use, access, and security of keys or other access methods in accordance with the following:

(1) Each of the following requires a separate and unique key lock or alternative secure access method:

(i) Drop cabinet;

(ii) Drop box release;

(iii) Drop box content; and

(iv) Storage racks and carts.

(2) Access to and return of keys or equivalents shall be manually or electronically documented with the date, time, and signature or other unique identifier of the agent accessing or returning the key(s).

(i) For Tier A and B operations, at least two (2) drop team agents are required to be present to access and return keys. For Tier C operations, at least three (3) drop team agents are required to be present to access and return keys.

(ii) For Tier A and B operations, at least two (2) count team agents are required to be present at the time count room and other count keys are issued for the count. For Tier C operations, at least three (two for card game drop box keys in operations with three tables or fewer) count team agents are required to be present at the time count room and other count keys are issued for the count.

(iii) Where an alternative access method is utilized, the use of such method shall be controlled in a manner consistent with the objectives of this standard.

(3) Documentation of all keys, including duplicates, shall be maintained including:

(i) Unique identifier for each individual key

(ii) Key storage location

(iii) Number of keys made, duplicated, and destroyed

(iv) Authorization and access

(4) Custody of all keys involved in the drop and count shall be maintained by a department independent of the count and drop agents and those departments being dropped and counted.

(5) Other than the count team, no agent shall have access to the drop box content keys while in possession of storage rack keys and/or release keys.

(6) Other than the count team, only agents authorized to remove drop boxes are allowed access to drop box release keys.

(7) Utilization of keys at times other than the scheduled drop and count is properly authorized and documented.

(8) Emergency manual keys (a.k.a. Override Key) for computerized, electronic, and alternative key systems.

§ 543.22 [RESERVED]

§ 543.23 What are the minimum internal control standards for surveillance *for Tier A gaming operations*?

~~(a) Tier A gaming operations must, at a minimum, maintain and operate an unstaffed surveillance system in a secured location whereby the areas under surveillance are continually recorded~~

(a) Internal Control Procedures. Subject to the approval and oversight of the TGRA, each gaming operation shall establish, implement and adhere to internal control policies and procedures that provide at least the level of control established by the standards of this section.

~~(b) The entrance to the secured location shall be appropriately secured~~Computerized applications. For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control established by the standards of this section, as approved in writing by the TGRA, will be acceptable.

(c) Surveillance. Controls must be established in a manner designed to prevent unauthorized access-

~~(c) Access to the secured location shall be limited to surveillance personnel, designated staff, and other persons authorized in accordance with the surveillance department policy.~~

~~(d) The surveillance system shall include date and time generators that possess the capability to display the date and time of recorded events on video and/or digital recordings. The displayed date and time shall not significantly obstruct the recorded view.~~

~~(e) Surveillance department personnel shall be trained in the use of the equipment, knowledge of the games, and house rules. There must be at least one person readily available at all times with a working knowledge of and the ability to operate the surveillance equipment.~~

~~(f) Each camera required by the standards in this section shall be installed in a manner that will prevent it from being readily obstructed, tampered with, or disabled by patrons or staff.~~

~~(g) Each camera required by the standards in this section shall possess the capability of having its picture recorded. The surveillance system shall include sufficient numbers of recorders to simultaneously record multiple gaming and count room activities, and shall record the views of all dedicated cameras and motion activated dedicated cameras.~~

~~(h) Reasonable effort shall be made to repair each malfunction of surveillance system equipment required by the standards in this section within seventy-two (72) hours after the malfunction is discovered.~~

~~(1) In the event of a dedicated camera malfunction, the gaming operation and/or the surveillance department shall, upon identification of the malfunction, provide alternative camera coverage or other security measures, such as additional supervisory or security personnel, to protect the subject activity.~~

~~(2) The Tribal gaming regulatory authority shall be notified immediately of any required camera(s) that has malfunctioned for more than twenty-four (24) hours (or a shorter period as determined by~~

~~the Tribal gaming regulatory authority), resulting in coverage or clarity that does not meet the requirements of this part.~~

~~(i) *Bingo.* (1) The surveillance system shall possess the capability to monitor the bingo ball drawing device or random number generator, which shall be recorded during the course of the draw by a dedicated camera with sufficient clarity to identify the balls drawn or numbers selected.~~

~~(2) The surveillance system shall monitor and record the game board and the activities of the personnel responsible for drawing, calling, and entering the balls drawn or numbers selected.~~

~~(j) *Card games.* The surveillance system shall record the general activities in each card room with sufficient clarity to view patrons, dealers and activities on the card table surfaces.~~

~~(k) *Player interfaces.* (1) Player interfaces offering a prize payout of \$250,000 or more shall be monitored and recorded by a dedicated camera(s) to provide coverage of:~~

~~(i) All patrons and staff at the player interface, and~~

~~(ii) The face of the player interface, with sufficient clarity to identify the prize payout line(s) of the player interface.~~

~~(iii) The coverage required in paragraphs (k)(1)(i) and (k)(1)(ii) does not require one dedicated camera per player interface if one dedicated camera is able to provide the required coverage for more than one player interface.~~

~~(2) The requirements in paragraph (k)(1) do not apply to wide area progressive player interfaces that are monitored by an independent vendor utilizing a linked on-line progressive computer system that have less than a 25% probability of a prize payout of \$3,000,000 or more.~~

~~(3) The requirements in paragraph (k)(1) do not apply to in-house progressive player interfaces that have less than a 25% probability of a prize payout of \$250,000 or more.~~

~~(4) Probability calculations for paragraphs (k)(2) and (k)(3) shall be performed using a formula provided by the Commission.~~

~~(l) *Cage and vault.* (1) The surveillance system shall monitor and record a general overview of activities occurring in each cage and vault area with sufficient clarity to identify individuals within the cage and patrons and staff members at the counter areas and to confirm the amount of each cash transactions occurring between staff members and between staff members and patrons.~~

~~(2) Each cashier station shall be equipped with one (1) dedicated overhead camera covering the transaction area.~~

~~(3) The cage or vault area in which fills and credits are transacted shall be monitored and recorded by a dedicated camera or motion activated dedicated camera that provides coverage with sufficient clarity to identify the chip values and the amounts on the fill and credit slips. Controls provided by a computerized fill and credit system may constitute an adequate alternative to viewing the amounts on the fill and credit slips.~~

~~(m) *Count rooms.* The surveillance system shall record a general overview of all areas where currency or coin may be stored or counted.~~

~~(n) *Video recording and/or digital record retention.* (1) All video recordings and/or digital records of coverage provided by dedicated cameras or motion activated dedicated cameras required by the standards in this section shall be retained for a minimum of seven (7) days, or such longer period that may be required by the Tribal gaming regulatory authority.~~

~~(2) Recordings involving suspected or confirmed gaming crimes, unlawful activity, or detentions by security personnel, must be retained for a minimum of thirty (30) days, or such longer period that may be required by the Tribal gaming regulatory authority~~

~~(3) Duly authenticated copies of video recordings and/or digital records shall be provided to the Commission upon request.~~

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

~~(p) Malfunction and repair log. (1) Surveillance personnel shall maintain a log or alternative procedure that documents each malfunction and repair of the surveillance system as defined in this section.~~

~~(2) The log shall state the time, date, and nature of each malfunction, the efforts expended to repair the malfunction, and the date of each effort, the reasons for any delays in repairing the malfunction, the date the malfunction is repaired, and where applicable, any alternative security measures that were taken.~~

~~(3) The log must be retained for a minimum of 1 year after the date of the last entry in it.~~

~~(q) Digital Surveillance System Standards (1) The digital surveillance equipment used to satisfy the surveillance standards in this section shall:~~

~~(i) Record and play back video at a minimum of 30 frames per second (FPS), full screen (4 common intermediate format CIF), in real time.~~

~~(ii) Produce visual resolution that is adequate to satisfy the sufficient clarity standards in this Section.~~

~~(iii) Have adequate storage capacity to maintain for a period of not less than seven (7) days, all images obtained from the video cameras.~~

~~(iv) Have a failure notification system that provides audible and visual notification of any failure in the surveillance system or the Digital Video Recording (DVR) media storage system.~~

~~Alternatively, daily verification of the effective operation of surveillance system and DVR media storage system components is acceptable.~~

~~(v) Have a media storage system that is configured so that a failure of any single component will result in no loss of data from the media storage system.~~

~~(2) Access, or the ability to access, a digital surveillance system from any location outside of the secure surveillance location, shall be approved by the Tribal gaming regulatory authority. Such transmissions shall be effectively encrypted, firewalled on both ends, and password protected.~~

~~(3) All digital video disks or other storage media produced from the DVR system shall contain the data with the time and date it was recorded superimposed, the media player and the software necessary to view the DVR images, as well as a video verification encryption code (also known as a watermark).~~

~~(4) In the event of a failure of a DVR storage media system (total system failure), the gaming operation should strive to repair or replace the equipment within 8 hours of the failure.~~

~~(5) All DVR equipment must be located in a secure surveillance location(s).~~

§542.30 What is a Tier B gaming operation?

A Tier B gaming operation is one with gross gaming revenues of more than \$5 \$8 million but not more than \$15 million.

§ 543.31—What are the minimum internal control standards for drop and count for Tier B gaming operations?

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

~~(b) Card game drop standards. (1) The setting out of empty card game drop boxes and the drop shall be a continuous process. The drop begins with the removal of the first card game drop box; however, empty drop boxes are not required to be placed on tables that are inactive at the time of the drop. (2) At the end of each shift:~~

~~(i) All locked card game drop boxes shall be removed from the tables by a person independent of~~

~~the card game shift being dropped;~~ ~~(ii) A separate drop box shall be placed on each table opened at any time during each shift or a gaming operation may utilize a single drop box with separate openings and compartments for each shift; and~~

~~(iii) Upon removal from the tables, card game drop boxes shall be transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.~~ ~~(3) If drop boxes are not placed on all tables, then the card game department shall document which tables were open during the shift.~~ ~~(4) The transporting of card game drop boxes shall be performed by a minimum of two persons, at least one of whom is independent of the card game shift being dropped.~~

~~(5) All card 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, **if applicable.**~~

~~(6) Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities.~~ ~~(c) *Soft count room personnel.*~~ ~~(1) The card game soft count and the player interface financial instrument storage component count shall be performed by a minimum of two **employees.**~~

~~(i) The count shall be viewed live, or on video recording and/or digital record, within seven (7) days by an individual independent of the count.~~ ~~(ii) [Reserved]~~

~~(2) Count room personnel shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. At no time during the count, shall there be fewer than two individuals in the count room until the drop proceeds have been accepted into cage/vault accountability. Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.~~

~~(3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same two persons more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count team of more than two individuals.~~

~~(4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments; however, a dealer or a cage cashier may be used if this person is not allowed to perform the recording function. An accounting representative may be used if there is an independent audit of all soft count documentation.~~

~~(5) All coin, tokens, chips and/or cash inventory stored in the count room shall be secured from unauthorized access at all times.~~

~~(d) Card game soft count standards. (1) The card game soft count shall be performed in a soft count room or other equivalently secure area with comparable controls.~~

~~(2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.~~

~~(3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.~~

~~(4) Immediately prior to the count at least two count team members shall verify the accuracy of the currency counter with previously counted currency for each denomination (i.e., test currency).~~

~~The test currency shall be counted by the currency counter to ensure that the counter is functioning properly. The test results shall be documented and maintained.~~

~~(i) The currency counter test shall be performed with test currency rather than with currency from a drop box.~~

~~(ii) If the same currency counter is used for one revenue center (e.g., gaming or nongaming revenue center) and then immediately used for a second revenue center, performing the currency~~

~~counter test once will satisfy the standard provided the same count team members complete one count and then proceed to the other revenue center count.~~

~~(5) The card game drop boxes shall be individually emptied and counted in such a manner to prevent the commingling of funds between boxes until the count of the box has been recorded.~~

~~(i) The count of each box shall be recorded in ink or other permanent form of recordation.~~

~~(ii) For counts that do not utilize a currency counter, a second count shall be performed by a member of the count team who did not perform the initial count. Separate counts of chips and tokens must always be performed by members of the count team.~~

~~(iii) Coupons or other promotional items not included in gross revenue may be recorded on a supplemental document by either the count team members or accounting personnel. All single-use coupons shall be cancelled daily by either the count team members or accounting personnel to prevent improper recirculation.~~

~~(iv) If a currency counter interface is used:~~

~~(A) It shall be adequately restricted (e.g., password, keys, etc.) so as to prevent unauthorized access.~~

~~(B) The currency drop figures shall be transferred via direct communications line or computer storage media to the accounting department.~~

~~(6) 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. The count team member operating the currency counter does not need to be monitored by another count team member if an individual independent of the count process monitors the operator of the currency counter on an unannounced basis for a minimum of one hour during the count process from recorded or live surveillance at least monthly. The date, time, and results of the independent observation shall be documented.~~

~~(7) When the currency counter rejects currency (re-run of rejected currency is permissible) but does not record the amount of rejected currency, procedures shall be developed and implemented to record the rejected currency amount by table and to ensure that two counts of the rejected currency (by table and in total) are performed to ensure the correct amount of the drop is recorded on the count sheet. Posting rejected currency to a nonexistent “dummy” table is prohibited.~~

~~(8) Card game drop boxes, when empty, shall be shown to another member of the count team, to another person who is observing the count, or to surveillance, provided the count is monitored in its entirety by a person independent of the count.~~

~~(9) To correct errors in soft count documentation, a single line shall be drawn through the error, and the correct figure entered above the original figure. The correction shall be initialed by at least two count team members verifying the change unless the count team only has two (2) members in which case the initials of only one (1) verifying count team member are required. If a currency interface is used, corrections to card games count data shall be made using one of the following:~~

~~(i) Draw a single line through the error on the card games document, and write the correct figure above the original figure. The correction must then be initialed by the two count team members verifying the change, unless the count team only has two (2) members in which case the initials of only one (1) verifying count team member are required. If this procedure is used, an individual independent of the card games department and count team shall enter the correct figure into the computer system prior to the generation of related card games reports; or~~

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

~~(iii) If the computer system does not allow corrections as specified in (ii), management shall develop and implement alternative procedures for documenting corrections to the soft count records and communicating the information to the accounting department.~~

~~(10) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder and variances shall be reconciled and documented.~~

~~(11) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.~~

~~(12) 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/individual independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the amount of the drop proceeds delivered and received. It is recommended that the individual performing the verification count be precluded from having prior knowledge of the results of previous count performed by count team personnel. Any unresolved variances shall be reconciled, documented, and/or investigated by accounting/revenue audit.~~

~~(13) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashiers department.~~

~~Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.~~

~~(14) The cage/vault person shall sign the count sheet, or other reconciling document, and thereby assume accountability of the currency drop proceeds, ending the count.~~

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

~~(e) *Player interface financial instrument storage component drop standards.* (1) A minimum of two individuals shall be involved in the removal of the player interface storage component drop, at least one of whom is independent of the player interface department.~~

~~(2) All financial instrument storage components shall be removed only at the time previously designated by the gaming operation and reported to the Tribal gaming regulatory authority, except for emergency drops.~~

~~(3) Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities. The player interface financial instrument storage component drop begins when the first financial instrument storage component is removed.~~

~~(4) The financial instrument storage components shall be removed by a person independent of the player interface department then transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.~~

~~(i) Security shall be provided over the financial instrument storage components removed from the player interfaces and awaiting transport to the count room.~~

~~(ii) The transporting of financial instrument storage components shall be performed by a minimum of two persons, at least one of whom is independent of the player interface department.~~

~~(5) All financial instrument storage components shall be posted with a number corresponding to a permanent number on the player interface.~~

~~(f) *Player interface financial instrument storage component count standards.* (1) The player interface financial instrument storage component count shall be performed in a soft count room or other equivalently secure area with comparable controls.~~

~~(2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.~~

~~(3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.~~

~~(4) The count team shall not have access to bill-in meter amounts until after the count is completed and the drop proceeds are accepted into the cage/vault accountability. A count team member is allowed to read/record the amount from the bill-in meters provided the count team members do not have knowledge of the dollar amount of currency contained in the financial instrument storage components pursuant to the bill-in meters during the count process.~~

~~(5) Immediately prior to the count at least two count team members shall verify the accuracy of the currency counter with previously counted currency for each denomination (i.e., test currency). The test currency shall be counted by the currency counter to ensure the counter is functioning properly. The test results shall be documented and maintained.~~

~~(i) The currency counter test shall be performed with test currency rather than with currency from a financial instrument storage component.~~

~~(ii) If the same currency counter is used for one revenue center (e.g., gaming or nongaming revenue center) and then immediately used for a second revenue center, performing the currency counter test once will satisfy the standard provided the same count team members complete one count and then proceed to the other revenue center count.~~

~~(6) If a currency counter interface is used:~~

~~(i) It shall be adequately restricted (e.g., password, keys, etc.) so as to prevent unauthorized access.~~

~~(ii) The currency drop figures shall be transferred via direct communications line or computer storage media to the accounting department.~~

~~(7) The financial instrument storage components shall be individually emptied and counted in such a manner to prevent the commingling of funds between storage components until the count of the storage component has been recorded.~~

~~(i) The count of each storage component shall be recorded in ink or other permanent form of recordation.~~

~~(ii) [Reserved]~~

~~(8) If currency counters are utilized and the count room table is used only to empty financial instrument storage components 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. The count team member operating the currency counter does not need to be monitored by another count team member if an individual independent of the count process monitors the operator of the currency counter on an unannounced basis for a minimum of one hour during the count process from recorded or live surveillance at least monthly. The date, time, and results of the independent observation shall be documented.~~

~~(9) When the currency counter rejects currency (re-run of rejected currency is permissible) but does not record the amount of rejected currency, procedures shall be developed and implemented to record the rejected currency amount, by player interface, and to ensure that two counts of the rejected currency (by player interface and in total) are performed to ensure the correct amount of the drop is recorded on the count sheet. Posting rejected currency to a nonexistent "dummy" player interface is prohibited.~~

~~(10) Storage components, when empty, shall be shown to another member of the count team, to another person who is observing the count, or to surveillance, provided that the count is monitored in its entirety by a person independent of the count.~~

~~(11) To correct errors in soft count documentation, a single line shall be drawn through the error, and the correct figure entered above the original figure. The correction shall be initialed by at least two count team members verifying the change unless the count team only has two (2) members in~~

~~which case the initials of only one (1) verifying member is required. If a currency interface is used, corrections to player interface count data shall be made using one of the following:~~

~~(i) Draw a single line through the error on the player interface document and write the correct figure above the original figure. The correction shall then be initialed by two count team members, verifying the change unless the count team only has two (2) members in which case the initials of only one (1) verifying member is required.~~

~~If this procedure is used, an individual independent of the player interface department and count team shall enter the correct figure into the computer system prior to the generation of related player interface reports; or~~

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

~~(iii) If the computer system does not allow corrections as specified in (ii), management shall develop and implement alternative procedures for documenting corrections to the soft count records and communicating the information to the accounting department.~~

~~(12) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder, and variances shall be reconciled and documented. This standard does not apply to vouchers removed from the financial instrument storage component.~~

~~(13) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.~~

~~(14) 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 independent of the revenue generation and the count process for verification. Such person shall certify by~~

~~signature as to the amount of the drop proceeds delivered and received. It is recommended that the individual performing the verification count be precluded from having prior knowledge of the results of previous count performed by count team personnel. Any unresolved variances shall be reconciled, documented, and/or investigated by accounting/revenue audit.~~

~~(15) The cage/vault person shall sign the count sheet, or other reconciling document, and thereby assume accountability of the currency drop proceeds, ending the count.~~

~~(16) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashiers department.~~

~~Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.~~

~~(17) Access to stored financial instrument storage components, full or empty, shall be restricted to:~~

~~(i) Authorized members of the drop and count teams; and~~

~~(ii) Authorized personnel in an emergency for the resolution of a problem.~~

~~(g) *Player interface coin drop standards.* (1) A minimum of two individuals shall be involved in the removal of the player interface drop, at least one of whom is independent of the player interface department.~~

~~(2) All drop buckets shall be removed only at the time previously designated by the gaming operation and reported to the Tribal gaming regulatory authority, except for emergency drops.~~

~~(3) Surveillance shall be notified when the drop is to begin in order that surveillance may monitor the activities. The player interface coin drop begins when the first drop bucket is removed.~~

~~(4) Security shall be provided over the buckets removed from the player interface drop cabinets and awaiting transport to the count room.~~

~~(5) As each player interface is opened, the contents shall be tagged with its respective player interface number if the bucket is not permanently marked with the player interface number. The~~

~~contents shall be transported directly to the area designated for the counting of such drop proceeds. If more than one trip is required to remove the contents of the player interfaces, the filled carts of coins shall be securely locked in the room designed for counting or in another equivalently secure area with comparable controls. There shall be a locked covering on any carts in which the drop route includes passage out of doors.~~

~~(i) Alternatively, a smart bucket system that electronically identifies and tracks the player interface number, and facilitates the proper recognition of gaming revenue, shall satisfy the requirements of this paragraph.~~

~~(ii) [Reserved]~~

~~(6) Each drop bucket in use shall be:~~

~~(i) Housed in a locked compartment separate from any other compartment of the player interface and keyed differently than other player interface compartments; and~~

~~(ii) Identifiable to the player interface from which it is removed. If the player interface is identified with a removable tag that is placed in the bucket, the tag shall be placed on top of the bucket when it is collected.~~

~~(7) Each player interface shall have drop buckets into which coins or tokens that are retained by the player interface are collected. Drop bucket contents shall not be used to make change or pay hand-paid payouts.~~

~~(8) The collection procedures may include procedures for dropping player interfaces that have trays instead of drop buckets.~~

~~(h) *Hard count room personnel.* (1) The weigh/count shall be performed by a minimum of two individuals.~~

~~(2) At no time during the weigh/count shall there be fewer than two individuals in the count room until the drop proceeds have been accepted into cage/vault accountability. Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.~~

~~(i) If the player interface count is conducted with a continuous mechanical count meter that is not reset during the count and is verified in writing by at least two individuals at the start and end of each denomination count, then one person may perform the wrap.~~

~~(ii) [Reserved]~~

~~(3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same two persons more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count team of more than two persons.~~

~~(4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments, unless they are non-supervisory player interface personnel and perform the laborer function only (Non-supervisory player interface personnel are defined as persons below the level of player interface shift supervisor). A cage cashier may be used if this person is not allowed to perform the recording function. An accounting representative may be used if there is an independent audit of all count documentation.~~

~~(i) *Player interface coin count and wrap standards.* (1) Coins shall include tokens.~~

~~(2) The player interface coin count and wrap shall be performed in a count room or other equivalently secure area with comparable controls.~~

~~(i) Alternatively, an on-the-floor drop system utilizing a mobile scale shall satisfy the requirements of this paragraph, subject to the following conditions:~~

~~(A) The gaming operation shall utilize and maintain an effective on-line player interface monitoring system, as described in §542.13(m) (3);~~

~~(B) Components of the on-the-floor drop system shall include, but not be limited to, a weigh scale, a laptop computer through which weigh/count applications are operated, a security camera available for the mobile scale system, and a VCR to be housed within the video compartment of the mobile scale. The system may include a mule cart used for mobile weigh scale system locomotion.~~

~~(C) The gaming operation must obtain the security camera available with the system, and this camera must be added in such a way as to eliminate tampering.~~

~~(D) Prior to the drop, the drop/count team shall ensure the scale batteries are charged;~~

~~(E) Prior to the drop, a videotape shall be inserted into the VCR used to record the drop in conjunction with the security camera system and the VCR shall be activated;~~

~~(F) The weigh scale test shall be performed prior to removing the unit from the hard count room for the start of the weigh/drop/count;~~

~~(G) Surveillance shall be notified when the weigh/drop/count begins and shall be capable of monitoring the entire process;~~

~~(H) An observer independent of the weigh/drop/count teams (independent observer) shall remain by the weigh scale at all times and shall observe the entire weigh/drop/count process;~~

~~(I) Physical custody of the key(s) needed to access the laptop and video compartment shall require the involvement of two persons, one of whom is independent of the drop and count team;~~

~~(J) The mule key (if applicable), the laptop and video compartment keys, and the remote control for the VCR shall be maintained by a department independent of the player interface department.~~

~~The appropriate personnel shall sign out these keys;~~

~~(K) A person independent of the weigh/drop/count teams shall be required to accompany these keys while they are checked out, and observe each time the laptop compartment is opened;~~

~~(L) The laptop access panel shall not be opened outside the hard count room, except in instances when the laptop must be rebooted as a result of a crash, lock up, or other situation requiring immediate corrective action;~~

~~(M) User access to the system shall be limited to those persons required to have full or limited access to complete the weigh/drop/count; and~~

~~(N) When the weigh/drop/count is completed, the independent observer shall access the laptop compartment, end the recording session, eject the videotape, and deliver the videotape to surveillance.~~

~~(ii) [Reserved]~~

~~(3) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.~~

~~(4) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.~~

~~(5) The following functions shall be performed in the counting of the player interface drop:~~

~~(i) Recorder function, which involves the recording of the player interface count; and~~

~~(ii) Count team supervisor function, which involves the control of the player interface weigh and wrap process. The supervisor shall not perform the initial recording of the weigh/count unless a weigh scale with a printer is used.~~

~~(6) The player interface drop shall be counted, wrapped, and reconciled in such a manner to prevent the commingling of player interface drop coin with coin (for each denomination) from the next player interface drop until the count of the player interface drop has been recorded. If the coins are not wrapped immediately after being weighed or counted, they shall be secured and not commingled with other coins.~~

~~(i) The amount of the drop from each player interface shall be recorded in ink or other permanent form of recordation on a player interface count document by the recorder or mechanically printed by the weigh scale. Additionally, if a weigh scale interface is used, the count figures shall be transferred via direct communications line or computer storage media to the accounting department.~~

~~(ii) Corrections to information originally recorded by the count team on player interface count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change unless the count team only has two (2) members in which case the initials of only one (1) verifying member is required.~~

~~(A) If a weigh scale interface is used, corrections to player interface count data shall be made using one of the following:~~

~~(1) Drawing a single line through the error on the player interface document, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members unless the count team only has two (2) members in which case the initials of only one (1) verifying member is required.~~

~~If this procedure is used, an individual independent of the player interface department and count team shall enter the correct figure into the computer system prior to the generation of related player interface reports; or~~

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

~~(B) [Reserved]~~

~~(7) If applicable, the weight shall be converted to dollar amounts before the reconciliation of the weigh to the wrap.~~

~~(8) If a coin meter is used, a count team member shall convert the coin count for each denomination into dollars and shall enter the results on a summary sheet.~~

~~(9) The recorder and at least one other count team member shall sign the weigh tape and the player interface count document attesting to the accuracy of the weigh/count.~~

~~(10) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.~~

~~(11) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the accuracy of the drop proceeds delivered and received.~~

~~(12) All player interface count and wrap documentation, including any applicable computer storage media, shall be delivered to the accounting department by a count team member or a person independent of the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.~~

~~(13) If the coins are transported off the property, a second (alternative) count procedure shall be performed before the coins leave the property. Any variances shall be documented.~~

~~(14) Variances. Large (by denomination, either \$1,000 or 2% of the drop, whichever is less) or unusual (e.g., zero for weigh/count or patterned for all counts) variances between the weigh/count and wrap shall be investigated by management personnel independent of the player interface department, count team, and the cage/vault functions on a timely basis. The results of such~~

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

~~(j) Security of the count room inventory during the player interface coin count and wrap.~~

~~(1) If the count room serves as a coin room and coin inventory is not secured so as to preclude access by the count team, then the following standards shall apply:~~

~~(i) At the commencement of the player interface count the following requirements shall be met:~~

~~(A) The coin inventory shall be counted by at least two individuals, one of whom is a member of the count team and the other is independent of the weigh/count and wrap procedures;~~

~~(B) The count in paragraph (j) (1) (i) (A) of this section shall be recorded on an appropriate inventory form;~~

~~(ii) Upon completion of the wrap of the player interface drop:~~

~~(A) At least two members of the count team (wrap team), independently from each other, shall count the ending coin inventory;~~

~~(B) The counts in paragraph (j)(1)(ii)(A) of this section shall be recorded on a summary report(s) that evidences the calculation of the final wrap by subtracting the beginning inventory from the sum of the ending inventory and transfers in and out of the count room;~~

~~(C) Prior to verification of the count by cage/vault personnel, the same count team members shall compare the calculated wrap to the weigh/count, recording the comparison and noting any variances on the summary report;~~

~~(D) A member of the cage/vault department shall count the ending coin inventory by denomination and shall reconcile it to the beginning inventory, wrap, transfers and weigh/count. Any reconciliation variance shall be documented; and~~

~~(E) At the conclusion of the reconciliation, at least two count/wrap team members and the verifying cage/vault person shall sign the summary report(s) attesting to its accuracy.~~

~~(iii) The functions described in paragraph (j) (1) (ii) (A) and (C) of this section may be performed by only one count team member. That count team member must then sign the summary report, along with the verifying cage/vault person, as required under paragraph (j) (1) (ii) (E).~~

~~(2) If the count room is segregated from the coin room, or if the coin room is used as a count room and the coin room inventory is secured to preclude access by the count team, all of the following requirements shall be completed, at the conclusion of the count:~~

~~(i) At least two members of the count/wrap team shall count the final wrapped player interface drop independently from each other;~~

~~(ii) The final counts, in total and by denomination, shall be recorded on a summary report;~~

~~(iii) The same count team members (or the accounting department) shall compare the final wrap to the weigh/count, recording the comparison, and noting any variances on the summary report;~~

~~(iv) A member of the cage/vault department shall count the wrapped player interface drop by denomination and reconcile it to the weigh/count summary report. Any variance shall be reconciled and documented;~~

~~(v) At the conclusion of the reconciliation, at least two count team members and the cage/vault person shall sign the summary report attesting to its accuracy; and~~

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

~~(vii) The count team shall not have access to coin drop meter amounts until after the count is completed and the drop proceeds have been accepted into the cage/vault accountability. A count team member is allowed to read/record the amount from the coin-in meters provided the count team members do not have knowledge of the dollar amount of coin contained in the drop buckets pursuant to the coin-in meters during the count process.~~

~~(k) Transfers of currency and coin during the count. (1) Transfers may be permitted during the count only if permitted under the internal control standards approved by the Tribal gaming regulatory authority.~~

~~(2) Each transfer shall be recorded on a separate multi-part form with a preprinted or concurrently printed form number that shall be subsequently reconciled by the accounting department.~~

~~(3) Each transfer must be counted and signed for by at least two members of the count team and by a person independent of the count team who is responsible for authorizing the transfer.~~

~~(4) At least one part of the transfer form shall remain in the count room until the drop has been accepted into cage/vault accountability. The other part of the transfer form shall accompany the funds transferred from the count room during the count.~~

~~(l) Key controls general (1) The player interface coin drop cabinet keys, card games drop box release keys, financial instrument storage component release keys, card games drop box contents keys, financial instrument storage component contents keys, and kiosk keys shall all be separately keyed from each other.~~

~~(2) Surveillance monitoring key access does not satisfy the requirements in this part for physical involvement.~~

~~(3) All duplicate keys shall be maintained in a manner that provides the same degree of control as is required for the original keys. Records shall be maintained for each key duplicated that indicate the number of keys made and destroyed.~~

~~(4) Records shall be maintained by the custodian of sensitive keys to document authorization of personnel accessing keys.~~

~~(m) *Player interface drop key control standards.* (1) Player interface coin drop cabinet keys, including duplicates, shall be maintained by a department independent of the player interface department.~~

~~(2) Accessing the keys needed to open player interface coin drop cabinets, including duplicates, shall require the involvement of two persons, one of whom is independent of the player interface department.~~

~~(3) Two individuals (separate from key custodian) shall be required to accompany such keys while checked out and observe each time player interface 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.~~

~~(n) *Card game drop box key control standards.* (1) Procedures shall be developed and implemented to insure that unauthorized access to empty card game drop boxes shall not occur from the time the boxes leave the storage racks until they are placed on the tables.~~

~~(2) The involvement of at least two persons independent of the cage department shall be required to access stored empty card game drop boxes.~~

~~(3) At least three (two for card game drop box keys in operations with three tables or fewer) count team members are required to be present at the time count room and other count keys are issued for the count.~~

~~(o) *Card game drop box release keys.* (1) The card game drop box release keys shall be maintained by a department independent of the card game department.~~

~~(2) Only the person(s) authorized to remove card game drop boxes from the tables shall be allowed access to the card game drop box release keys; however, the count team members may have access to the release keys during the soft count in order to reset the card game drop boxes.~~

~~(3) Persons authorized to remove the card game drop boxes shall be precluded from having simultaneous access to the card game drop box contents keys and release keys.~~

~~(4) For situations requiring access to a card game drop box at a time other than the scheduled drop, the date, time, and signature of the individual signing out/in the release key must be documented.~~

~~(p) *Financial instrument storage component release keys.* (1) The financial instrument storage component release keys shall be maintained by a department independent of the player interface department.~~

~~(2) Only the person(s) authorized to remove financial instrument storage components from the player interfaces shall be allowed access to the release keys.~~

~~(3) Persons authorized to remove the financial instrument storage components shall be precluded from having simultaneous access to the financial instrument storage component contents keys and release keys.~~

~~(4) For situations requiring access to a financial instrument storage component at a time other than the scheduled drop, the date, time, and signature of the individual signing out/in the release key must be documented.~~

~~(q) *Card game drop box storage rack keys.* Persons authorized to obtain card game drop box storage rack keys shall be precluded from having simultaneous access to card game drop box contents keys with the exception of the count team.~~

~~(r) *Financial instrument storage component storage rack keys.* Persons authorized to obtain financial instrument storage component storage rack keys shall be precluded from having simultaneous access to financial instrument storage component contents keys with the exception of the count team.~~

~~(s) *Card game drop box contents keys.* (1) Issuance of the card game drop box contents keys at other than scheduled count times shall require the involvement of at least three individuals from~~

~~separate departments, including management. The reason for issuance shall be documented with the signatures of all participants and observers. Two persons from separate departments are required to accompany the card game drop box contents key from the time the keys are issued until the time the keys are returned. The key custodian issuing keys constitutes physical involvement. A computerized key security system functions as the key custodian.~~

~~(2) Only count team members shall be allowed access to card game drop box content keys during the count process.~~

~~(t) *Financial instrument storage component contents keys.* (1) Issuance of the financial instrument storage component contents key at other than scheduled count times shall require the involvement of at least three persons from separate departments, one of whom must be a supervisor. The reason for issuance shall be documented with the signatures of all participants and observers. Two individuals from separate departments are required to accompany the financial instrument storage component contents key from the time the keys are issued until the time the keys are returned. The key custodian issuing keys constitutes physical involvement. A computerized key security system functions as the key custodian.~~

~~(2) Only the count team members shall be allowed access to financial instrument storage component contents keys during the count process.~~

~~(u) *Player interface computerized key security systems.* (1) Computerized key security systems which restrict access to the player interface 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; refer to paragraphs (m), (p), (r) and (t) of this section. This standard does not apply to the system administrator. The system administrator is defined in paragraph (u) (2) (i) of this section.~~

~~(2) For computerized key security systems, the following additional player interface key control procedures apply:~~

~~(i) Management personnel independent of the player interface department assign and control user access to keys in the computerized key security system (i.e., system administrator) to ensure that player interface drop and count keys are restricted to authorized individuals.~~

~~(ii) 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 player interface 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 persons signing out/in the emergency manual key(s).~~

~~(iii) The custody of the keys issued pursuant to paragraph (u) (2) (ii) of this section, requires the presence of two individuals from separate departments from the time of their issuance until the time of their return.~~

~~(iv) Routine physical maintenance that requires accessing the emergency manual key(s) (override key) and does not involve the accessing of the player interface 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 individuals signing out/in the emergency manual key(s).~~

~~(v) Card games computerized key security systems. (1) Computerized key security systems which restrict access to the card 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, refer to paragraphs (n), (o), (q), and (s) of this section. This standard does not apply to the system administrator. The system administrator is defined in paragraph (v) (2) (i) of this section.~~

~~(2) For computerized key security systems, the following additional card game key control procedures apply:~~

~~(i) Management personnel independent of the card game department assign and control user access to keys in the computerized key security system (i.e., system administrator) to ensure that card game drop and count keys are restricted to authorized individuals.~~

~~(ii) 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 card game 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 individuals signing out/in the emergency manual key(s).~~

~~(iii) The custody of the keys issued pursuant to paragraph (v) (2) (ii) of this section, requires the presence of two persons from separate departments from the time of their issuance until the time of their return.~~

~~(iv) Routine physical maintenance that requires accessing the emergency manual key(s) (override key) and does not involve the accessing of the card games 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 persons signing out/in the emergency manual key(s).~~

~~(w) *Emergency drop procedures.* Emergency drop procedures shall be developed by the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority.~~

~~(x) *Equipment standards for player interface count.* (1) A weigh scale calibration module shall be secured so as to prevent unauthorized access (e.g., prenumbered seal, lock and key, etc.).~~

~~(2) A person independent of the cage, vault, player interface, and count team functions shall be required to be present whenever the calibration module is accessed. Such access shall be documented and maintained.~~

~~(3) If a weigh scale interface is used, it shall be adequately restricted so as to prevent unauthorized access (passwords, keys, etc.).~~

~~(4) If the weigh scale has a zero adjustment mechanism, it shall be physically limited to minor adjustments (e.g., weight of a bucket) or physically situated such that any unnecessary adjustments to it during the weigh process would be observed by other count team members.~~

~~(5) Immediately prior to the player interface count, at least two individuals shall verify the accuracy of the weigh scale with varying weights or with varying amounts of previously counted coin for each denomination to ensure the scale is properly calibrated (varying weights/coin from drop to drop is acceptable).~~

~~(6) If a mechanical coin counter is used (instead of a weigh scale), the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with procedures that are equivalent to those described in paragraphs 543.33 (x) (4), 543.33 (x) (5), and 543.50 (g) (2).~~

~~(7) If a coin meter count machine is used, the count team member shall record the machine number denomination and number of coins in ink on a source document, unless the meter machine automatically records such information.~~

~~(i) A count team member shall test the coin meter count machine before the actual count to ascertain if the metering device is functioning properly with a predetermined number of coins for each denomination.~~

~~(ii) [Reserved]~~

§543.32 What are the minimum internal control standards for internal audit for Tier B gaming operations?

~~(a) *Internal audit personnel.* (1) For Tier B gaming operations, a separate internal audit department shall be maintained. Alternatively, designating personnel (who are independent with respect to the departments/procedures being examined) to perform internal audit work satisfies the requirements of this paragraph.~~

~~(2) The internal audit personnel shall report directly to the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe in accordance with the definition of internal audit in §543.2.~~

~~(b) *Audits.* Internal audit personnel shall perform audits of the gaming operation:~~

~~(1) The following areas shall be **audited** at least annually:~~

~~(i) Pull tabs, including but not limited to, computer applications, pull tab inventory, access, transfers, winning pull tabs, accountability form, statistical reports, and electronic~~

~~(ii) Card games, including but not limited to, computer applications, supervision, playing cards, skills, reconciliation of card room bank, promotional progressive pots and pools, card room contests and tournaments, computerized player tracking systems and accounting/audit standards;~~

~~(iii) Cage procedures, including but not limited to, computer applications, personal checks, cashier's checks, traveler's checks, payroll checks, and counter checks, patron deposited funds, safe deposit boxes, cage/vault accountability, chip and token standards, promotional payouts, drawings, and giveaway programs, accounting/auditing standards and extraneous items;~~

~~(iv) Credit procedures, including but not limited to, computer applications, credit standards, payment standards, access to credit documentation, maintenance of credit documentation, write off and settlement, collection agencies, and accounting/auditing standards;~~

~~(v) Information technology, including but not limited to, physical security, unauthorized individuals, user controls, back-up and recovery, access records, and remote access;~~

~~(vi) Complimentary services or items, including but not limited to, procedures whereby complimentary service items are issued, authorized, redeemed and reported;~~

~~(vii) Accounting standards, including but not limited to, accounting records, GAAP requirements, administrative and accounting procedures, gross gaming revenue computations, currency controls, periodic payment plans, voucher deductibility, unpaid credit instrument deductibility, allowable and non-allowable deductions from gross revenue, and maintenance and preservation of books, records and documents;~~

~~(viii) Drop and count standards, including but not limited to, computer applications, card game drop, soft count room personnel, card game soft count, player interface financial instrument storage component drop, player interface financial instrument storage component count, player interface coin drop, hard count room personnel, player interface coin count and wrap, count room inventory security, transfers of currency and coin during the count, key controls general, player interface drop key controls, card game drop box key controls, card game drop box release keys, player interface financial instrument storage component release keys, card game drop box storage rack keys, player interface financial instrument storage component storage rack keys, card game drop box contents keys, player interface financial instrument storage component contents keys, player interface computerized key security systems, card game computerized key security systems, emergency drop procedures and player interface count equipment; and~~

~~(ix) Any other internal audits as required by the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.~~

~~(2) In addition to the observation and examinations performed under paragraph (b)(1) of this section, follow-up observations and examinations shall be performed to verify that corrective~~

~~action has been taken regarding all instances of noncompliance cited by internal audit, the independent accountant, and/or the Commission. The verification shall be performed within six (6) months following the date of notification.~~

~~(3) The following area shall be **audited** at least semi-annually:~~

~~(i) Bingo, including but not limited to, bingo cards, bingo draw, manual payouts and short pays, operational controls, gaming equipment, voucher systems, patron accounts and cashless systems, promotions, and accounting/auditing standards.~~

~~(ii) [Reserved]~~

~~(4) Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without personnel being forewarned that their activities will be observed). Additionally, if the independent accountant also performs the internal audit function, the accountant shall perform separate observations of the player interface drops and counts to satisfy the internal audit observation requirements and independent accountant tests of controls as required by the American Institute of Certified Public Accountants guide.~~

~~(e) *Documentation.* (1) Documentation (e.g., checklists, programs, reports, etc.) shall be prepared to evidence all internal audit work performed as it relates to the requirements in this section, including all instances of noncompliance.~~

~~(2) The internal audit department shall operate with audit programs, which, at a minimum, address the MICS. Additionally, the department shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. Institute of Internal Auditors standards are recommended but not required.~~

~~(d) *Reports.* (1) Reports documenting audits performed shall be maintained and made available to the Commission upon request.~~

~~(2) Such audit reports shall include the following information:~~

~~(i) Audit objectives;~~

~~(ii) Audit procedures and scope;~~

~~(iii) Findings and conclusions;~~

~~(iv) Recommendations, if applicable; and~~

~~(v) Management's response.~~

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

~~(f) *Role of management.* (1) Internal audit findings shall be reported to management.~~

~~(2) Management shall be required to respond to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception.~~

~~(3) Such management responses shall be included in the internal audit report that will be delivered to management, the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.~~

~~(g) *Internal Audit Guidelines.* In connection with the internal audit testing pursuant to paragraph~~

~~(b) (1) and (b) (3) of this section, the Commission shall develop recommended Internal Audit Guidelines, which shall be available upon request.~~

§543.33 What are the minimum internal control standards for surveillance for Tier B gaming operations?

~~(a) The surveillance system shall be maintained and operated from a cheating, misappropriation, forgery or fraud. Such controls must include, but not be limited to, the following:~~

~~(1) For Tier A, the surveillance system shall be maintained and operated from a secured location, such as a locked cabinet. For Tier B and C, the surveillance system shall be maintained and operated from a staffed surveillance operation room(s).~~

~~(b2) The entrance to the surveillance operation room(s) shall be appropriately secured to prevent unauthorized access-entry.~~

~~(e3)~~ Access to the surveillance operation room~~(s)~~ shall be limited to surveillance ~~personnel~~agents, designated staff, and other persons authorized ~~in accordance with the surveillance department policy. The surveillance department shall maintain a sign-in log of other authorized persons entering the surveillance.~~

(4) Surveillance operation room-

~~(d)~~(s) access logs shall be maintained.

(5) Surveillance operation room equipment shall have total override capability over all other satellite surveillance equipment located outside the surveillance operation room.

~~(e) The surveillance system shall include date and time generators that possess the capability to display the date and time of recorded events on video and/or digital recordings. The displayed date and time shall not significantly obstruct the recorded view.~~

~~(f) The surveillance operation room shall be attended at all times by personnel trained in the use of the equipment, knowledge of the games, and house rules. When necessary, surveillance operation rooms may be unattended for periods of time not to exceed 1 hour in any 8-hour period to allow appropriate meal and rest breaks.~~

~~(g) Each camera required by the standards in this section shall be installed in a manner that will prevent it from being readily obstructed, tampered with, or disabled by patrons or staff.~~

~~(h) Each camera required by the standards in this section shall possess the capability of having its picture displayed on a monitor and recorded. The surveillance system shall include sufficient numbers of monitors and recorders to simultaneously display and record multiple gaming and count room activities, and shall record the views of all dedicated cameras and motion-activated dedicated cameras.~~

6) Power loss to the surveillance system.

~~(i) Reasonable effort shall be made to repair each malfunction of surveillance system equipment required by the standards in this section within seventy-two (72) hours after the malfunction is discovered.~~

~~(1) In the event of a dedicated camera malfunction, the gaming operation and/or the surveillance department shall immediately provide alternative camera coverage or other security measures, such as additional supervisory or security personnel, to protect the subject activity.~~

~~(2) The Tribal gaming regulatory authority shall be notified immediately of any required camera(s) that has malfunctioned for more than twenty-four (24) hours (or a shorter period as determined by the Tribal gaming regulatory authority), resulting in coverage or clarity that does not meet the requirements of this part.~~

~~(j) *Bingo.* (1) The surveillance system shall possess the capability to monitor the bingo ball drawing device or random number generator, which shall be recorded during the course of the draw by a dedicated camera with sufficient clarity to identify the balls drawn or numbers selected.~~

~~(2) The surveillance system shall monitor and record the game board and the activities of the personnel responsible for drawing, calling, and entering the balls drawn or numbers selected.~~

~~(k) *Card games.* The surveillance system shall monitor and record general activities in each card room with sufficient clarity to view patrons, dealers, and activities on the card table surfaces.~~

~~(l) *Player interfaces.* (1) Player interfaces offering a prize payout of \$250,000 or more shall be monitored and recorded by a dedicated camera(s) to provide coverage of:~~

~~(i) All patrons and staff at the player interface, and~~

~~(ii) The face of the player interface, with sufficient clarity to identify the prize payout line(s) of the player interface.~~

~~(iii) The coverage required in paragraphs (l)(1)(i) and (l)(1)(ii) does not require one dedicated camera per player interface if one dedicated camera is able to provide the required coverage for more than one player interface.~~

~~(2) The requirements in paragraph (l)(1) do not apply to wide area progressive player interfaces that are monitored by an independent vendor utilizing a linked on-line progressive computer system that have less than a 25% probability of a prize payout of \$3,000,000 or more.~~

~~(3) The requirements in paragraph (l)(1) do not apply to in-house progressive player interfaces that have less than a 25% probability of a prize payout of \$250,000 or more.~~

~~(4) Probability calculations for paragraphs (l)(2) and (l)(3) shall be performed using a formula provided by the Commission.~~

~~(m) *Cage and vault.* (1) The surveillance system shall monitor and record a general overview of activities occurring in each cage and vault area with sufficient clarity to identify individuals within the cage and patrons and staff members at the counter areas and to confirm **the amount of each** cash transactions occurring between staff members and between staff members and patrons.~~

~~(2) Each cashier station shall be equipped with one (1) dedicated overhead camera covering the transaction area.~~

~~(3) The cage or vault area in which fills and credits are transacted shall be monitored and recorded by a dedicated camera or motion activated dedicated camera that provides coverage with sufficient clarity to identify the chip values and the amounts on the fill and credit slips. Controls provided by a computerized fill and credit system may constitute an adequate alternative to viewing the amounts on the fill and credit slips.~~

~~(n) *Count rooms* (1) The surveillance system shall monitor and record with sufficient clarity all areas where coin may be stored or counted, including the hard count room, all doors to the hard~~

~~count room, all scales and wrapping machines, and all areas where uncounted coin may be stored during the drop and count process.~~

~~(2) The surveillance system shall provide coverage of scales of sufficient clarity to view any attempted manipulation of the recorded data.~~

~~(3) The surveillance system shall monitor and record with sufficient clarity all areas where currency may be stored or counted, and shall include the following:~~

~~(i) Soft count room including all doors to the room, all financial instrument storage components, safes, counting surfaces, and all count team personnel.~~

~~(ii) The counting surface area must be continuously monitored/displayed and recorded by a dedicated camera during the soft count.~~

~~(iii) The financial instrument storage component storage rack or area by either a dedicated camera or a motion-activated dedicated camera.~~

~~(iv) For count rooms utilizing currency counters and currency sorters, the surveillance system must possess the capability to monitor and record all areas where currency is sorted, stacked, counted, verified or stored during the count process. Coverage of the currency counting machines and currency sorting machines must be sufficiently clear to view the currency input, output and reject areas.~~

~~(e) *Video recording and/or digital record retention.* (1) All video recordings and/or digital records of coverage provided by dedicated cameras or motion-activated dedicated cameras required by the standards in this section shall be retained for a minimum of seven (7) days, or such longer period that may be required by the Tribal gaming regulatory authority.~~

~~(2) Recordings involving suspected or confirmed gaming crimes, unlawful activity, or detentions by security personnel, must be retained for a minimum of thirty (30) days, or such longer period that may be required by the Tribal gaming regulatory authority.~~

~~(3) Duly authenticated copies of video recordings and/or digital records shall be provided to the Commission upon request.~~

~~(p) *Video library log.* A video library log, or comparable alternative procedure, shall be maintained to demonstrate compliance with the storage, identification, and retention standards required in this section.~~

~~(q) *Malfunction and repair log.* (1) Surveillance personnel shall maintain a log or alternative procedure that documents each malfunction and repair of the surveillance system as defined in this section.~~

~~(2) The log shall state the time, date, and nature of each malfunction, the efforts expended to repair the malfunction and the date of each effort, the reasons for any delays in repairing the malfunction, the date the malfunction is repaired, and where applicable, any alternative security measures that were taken.~~

~~(3) The log must be retained for a minimum of 1 year after the date of the last entry in it.~~

~~(r) *Surveillance log.* (1) Surveillance personnel shall maintain a log of all surveillance activities.~~

~~(2) Such log shall be maintained by surveillance operation room personnel and shall be stored securely within the surveillance department.~~

~~(3) At a minimum, the following information shall be recorded in a surveillance log:~~

~~(i) Date;~~

~~(ii) Time commenced and terminated;~~

~~(iii) Activity observed or performed; and~~

~~(iv) The name or license credential number of each person who initiates, performs, or supervises the surveillance.~~

~~(4) Surveillance personnel shall also record a summary of the results of the surveillance of any suspicious activity. This summary may be maintained in a separate log.~~

~~(5) The log must be retained for a minimum of 1 year after the date of the last entry in it.~~

~~(s) *Digital Surveillance System Standards* (1) The digital surveillance equipment used to satisfy the surveillance standards in this section shall:~~

~~(i) Record and play back video at a minimum of 30 frames per second (FPS), full screen (4 common intermediate format CIF), in real time.~~

~~(ii) Produce visual resolution that is adequate to satisfy the sufficient clarity standards in this section.~~

~~(iii) Have adequate storage capacity to maintain for a period of not less than seven (7) days, all images obtained from the video cameras.~~

~~(iv) Have a failure notification system that provides audible and visual notification of any failure in the surveillance system or the Digital Video Recording (DVR) media storage system.~~

~~Alternatively, daily verification of the effective operation of surveillance system and DVR media storage system components is acceptable.~~

~~(v) Have a media storage system that is configured so that a failure of any single component will result in no loss of data from the media storage system.~~

~~(2) Access, or the ability to access, a digital surveillance system from any location outside of the surveillance operation room, shall be approved by the Tribal gaming regulatory authority. Such transmissions shall be effectively encrypted, firewalled on both ends, and password protected.~~

~~(3) All digital video disks or other storage media produced from the DVR system shall contain the data with the time and date it was recorded superimposed, the media player and the software necessary to view the DVR images, as well as a video verification encryption code (also known as a watermark).~~

~~(4) In the event of a failure of a DVR storage media system (total system failure), the gaming operation should strive to repair or replace the equipment within 8 hours of the failure.~~

~~(5) All DVR equipment must be located in a secured area and the Surveillance Department shall be ultimately responsible for its proper operation and maintenance.~~

~~**§542.40 What is a Tier C gaming operation?**~~

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

~~**§543.41 What are the minimum internal control standards for drop and count for Tier C gaming operations?**~~

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

~~(b) *Card game drop standards.* (1) The setting out of empty card game drop boxes and the drop shall be a continuous process. The drop begins with the removal of the first card game drop box; however, empty drop boxes are not required to be placed on tables that are inactive at the time of the drop.~~

~~(2) At the end of each shift:~~

~~(i) All locked card game drop boxes shall be removed from the tables by a person independent of the card game shift being dropped;~~

~~(ii) A separate drop box shall be placed on each table opened at any time during each shift or a gaming operation may utilize a single drop box with separate openings and compartments for each shift; and~~

~~(iii) Upon removal from the tables, card game drop boxes shall be transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.~~

~~(3) If drop boxes are not placed on all tables, then the card game department shall document which tables were open during the shift.~~

~~(4) The transporting of card game drop boxes shall be performed by a minimum of two persons, at least one of whom is independent of the card game shift being dropped.~~

~~(5) All card 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, if applicable.~~

~~(6) Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities.~~

~~(c) *Soft count room personnel.* (1) The card game soft count and the player interface financial instrument storage component count shall be performed by a minimum of three employees.~~

~~(2) Count room personnel shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. At no time during the count, shall there be fewer than three individuals in the count room until the drop proceeds have been accepted into cage/vault accountability. Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.~~

~~(3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same three persons more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count team of more than three persons.~~

~~(4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments; however, an accounting representative may be used if there is an independent audit of all soft count documentation.~~

~~(5) All coin, tokens, chips and/or cash inventory stored in the count room shall be secured from unauthorized access at all times.~~

~~(d) Card game soft count standards. (1) The card game soft count shall be performed in a soft count room or other equivalently secure area with comparable controls.~~

~~(2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.~~

~~(3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.~~

~~(4) Immediately prior to the count at least two count team members shall verify the accuracy of the currency counter with previously counted currency for each denomination (i.e., test currency).~~

~~The test currency shall be counted by the currency counter to ensure that the counter is functioning properly. The test results shall be documented and maintained.~~

~~(i) The currency counter test shall be performed with test currency rather than with currency from a drop box.~~

~~(ii) If the same currency counter is used for one revenue center (e.g., gaming or nongaming revenue center) and then immediately used for a second revenue center, performing the currency counter test once will satisfy the standard provided the same count team members complete one count and then proceed to the other revenue center count.~~

~~(5) The card game drop boxes shall be individually emptied and counted in such a manner to prevent the commingling of funds between boxes until the count of the box has been recorded.~~

~~(i) The count of each box shall be recorded in ink or other permanent form of recordation.~~

~~(ii) For counts that do not utilize a currency counter, a second count shall be performed by a member of the count team who did not perform the initial count. Separate counts of chips and tokens must always be performed by members of the count team.~~

~~(iii) Coupons or other promotional items not included in gross revenue may be recorded on a supplemental document by either the count team members or accounting personnel. All single-use coupons shall be cancelled daily by either the count team members or accounting personnel to prevent improper recirculation.~~

~~(iv) If a currency counter interface is used:~~

~~(A) It shall be adequately restricted (e.g., password, keys, etc.) so as to prevent unauthorized access.~~

~~(B) The currency drop figures shall be transferred via direct communications line or computer storage media to the accounting department.~~

~~(6) 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. The count team member operating the currency counter does not need to be monitored by another count team member if an individual independent of the count process monitors the operator of the currency counter on an unannounced basis for a minimum of one hour during the count process from recorded or live surveillance at least monthly. The date, time, and results of the independent observation shall be documented.~~

~~(7) When the currency counter rejects currency (re-run of rejected currency is permissible) but does not record the amount of rejected currency, procedures shall be developed and implemented to record the rejected currency amount by table and to ensure that two counts of the rejected currency (by table and in total) are performed to ensure the correct amount of the drop is recorded on the count sheet. Posting rejected currency to a nonexistent "dummy" table is prohibited.~~

~~(8) Card game drop boxes, when empty, shall be shown to another member of the count team, or to another person who is observing the count, or to surveillance, provided the count is monitored in its entirety by a person independent of the count.~~

~~(9) To correct errors in soft count documentation, a single line shall be drawn through the error, and the correct figure entered above the original figure. The correction shall be initialed by at least two count team members verifying the change. If a currency interface is used, corrections to card games count data shall be made using one of the following:~~

~~(i) Draw a single line through the error on the card games document, and write the correct figure above the original figure. The correction must then be initialed by the two count team members verifying the change. If this procedure is used, an individual independent of the card games department and count team shall enter the correct figure into the computer system prior to the generation of related card games reports; or~~

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

~~(iii) If the computer system does not allow corrections as specified in (ii), management shall develop and implement alternative procedures for documenting corrections to the soft count records and communicating the information to the accounting department.~~

~~(10) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder, and variances shall be reconciled and documented.~~

~~(11) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.~~

~~(12) 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/individual independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the amount of the drop proceeds delivered and received. It is~~

~~recommended that the individual performing the verification count be precluded from having prior knowledge of the results of previous count performed by count team personnel. Any unresolved variances shall be reconciled, documented, and/or investigated by accounting/revenue audit.~~

~~(13) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashiers department.~~

~~Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.~~

~~(14) The cage/vault person shall sign the count sheet, or other reconciling document, and thereby assume accountability of the currency drop proceeds, ending the count.~~

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

~~(e) *Player interface financial instrument storage component drop standards.* (1) A minimum of three individuals shall be involved in the removal of the player interface storage component drop, at least one of whom is independent of the player interface department.~~

~~(2) All financial instrument storage components shall be removed only at the time previously designated by the gaming operation and reported to the Tribal gaming regulatory authority, except for emergency drops.~~

~~(3) Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities. The player interface financial instrument storage component drop begins when the first financial instrument storage component is removed.~~

~~(4) The financial instrument storage components shall be removed by a person independent of the player interface department then transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.~~

~~(i) Security shall be provided over the financial instrument storage components removed from the player interfaces and awaiting transport to the count room.~~

~~(ii) The transporting of financial instrument storage components shall be performed by a minimum of two persons, at least one of whom is independent of the player interface department.~~

~~(5) All financial instrument storage components shall be posted with a number corresponding to a permanent number on the player interface.~~

~~(f) *Player interface financial instrument storage component count standards.* (1) The player interface financial instrument storage component count shall be performed in a soft count room or other equivalently secure area with comparable controls.~~

~~(2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.~~

~~(3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.~~

~~(4) The count team shall not have access to bill-in meter amounts until after the count is completed and the drop proceeds are accepted into the cage/vault accountability. A count team member is allowed to read/record the amount from the bill-in meters provided the count team members do not have knowledge of the dollar amount of currency contained in the **financial instrument storage components** pursuant to the bill-in meters during the count process.~~

~~(5) Immediately prior to the count at least two count team members shall verify the accuracy of the currency counter with previously counted currency for each denomination (i.e., test currency). The test currency shall be counted by the currency counter to ensure the counter is functioning properly. The test results shall be documented and maintained.~~

~~(i) The currency counter test shall be performed with test currency rather than with currency from a financial instrument storage component.~~

~~(ii) If the same currency counter is used for one revenue center (e.g., gaming or nongaming revenue center) and then immediately used for a second revenue center, performing the currency counter test once will satisfy the standard provided the same count team members complete one count and then proceed to the other revenue center count.~~

~~(6) If a currency counter interface is used:~~

~~(i) It shall be adequately restricted (e.g., password, keys, etc.) so as to prevent unauthorized access).~~

~~(ii) The currency drop figures shall be transferred via direct communications line or computer storage media to the accounting department.~~

~~(7) The financial instrument storage components shall be individually emptied and counted in such a manner to prevent the commingling of funds between storage components until the count of the storage component has been recorded.~~

~~(i) The count of each storage component shall be recorded in ink or other permanent form of recordation.~~

~~(ii) [Reserved]~~

~~(8) If currency counters are utilized and the count room table is used only to empty financial instrument storage components 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. The count team member operating the currency counter does not need to be monitored by another count team member if an individual independent of the count process monitors the operator of the currency counter on an unannounced basis for a minimum of one hour during the~~

~~count process from recorded or live surveillance at least monthly. The date, time, and results of the independent observation shall be documented.~~

~~(9) When the currency counter rejects currency (re-run of rejected currency is permissible) but does not record the amount of rejected currency, procedures shall be developed and implemented to record the rejected currency amount, by player interface, and to ensure that two counts of the rejected currency (by player interface and in total) are performed to ensure the correct amount of the drop is recorded on the count sheet. Posting rejected currency to a nonexistent “dummy” player interface is prohibited.~~

~~(10) Storage components, when empty, shall be shown to another member of the count team, to another person who is observing the count, or to surveillance, provided that the count is monitored in its entirety by a person independent of the count.~~

~~(11) To correct errors in soft count documentation, a single line shall be drawn through the error, and the correct figure entered above the original figure. The correction shall be initialed by at least two count team members verifying the change. If a currency interface is used, corrections to player interface count data shall be made using one of the following:~~

~~(i) Draw a single line through the error on the player interface document, and write the correct figure above the original figure. The correction shall then be initialed by two count team members verifying the change. If this procedure is used, an individual independent of the player interface department and count team shall enter the correct figure into the computer system prior to the generation of related player interface reports; or~~

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

~~(iii) If the computer system does not allow corrections as specified in (ii), management shall develop and implement alternative procedures for documenting corrections to the soft count records and communicating the information to the accounting department.~~

~~(12) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder, and variances shall be reconciled and documented. This standard does not apply to vouchers removed from the financial instrument storage components.~~

~~(13) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.~~

~~(14) 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 independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the amount of the drop proceeds delivered and received. It is recommended that the individual performing the verification count be precluded from having prior knowledge of the results of previous count performed by count team personnel. Any unresolved variances shall be reconciled, documented, and/or investigated by accounting/revenue audit.~~

~~(15) The cage/vault person shall sign the count sheet, or other reconciling document, and thereby assume accountability of the currency drop proceeds, ending the count.~~

~~(16) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.~~

~~(17) Access to stored full financial instrument storage components shall be restricted to:~~

~~(i) Authorized members of the drop and count teams; and~~

~~(ii) Authorized personnel in an emergency for the resolution of a problem.~~

~~(g) Player interface coin drop standards. (1) A minimum of three individuals shall be involved in the removal of the player interface drop, at least one of whom is independent of the player interface department.~~

~~(2) All drop buckets shall be removed only at the time previously designated by the gaming operation and reported to the Tribal gaming regulatory authority, except for emergency drops.~~

~~(3) Surveillance shall be notified when the drop is to begin in order that surveillance may monitor the activities. The player interface coin drop begins when the first drop bucket is removed.~~

~~(4) Security shall be provided over the buckets removed from the player interface drop cabinets and awaiting transport to the count room.~~

~~(5) As each player interface is opened, the contents shall be tagged with its respective player interface number if the bucket is not permanently marked with the player interface number. The contents shall be transported directly to the area designated for the counting of such drop proceeds. If more than one trip is required to remove the contents of the player interfaces, the filled carts of coins shall be securely locked in the room designed for counting or in another equivalently secure area with comparable controls. There shall be a locked covering on any carts in which the drop route includes passage out of doors.~~

~~(i) Alternatively, a smart bucket system that electronically identifies and tracks the player interface number, and facilitates the proper recognition of gaming revenue, shall satisfy the requirements of this paragraph.~~

~~(ii) [Reserved]~~

~~(6) Each drop bucket in use shall be:~~

~~(i) Housed in a locked compartment separate from any other compartment of the player interface and keyed differently than other player interface compartments; and~~

~~(ii) Identifiable to the player interface from which it is removed. If the player interface is identified with a removable tag that is placed in the bucket, the tag shall be placed on top of the bucket when it is collected.~~

~~(7) Each player interface shall have drop buckets into which coins or tokens that are retained by the player interface are collected. Drop bucket contents shall not be used to make change or pay hand-paid payouts.~~

~~(8) The collection procedures may include procedures for dropping player interfaces that have trays instead of drop buckets.~~

~~(h) *Hard count room personnel.* (1) The weigh/count shall be performed by a minimum of three individuals.~~

~~(2) At no time during the weigh/count shall there be fewer than three individuals in the count room until the drop proceeds have been accepted into cage/vault accountability. Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.~~

~~(i) If the player interface count is conducted with a continuous mechanical count meter that is not reset during the count and is verified in writing by at least three individuals at the start and end of each denomination count, then one person may perform the wrap.~~

~~(ii) [Reserved]~~

~~(3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same three persons more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count team of more than three persons.~~

~~(4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments, unless they are non-supervisory player interface personnel and perform the laborer function only (Non-supervisory player interface personnel are defined as persons below the level of player interface shift supervisor). A cage~~

~~cashier may be used if this person is not allowed to perform the recording function. An accounting representative may be used if there is an independent audit of all count documentation.~~

~~(i) *Player interface coin count and wrap standards.* (1) Coins shall include tokens.~~

~~(2) The player interface coin count and wrap shall be performed in a count room or other equivalently secure area with comparable controls.~~

~~(i) Alternatively, an on-the-floor drop system utilizing a mobile scale shall satisfy the requirements of this paragraph, subject to the following conditions:~~

~~(A) The gaming operation shall utilize and maintain an effective on-line player interface monitoring system, as described in §542.13(m)(3);~~

~~(B) Components of the on-the-floor drop system shall include, but not be limited to, a weigh scale, a laptop computer through which weigh/count applications are operated, a security camera available for the mobile scale system, and a VCR to be housed within the video compartment of the mobile scale. The system may include a mule cart used for mobile weigh scale system locomotion.~~

~~(C) The gaming operation must obtain the security camera available with the system, and this camera must be added in such a way as to eliminate tampering.~~

~~(D) Prior to the drop, the drop/count team shall ensure the scale batteries are charged;~~

~~(E) Prior to the drop, a videotape shall be inserted into the VCR used to record the drop in conjunction with the security camera system and the VCR shall be activated;~~

~~(F) The weigh scale test shall be performed prior to removing the unit from the hard count room for the start of the weigh/drop/count;~~

~~(G) Surveillance shall be notified when the weigh/drop/count begins and shall be capable of monitoring the entire process;~~

~~(H) An observer independent of the weigh/drop/count teams (independent observer) shall remain by the weigh scale at all times and shall observe the entire weigh/drop/count process;~~

~~(I) Physical custody of the key(s) needed to access the laptop and video compartment shall require the involvement of two persons, one of whom is independent of the drop and count team;~~

~~(J) The mule key (if applicable), the laptop and video compartment keys, and the remote control for the VCR shall be maintained by a department independent of the player interface department.~~

~~The appropriate personnel shall sign out these keys;~~

~~(K) A person independent of the weigh/drop/count teams shall be required to accompany these keys while they are checked out, and observe each time the laptop compartment is opened;~~

~~(L) The laptop access panel shall not be opened outside the hard count room, except in instances when the laptop must be rebooted as a result of a crash, lock up, or other situation requiring immediate corrective action;~~

~~(M) User access to the system shall be limited to those persons required to have full or limited access to complete the weigh/drop/count; and~~

~~(N) When the weigh/drop/count is completed, the independent observer shall access the laptop compartment, end the recording session, eject the videotape, and deliver the videotape to surveillance.~~

~~(ii) [Reserved]~~

~~(3) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.~~

~~(4) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.~~

~~(5) The following functions shall be performed in the counting of the player interface drop:~~

- ~~(i) Recorder function, which involves the recording of the player interface count; and~~
 - ~~(ii) Count team supervisor function, which involves the control of the player interface weigh and wrap process. The supervisor shall not perform the initial recording of the weigh/count unless a weigh scale with a printer is used.~~
 - ~~(6) The player interface drop shall be counted, wrapped, and reconciled in such a manner to prevent the commingling of player interface drop coin with coin (for each denomination) from the next player interface drop until the count of the player interface drop has been recorded. If the coins are not wrapped immediately after being weighed or counted, they shall be secured and not commingled with other coins.~~
 - ~~(i) The amount of the drop from each player interface shall be recorded in ink or other permanent form of recordation on a player interface count document by the recorder or mechanically printed by the weigh scale. Additionally, if a weigh scale interface is used, the count figures shall be transferred via direct communications line or computer storage media to the accounting department.~~
 - ~~(ii) Corrections to information originally recorded by the count team on player interface count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.~~
 - ~~(A) If a weigh scale interface is used, corrections to player interface count data shall be made using one of the following:~~
 - ~~(1) Drawing a single line through the error on the player interface document, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members.~~
- ~~If this procedure is used, an individual independent of the player interface department and count~~

~~team shall enter the correct figure into the computer system prior to the generation of related player interface reports; or~~

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

~~(B) [Reserved]~~

~~(7) If applicable, the weight shall be converted to dollar amounts before the reconciliation of the weigh to the wrap.~~

~~(8) If a coin meter is used, a count team member shall convert the coin count for each denomination into dollars and shall enter the results on a summary sheet.~~

~~(9) The recorder and at least one other count team member shall sign the weigh tape and the player interface count document attesting to the accuracy of the weigh/count.~~

~~(10) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.~~

~~(11) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the amount of the drop proceeds delivered and received.~~

~~(12) All player interface count and wrap documentation, including any applicable computer storage media, shall be delivered to the accounting department by a count team member or a person independent of the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.~~

~~(13) If the coins are transported off the property, a second (alternative) count procedure shall be performed before the coins leave the property. Any variances shall be documented.~~

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

~~(j) *Security of the count room inventory during the player interface coin count and wrap.*~~

~~(1) If the count room serves as a coin room and coin inventory is not secured so as to preclude access by the count team, then the following standards shall apply:~~

~~(i) At the commencement of the player interface count the following requirements shall be met:~~

~~(A) The coin inventory shall be counted by at least two individuals, one of whom is a member of the count team and the other is independent of the weigh/count and wrap procedures;~~

~~(B) The count in paragraph (j) (1) (i) (A) of this section shall be recorded on an appropriate inventory form;~~

~~(ii) Upon completion of the wrap of the player interface drop:~~

~~(A) At least two members of the count team (wrap team), independently from each other, shall count the ending coin inventory;~~

~~(B) The counts in paragraph (j)(1)(ii)(A) of this section shall be recorded on a summary report(s) that evidences the calculation of the final wrap by subtracting the beginning inventory from the sum of the ending inventory and transfers in and out of the count room;~~

~~(C) Prior to verification of the count by cage/vault personnel, the same count team members shall compare the calculated wrap to the weigh/count, recording the comparison and noting any variances on the summary report;~~

~~(D) A member of the cage/vault department shall count the ending count room inventory by denomination and shall reconcile it to the beginning inventory, wrap, transfers, and weigh/count. Any reconciliation variance shall be documented; and~~

~~(E) At the conclusion of the reconciliation, at least two count/wrap team members and the verifying cage/vault person shall sign the summary report(s) attesting to its accuracy.~~

~~(2) If the count room is segregated from the coin room, or if the coin room is used as a count room and the coin room inventory is secured to preclude access by the count team, all of the following requirements shall be completed, at the conclusion of the count:~~

~~(i) At least two members of the count/wrap team shall count the final wrapped player interface drop independently from each other;~~

~~(ii) The final counts, in total and by denomination, shall be recorded on a summary report;~~

~~(iii) The same count team members (or the accounting department) shall compare the final wrap to the weigh/count, recording the comparison and noting any variances on the summary report;~~

~~(iv) A member of the cage/vault department shall count the wrapped player interface drop by denomination and reconcile it to the weigh/count summary report. Any variance shall be reconciled and documented;~~

~~(v) At the conclusion of the reconciliation, at least two count team members and the cage/vault person shall sign the summary report attesting to its accuracy; and~~

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

~~(vii) The count team shall not have access to coin drop meter amounts until after the count is completed and the drop proceeds have been accepted into the cage/vault accountability. A count team member is allowed to read/record the amount from the coin-in meters provided the count team members do not have knowledge of the dollar amount of coin contained in the drop buckets pursuant to the coin-in meters during the count process.~~

~~(k) *Transfers of currency and coin during the count.* (1) Transfers may be permitted during the count only if permitted under the internal control standards approved by the Tribal gaming regulatory authority.~~

~~(2) Each transfer shall be recorded on a separate multi-part form with a preprinted or concurrently printed form number that shall be subsequently reconciled by the accounting department.~~

~~(3) Each transfer must be counted and signed for by at least two members of the count team and by a person independent of the count team who is responsible for authorizing the transfer.~~

~~(4) At least one part of the transfer form shall remain in the count room until the drop has been accepted into cage/vault accountability. The other part of the transfer form shall accompany the funds transferred from the count room during the count.~~

~~(l) *Key controls general* (1) The player interface coin drop cabinet keys, card games drop box release keys, financial instrument storage component release keys, card games drop box contents keys, financial instrument storage component contents keys, and kiosk keys shall all be separately keyed from each other.~~

~~(2) Surveillance monitoring key access does not satisfy the requirements in this part for physical involvement.~~

~~(3) All duplicate keys shall be maintained in a manner that provides the same degree of control as is required for the original keys. Records shall be maintained for each key duplicated that indicate the number of keys made and destroyed.~~

~~(4) Records shall be maintained by the custodian of sensitive keys to document authorization of personnel accessing keys.~~

~~(m) *Player interface drop key control standards.* (1) Player interface coin drop cabinet keys, including duplicates, shall be maintained by a department independent of the player interface department.~~

~~(2) Accessing the keys needed to open player interface coin drop cabinets, including duplicates, shall require the involvement of two persons, one of whom is independent of the player interface department.~~

~~(3) Two individuals (separate from key custodian) shall be required to accompany such keys while checked out and observe each time player interface 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.~~

~~(n) *Card game drop box key control standards.* (1) Procedures shall be developed and implemented to insure that unauthorized access to empty card game drop boxes shall not occur from the time the boxes leave the storage racks until they are placed on the tables.~~

~~(2) The involvement of at least two persons independent of the cage department shall be required to access stored empty card game drop boxes.~~

~~(3) At least three (two for card game drop box keys in operations with three tables or fewer) count team members are required to be present at the time count room and other count keys are issued for the count.~~

~~(o) Card game drop box release keys. (1) The card game drop box release keys shall be maintained by a department independent of the card game department.~~

~~(2) Only the person(s) authorized to remove card game drop boxes from the tables shall be allowed access to the card game drop box release keys; however, the count team members may have access to the release keys during the soft count in order to reset the card game drop boxes.~~

~~(3) Persons authorized to remove the card game drop boxes shall be precluded from having simultaneous access to the card game drop box contents keys and release keys.~~

~~(4) For situations requiring access to a card game drop box at a time other than the scheduled drop, the date, time, and signature of the individual signing out/in the release key must be documented.~~

~~(p) Financial instrument storage component release keys. (1) The financial instrument storage component release keys shall be maintained by a department independent of the player interface department.~~

~~(2) Only the person(s) authorized to remove financial instrument storage components from the player interfaces shall be allowed access to the release keys.~~

~~(3) Persons authorized to remove the financial instrument storage components shall be precluded from having simultaneous access to the financial instrument storage component contents keys and release keys.~~

~~(4) For situations requiring access to a financial instrument storage component at a time other than the scheduled drop, the date, time, and signature of the individual signing out/in the release key must be documented.~~

~~(q) Card game drop box storage rack keys. (1) A person independent of the card games department shall be required to accompany the card game drop box storage rack keys and observe each time card game drop boxes are removed from or placed in storage racks.~~

~~(2) Persons authorized to obtain card game drop box storage rack keys shall be precluded from having simultaneous access to card game drop box contents keys with the exception of the count team.~~

~~(r) *Financial instrument storage component storage rack keys.* (1) A person independent of the player interface department shall be required to accompany the financial instrument storage component storage rack keys and observe each time storage components are removed from or placed in storage racks.~~

~~(2) Persons authorized to obtain financial instrument storage component storage rack keys shall be precluded from having simultaneous access to financial instrument storage component contents keys with the exception of the count team.~~

~~(s) *Card game drop box contents keys.* (1) Issuance of the card game drop box contents keys at other than scheduled count times shall require the involvement of at least three persons from separate departments, including management. The reason for issuance shall be documented with the signatures of all participants and observers. Two individuals from separate departments are required to accompany the card game drop box contents key from the time the keys are issued until the time the keys are returned. The key custodian issuing keys constitutes physical involvement. A computerized key security system functions as the key custodian.~~

~~(2) Only count team members shall be allowed access to card game drop box contents keys during the count process.~~

~~(t) *Financial instrument storage component contents keys.* (1) Issuance of the financial instrument storage component contents key at other than scheduled count times shall require the involvement of at least three persons from separate departments, one of whom must be a supervisor. The reason for issuance shall be documented with the signatures of all participants and observers. Two individuals from separate departments are required to accompany the financial instrument storage~~

~~component contents key from the time the keys are issued until the time the keys are returned. The key custodian issuing keys constitutes physical involvement. A computerized key security system functions as the key custodian.~~

~~(2) Only the count team members shall be allowed access to financial instrument storage component contents keys during the count process.~~

~~(u) *Player interface computerized key security systems.*~~

~~(1) Computerized key security systems which restrict access to the player interface 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; refer to paragraphs (m), (p), (r) and (t) of this section. This standard does not apply to the system administrator. The system administrator is defined in paragraph (u) (2) (i) of this section.~~

~~(2) For computerized key security systems, the following additional player interface key control procedures apply:~~

~~(i) Management personnel independent of the player interface department assign and control user access to keys in the computerized key security system (i.e., system administrator) to ensure that player interface drop and count keys are restricted to authorized individuals.~~

~~(ii) 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 player interface 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 persons signing out/in the emergency manual key(s).~~

~~(iii) The custody of the keys issued pursuant to paragraph (u) (2) (ii) of this section requires the presence of two persons from separate departments from the time of their issuance until the time of their return.~~

~~(iv) Routine physical maintenance that requires accessing the emergency manual key(s) (override key) and does not involve the accessing of the player interface 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 individuals signing out/in the emergency manual key(s).~~

~~(v) Card games computerized key security systems. (1) Computerized key security systems which restrict access to the card 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; refer to paragraphs (n), (o), (q), and (s), of this section. This standard does not apply to the system administrator. The system administrator is defined in paragraph (v) (2) (i) of this section.~~

~~(2) For computerized key security systems, the following additional card game key control procedures apply:~~

~~(i) Management personnel independent of the card game department assign and control user access to keys in the computerized key security system (i.e., system administrator) to ensure that card game drop and count keys are restricted to authorized individuals.~~

~~(ii) 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 card game 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 individuals signing out/in the emergency manual key(s).~~

~~(iii) The custody of the keys issued pursuant to paragraph (v) (2) (ii) of this section requires the presence of two persons from separate departments from the time of their issuance until the time of their return.~~

~~(iv) Routine physical maintenance that requires accessing the emergency manual key(s) override key) and does not involve the accessing of the card games 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 individual signing out/in the emergency manual key(s).~~

~~**Investigations shall be performed for all keys unaccounted for, with the investigation being documented.**~~

~~**(w) Emergency drop procedures. Emergency drop procedures shall be developed by the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority.**~~

~~**(x) Equipment standards for player interface count. (1) A weigh scale calibration module shall be secured so as to prevent unauthorized access (e.g., prenumbered seal, lock and key, etc.).**~~

~~**(2) A person independent of the cage, vault, player interface, and count team functions shall be required to be present whenever the calibration module is accessed. Such access shall be documented and maintained.**~~

~~**(3) If a weigh scale interface is used, it shall be adequately restricted so as to prevent unauthorized access (passwords, keys, etc.).**~~

~~**(4) If the weigh scale has a zero adjustment mechanism, it shall be physically limited to minor adjustments (e.g., weight of a bucket) or physically situated such that any unnecessary adjustments to it during the weigh process would be observed by other count team members.**~~

~~**(5) Immediately prior to the player interface count, at least two individuals shall verify the accuracy of the weigh scale with varying weights or with varying amounts of previously**~~

~~counted coin for each denomination to ensure the scale is properly calibrated (varying weights/coin from drop to drop is acceptable).~~

~~(6) If a mechanical coin counter is used (instead of a weigh scale), the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with procedures that are equivalent to those described in paragraphs 543.43 (x) (4), 543.43 (x) (5), and 543.50 (g) (2).~~

~~(7) If a coin meter count machine is used, the count team member shall record the machine number, denomination and number of coins in ink on a source document, unless the meter machine automatically records such information.~~

~~(i) A count team member shall test the coin meter count machine before the actual count to ascertain if the metering device is functioning properly with a predetermined number of coins for each denomination.~~

~~(ii) [Reserved]~~

~~§543.42 What are the minimum internal control standards for internal audit for Tier C gaming operations?~~

~~(a) Internal audit personnel. (1) For Tier C gaming operations, a separate internal audit department shall be maintained whose primary function is performing internal audit work and that is independent with respect to the departments subject to audit.~~

~~(2) The internal audit personnel shall report directly to the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe in accordance with the definition of internal audit in §543.2.~~

~~(b) Audits. Internal audit personnel shall perform audits of the gaming operation.~~

~~(1) The following areas shall be **audited** at least annually:~~

~~(i) Pull tabs, including but not limited to, computer applications, pull tab inventory, access, transfers, winning pull tabs, accountability form, statistical reports, and electronic equipment;~~

~~(ii) Card games, including but not limited to, computer applications, supervision, playing cards, skills, reconciliation of card room bank, promotional progressive pots and pools, card room contests and tournaments, computerized player tracking systems and accounting/audit standards;~~

~~(iii) Cage procedures, including but not limited to, computer applications, personal checks, cashier's checks, traveler's checks, payroll checks, and counter checks, patron deposited funds, safe deposit boxes, cage/vault accountability, chip and token standards, promotional payments, drawings, and giveaway programs, accounting/auditing standards and extraneous items;~~

~~(iv) Credit procedures, including but not limited to, computer applications, credit standards, payment standards, access to credit documentation, maintenance of credit documentation, write off and settlement, collection agencies, and accounting/auditing standards;~~

~~(v) Information technology, including but not limited to, Physical access and maintenance controls, system parameters, user accounts, generic user accounts, service and default accounts, administrative access, backups, recordkeeping, electronic storage of documentation, network security, changes to production environment, remote access, information technology department, in-house developed systems, and purchased software programs.~~

~~(vi) Complimentary services or items, including but not limited to, procedures whereby complimentary service items are issued, authorized, redeemed and reported;~~

~~(vii) Accounting standards, including but not limited to, accounting records, GAAP requirements, administrative and accounting procedures, gross gaming revenue computations, currency controls, periodic payment plans, voucher deductibility, unpaid credit instrument deductibility, allowable~~

~~and non-allowable deductions from gross revenue, and maintenance and preservation of books, records and documents;~~

~~(viii) Drop and count standards, including but not limited to, computer applications, card game drop, soft count room personnel, card game soft count, player interface financial instrument storage component drop, player interface financial instrument storage component count, player interface coin drop, hard count room personnel, player interface coin count and wrap, count room inventory security, transfers of currency and coin during the count, key controls general, player interface drop key controls, card game drop box key controls, card game drop box release keys, player interface financial instrument storage component release keys, card game drop box storage rack keys, player interface financial instrument storage component storage rack keys, card game drop box contents keys, player interface financial instrument storage component contents keys, player interface computerized key security systems, card game computerized key security systems, emergency drop procedures and player interface count equipment; and~~

~~(ix) Any other internal audits as required by the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.~~

~~(2) In addition to the observation and examinations performed under paragraph (b)(1) of this section, follow-up observations and examinations shall be performed to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit, the independent accountant, and/or the Commission. The verification shall be performed within six (6) months following the date of notification.~~

~~(3) The following area shall be **audited** at least semi-annually:~~

~~(i) Bingo, including but not limited to, bingo cards, bingo draw, manual payouts and short pays, operational controls, gaming equipment, voucher systems, patron accounts and cashless systems, promotions, and accounting/auditing standards.~~

~~(ii) [Reserved]~~

~~(4) Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without personnel being forewarned that their activities will be observed). Additionally, if the independent accountant also performs the internal audit function, the accountant shall perform separate observations of the player interface drops and counts to satisfy the internal audit observation requirements and independent accountant tests of controls as required by the American Institute of Certified Public Accountants guide.~~

~~(c) Documentation. (1) Documentation (e.g., checklists, programs, reports, etc.) shall be prepared to evidence all internal audit work performed as it relates to the requirements in this section, including all instances of noncompliance.~~

~~(2) The internal audit department shall operate with audit programs, which, at a minimum, address the MICS. Additionally, the department shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. Institute of Internal Auditors standards are recommended but not required.~~

~~(d) Reports. (1) Reports documenting audits performed shall be maintained and made available to the Commission upon request.~~

~~(2) Such audit reports shall include the following information:~~

~~(i) Audit objectives;~~

~~(ii) Audit procedures and scope;~~

~~(iii) Findings and conclusions;~~

~~(iv) Recommendations, if applicable; and~~

~~(v) Management's response.~~

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

- ~~(f) *Role of management.* (1) Internal audit findings shall be reported to management.~~
- ~~(2) Management shall be required to respond to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception.~~
- ~~(3) Such management responses shall be included in the internal audit report that will be delivered to management, the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.~~
- ~~(g) *Internal Audit Guidelines.* In connection with the internal audit testing pursuant to paragraph (b) (1) and (b) (3) of this section, the Commission shall develop recommended Internal Audit Guidelines, which shall be available upon request.~~

§543.43 What are the minimum internal control standards for surveillance for Tier C gaming operations?

- ~~(a) The surveillance system shall be maintained and operated from a surveillance operation room(s).~~
- ~~(b) The entrance to the surveillance operation room shall be appropriately secured to prevent unauthorized access.~~
- ~~(c) Access to the surveillance operation room shall be limited to surveillance personnel, designated staff, and other persons authorized in accordance with the surveillance department policy. The surveillance department shall maintain a sign-in log of other authorized persons entering the surveillance operation room.~~
- ~~(d) Surveillance operation room equipment shall have total override capability over all other satellite surveillance equipment located outside the surveillance operation room.~~ For Tier A, in the event of power loss to the surveillance system, immediate alternative security measures, such as additional supervisory or security agents, shall be provided.

~~(e)~~(ii) For Tier B and C, in the event of power loss to the surveillance system, an auxiliary or backup power source shall be available and capable of providing immediate restoration of power to all elements of the surveillance system that enable surveillance ~~personnel~~agents to observe ~~the table games remaining open for play and~~ all areas covered by dedicated cameras. ~~Auxiliary or backup power sources such as a UPS System, backup generator, or an alternate utility supplier, satisfy this requirement.~~

~~(f)~~ The surveillance system shall ~~include~~record an accurate date and time ~~generators that possess the capability to display the date and time of~~stamp on recorded events ~~on video and/or digital recordings.~~ The displayed date and time shall not significantly obstruct the recorded view.

~~(g)~~8 The All surveillance ~~operation room~~agents shall be ~~attended at all times by personnel~~ trained in the use of the equipment, ~~knowledge~~and be knowledgeable of the games, and house rules.

~~(h)~~9 Each camera required by the standards in this section shall be installed in a manner that will prevent it from being readily obstructed, tampered with, or disabled ~~by patrons or staff.~~

(10) The surveillance system shall:

(i) Have the capability to display all camera views on a monitor;

(ii) Include sufficient numbers of recording devices to record the views of all cameras required by this section;

(iii) Record all camera views; and

~~(i) Each camera required by the standards in this section shall possess the capability of having its picture displayed on a monitor and recorded. The surveillance system shall~~(iv) For Tier B and C only, include sufficient numbers of monitors and recorders to simultaneously display and record multiple gaming and count room activities, and shall record the views of all dedicated cameras and motion activated dedicated cameras.

~~(j) Reasonable effort shall be made to repair each malfunction of surveillance system equipment required by the standards in this section~~11) A periodic check of the surveillance systems shall be conducted. When a malfunction of the surveillance system is discovered,

the malfunction and necessary repairs shall be documented and repairs initiated within seventy-two (72) hours ~~after the malfunction is discovered.~~

~~(1) In the event of a dedicated camera malfunction, the gaming operation and/or the surveillance department shall immediately provide alternative camera coverage or other.~~

(i) If a dedicated camera malfunctions, immediate alternative security measures, such as additional supervisory or security ~~personnel, to protect the subject activity~~ agents, shall be provided.

~~(2ii) The Tribal gaming regulatory authority TGRA shall be notified immediately of any required surveillance system and/or camera(s) that has have malfunctioned for more than twenty-four (24) hours (or a shorter period as determined by the Tribal gaming regulatory authority), resulting in coverage or clarity that does not meet the requirements of this part.~~

~~(k) Bingo. (1) The surveillance system shall possess the capability to and the alternative security measures being provided.~~

(d) Additional surveillance requirements. With regard to the following functions, the additional specified requirements shall be implemented:

(1) Bingo.

(i) For manual draws, the surveillance system shall monitor the bingo ball drawing device or mechanical random number generator, which shall be recorded during the course of the draw by a dedicated camera ~~with sufficient clarity~~ to identify the balls drawn or numbers selected.

~~(2ii) The surveillance system shall monitor and record the game board and the activities of the personnel responsible for bingo game, including drawing, calling, and entering the balls drawn or numbers selected.~~

~~(l) Card games. The surveillance system shall monitor and record general activities in each card room with sufficient clarity to view patrons, dealers, and activities on the card table surfaces.~~

~~(m) *Player interfaces.* (1) Player interfaces offering a prize payout of \$250,000 or more shall be monitored and recorded by a dedicated camera(s) to provide coverage of:~~

~~(i) All patrons and staff at the player interface, and~~

~~(ii) The face of the player interface, with sufficient clarity to identify the prize payout line(s) of the player interface.~~

~~(iii) The coverage required in paragraphs (m)(1)(i) and (m)(1)(ii) does not require one dedicated camera per player interface if one dedicated camera is able to provide the required coverage for more than one player interface.~~

~~(2) The requirements in paragraph (m)(1) do not apply to wide area progressive player interfaces that are monitored by an independent vendor utilizing a linked on-line progressive computer system that have less than a 25% probability of a prize payout of \$3,000,000 or more.~~

~~(3) The requirements in paragraph (m) (1) do not apply to in-house progressive player interfaces that have less than a 25% probability of a prize payout of \$250,000 or more.~~

~~(4) Probability calculations for paragraphs (m) (2) and (m) (3) shall be performed using a formula provided by the Commission.~~

~~(n) *Cage and vault.* (1) The surveillance system shall monitor and record a general overview of activities occurring in each cage and vault area with sufficient clarity to identify individuals within the cage and patrons and staff members at the counter areas and to confirm **the amount of each cash transaction** occurring between staff members and between staff members and patrons.~~

~~(2) Each cashier station shall be equipped with one (1) entering, and the balls, numbers or other designations drawn or selected.~~

(2) Card games.

(i) Except for card game tournaments, a dedicated camera(s) shall be used to provide:

(A) An overview of the activities on each card table surface, including card faces and cash and/or cash equivalents;

(B) An overview of card game activities, including patrons and dealers; and

(C) An unobstructed view of all posted progressive pool amounts.

(ii) For card game tournaments, a dedicated camera(s) shall be used to provide an overview of tournament activities, including entrances/exits and any area where cash or cash equivalents are exchanged.

(3) Prize payouts. The TGRA shall establish standards for surveillance camera coverage of payouts in excess of \$3,000,000 for fixed prize payouts or progressive reset values. Such camera coverage shall include the activities of patrons and agents at the location of the winning event.

(4) Cash and Cash Equivalents.

(i) The surveillance system shall monitor and record:

(A) An view of the patron, cage agent, vault agent or count team agent(s) and the surrounding area and counting surface;

(B) Payouts of gaming winnings;

(C) Entry and exit doors to and from the cage, vault and other secured count areas;

(D) All count equipment including but not limited to reject bins, weigh scales, wrapping machines, currency and coin counters, and chips sorters;

(E) Any area where the manipulation of recorded data may occur;

(F) Drop and count while in process; for Tier A and B operations, if the count is not viewed live, the operation must establish controls to ensure a review of the recording within seven (7) days by an agent independent of the count operation and the count being reviewed. For Tier C operations, the count shall be viewed live.

(G) All drop boxes and storage racks by either a dedicated camera or a motion-detector activated camera.

(ii) During the count process a dedicated overhead camera ~~covering the transaction area.~~

~~(3) The cage or vault area in which fills and credits are transacted shall be monitored and recorded by a dedicated camera or motion activated dedicated camera that provides coverage with sufficient clarity to identify the chip values and the amounts on the fill and credit slips. Controls provided by a computerized fill and credit system may constitute an adequate alternative to viewing the amounts on the fill and credit slips.~~

~~(o) *Count rooms* (1) The surveillance system shall monitor and record with sufficient clarity all areas where coin may be stored or counted, including the hard count room, all doors to the hard count room, all scales and wrapping machines, and all areas where uncounted coin may be stored during the drop and count process.~~

~~(2) The surveillance system shall provide coverage of scales of sufficient clarity to view any attempted manipulation of the recorded data.~~

~~(3) The surveillance system shall monitor and record with sufficient clarity all areas where currency may be stored or counted, and shall include the following:~~

~~(i) Soft count room including all doors to the room, all financial instrument storage components, safes, counting surfaces, and all count team personnel.~~

~~(ii) The counting surface area must be continuously monitored/displayed and recorded by a dedicated camera during the soft count.~~

~~(iii) The financial instrument storage component storage rack or area by either a dedicated camera or a motion activated dedicated camera.~~

~~(iv) For count rooms utilizing currency counters and currency sorters, the surveillance system must possess the capability to monitor and record all areas where currency is sorted, stacked, counted, verified or stored during the count process. Coverage of the currency counting machines and currency sorting machines must be sufficiently clear to view the currency input, output and reject areas.~~

~~(p) Video recording and/or digital record retention. (1) All video recordings and/or digital records of coverage provided by dedicated cameras or motion-activated dedicated cameras required by the standards in this section shall be retained for a minimum of seven (7) days, or such longer period that may be required by the Tribal gaming regulatory authority.~~

~~(2) Recordings involving suspected(s) or motion-detector activated camera(s) must cover the:~~

~~(A) Transaction area with the ability to identify cash and cash equivalent values;~~

~~(B) All counting surfaces used during the count; and~~

~~(C) All drop boxes and their storage racks.~~

~~(e) Recording retention. Controls must be established that include, but are not limited to, the following:~~

~~(1) All recordings required by this section shall be retained for a minimum of seven (7) days; and~~

~~(2) Suspected or confirmed gaming crimes, unlawful or suspicious activity, or detentions by security personnel, must be retained for a minimum of thirty (30) days, or such longer period that may be required by the Tribal gaming regulatory authority.~~

~~(3) Duly authenticated copies of video recordings and/or digital records shall be provided to the Commission upon request.~~

~~(q) Video library log. A video library log, or comparable alternative procedure, shall discovered within the initial retention period shall be copied and retained for a time period, not less than one (1) year.~~

~~(f) Logs. Logs must be maintained to and demonstrate compliance the following:~~

~~(1) Compliance with the storage, identification, and retention standards required in this section.~~

~~(r) *Malfunction and repair log.* (1) Surveillance personnel shall maintain a log or alternative procedure that documents each malfunction and repair of the surveillance system as defined in this section.~~

~~(2) The log shall state the time, date, and nature of each malfunction, the efforts expended to repair the malfunction and the date of each effort, the reasons for any delays in repairing the malfunction, the date the malfunction is repaired, and where applicable, any alternative security measures that were taken.~~

~~(3) The log must be retained for a minimum of 1 year after the date of the last entry in it.~~

~~(s) *Surveillance log.* (1) Surveillance personnel shall maintain a log of all surveillance activities.~~

~~(2) Such log shall be maintained by surveillance operation room personnel and shall be stored securely within the surveillance department.~~

~~(3) At a minimum, the following information shall be recorded in a surveillance log:~~

~~(i) Date;~~

~~(i) Time commenced and terminated;~~

~~(iii) Activity observed or performed; and~~

~~(iv) The name or license credential number of each person who initiates, performs, or supervises the surveillance.~~

~~(4) Surveillance personnel shall also record a summary of the results of the surveillance of any suspicious activity. This summary may be maintained in a separate log.~~

~~(5) The log must be retained for a minimum of 1 year after the date of the last entry in it.~~

~~(t) *Digital Surveillance System Standards* (1) The digital surveillance equipment used to satisfy the surveillance standards in this Section shall:~~

~~(i) Record and play back video at a minimum of 30 frames per second (FPS), full screen (4 common intermediate format CIF), in real time.~~

~~(ii) Produce visual resolution that is adequate to satisfy the sufficient clarity standards in this Section.~~

~~(iii) Have adequate storage capacity to maintain for a period of not less than seven (7) days, all images obtained from the video cameras.~~

~~(iv) Have a failure notification system that provides audible and visual notification of any failure in the surveillance system or the Digital Video Recording (DVR) media storage system. Alternatively, daily verification of the effective operation of surveillance system and DVR media storage system components is acceptable.~~

~~(v) Have a media storage system that is configured so that a failure of any single component will result in no loss of data from the media storage system.~~

~~(2) Access, or the ability to access, a digital surveillance system from any location outside of the surveillance operation room, shall be approved by the Tribal gaming regulatory authority. Such transmissions shall be effectively encrypted, firewalled on both ends, and password protected.~~

~~(3) All digital video disks or other storage media produced from the DVR system shall contain the data with the time and date it was recorded superimposed, the media player and the software necessary to view the DVR images, as well as a video verification encryption code (also known as a watermark).~~

~~(4) In the event of a failure of a DVR storage media system (total system failure), the gaming operation should strive to repair or replace the equipment within 8 hours of the failure.~~

~~(5) All DVR equipment must be located in a secured area and the operation and maintenance of the equipment must be under the control of the Surveillance Department.~~

~~§543. 50 What are the minimum internal control standards for Revenue Audit?~~

~~(a) Bingo. (1) Accounting/audit standards. (i) Accounting/auditing procedures must be performed by agents who are independent of the persons who performed the transactions being reviewed.~~

~~(ii) All accounting/audit procedures and actions must be documented (e.g., log, checklist, investigations and notation on reports), maintained for inspection and provided to the tribal gaming regulatory authority upon request.~~

~~(iii) Accounting/audit procedures must be performed reviewing transactions for relevant accounting periods, including a 24-hour accounting period and reconciled in total for those time periods.~~

~~(iv) Accounting/audit procedures must be performed within seven days of the transaction's occurrence date being reviewed.~~

~~(v) Accounting/audit procedures must be in place to review variances related to bingo accounting data, which must include at a minimum any variance 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.~~

~~(vi) At least monthly, an accounting/audit agent must confirm that the appropriate investigation has been completed for the review of variances.~~

~~(2) Audit tasks to be performed for each day's business:~~

~~(i) Records of bingo card sales must be reviewed for proper authorization, completion and accurate calculations.~~

~~(ii) Manual payout summary report, if applicable, must be reviewed for proper authorizations, completion, accurate calculations, and authorization confirming manual payout summary report totals.~~

- ~~(iii) A random sampling of records of manual payouts must be reviewed for proper authorizations and completion for manual payouts less than \$1,200.~~
- ~~(iv) Records of all manual prize payouts of \$1,200 or more must be reviewed for proper authorizations and completion.~~
- ~~(v) Where manual payout information is available per player interface, records of manual payouts must be reviewed against the recorded manual payout amounts per player interface.~~
- ~~(vi) Manual payout forms must be reconciled to each cashier's accountability documents and in total for each relevant period (e.g., session, shift, day, etc.).~~
- ~~(vii) Records of voided manual payouts must be reviewed for proper authorization and completion.~~
- ~~(viii) Records of voided bingo cards must be reviewed for proper authorization and completion.~~
- ~~(ix) Use of controlled forms must be reviewed to ensure each form is accounted for.~~
- ~~(x) Where bingo sales are available per player interface, bingo sales must be reviewed for reasonableness.~~
- ~~(xi) Amount of financial instruments accepted per financial instrument type and per financial instrument acceptor must be reviewed for reasonableness, to include but not limited to zero amounts.~~
- ~~(xii) Where total prize payouts are available per player interface, total prize payouts must be reviewed for reasonableness.~~
- ~~(xiii) Amount of financial instruments dispensed per financial instrument type and per financial instrument dispenser must be reviewed for reasonableness, to include but not limited to zero amounts.~~

~~(xiv) For a random sampling, 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.~~

~~(xv) Daily exception information provided by systems used in the operation of bingo must be reviewed for propriety of transactions and unusual occurrences.~~

~~(xvi) Ensure promotional coupons which are not financial instruments are properly cancelled to prevent improper recirculation.~~

~~(xvii) Reconcile all parts of the form used to document transfers that increase/decrease the inventory of an accountability (includes booths and any other accountability areas).~~

~~(xviii) Reconcile voucher liability (e.g., issued-voided-redeemed-expired=unpaid) to the voucher system records.~~

~~(xix) The total of all patron deposit accounts must be reconciled, as follows:~~

~~(A) A report must be generated that details each day's beginning and ending balance of patron deposit accounts, adjustments to patron deposit accounts, and all patron deposit account transactions.~~

~~(B) Reconcile the beginning and ending balances to the summary of manual deposit/withdrawal and account adjustment documentation to the patron deposit account report.~~

~~(xx) Reconcile each day's patron deposit account liability (e.g., deposits \pm adjustments \pm withdrawals = total account balance) to the system records.~~

~~(xxi) Reconcile electronic funds transfers to the cashless system records, the records of the outside entity which processed the transactions and the operations dedicated cashless account bank records.~~

~~(xxii) Accounting data used in performance analysis may only be altered to correct amounts that were determined to be in error. When correcting accounting data, the correct amount must be indicated in any Class II gaming system exception reports generated.~~

~~(xxiii) Accounting/auditing agents must reconcile the audited bingo totals report to the audited bingo accounting data for each day.~~

~~(xxiv) Accounting/auditing agents must ensure each day's bingo accounting data used in performance reports has been audited and reconciled.~~

~~(xxv) If the Class II gaming system produces exception reports they must be reviewed on a daily basis for propriety of transactions and unusual occurrences.~~

~~(3) Audit tasks to be performed at relevant periods:~~

~~(i) Financial instrument acceptor data must be recorded immediately prior to or subsequent to a financial instrument acceptor drop. The financial instrument acceptor amount in data must be recorded at least weekly. The time between recordings may extend beyond one week in order for a recording to coincide with the end of an accounting period only if such extension is for no longer than six additional days.~~

~~(ii) When a player interface is removed from the floor, the financial instrument acceptor contents must be protected to prevent the misappropriation of stored funds.~~

~~(iii) When a player interface is permanently removed from the floor, the financial instrument acceptor contents must be counted and recorded.~~

~~(iv) For currency interface systems, accounting/auditing agents must make appropriate comparisons of system generated count as recorded in the statistical report at least one drop period per month. Discrepancies must be resolved prior to generation/distribution of reports.~~

~~(v) For each drop period, accounting/auditing agents must compare the amount in per financial instrument accepted by the financial instrument acceptors to the drop amount counted for the period. Discrepancies must be resolved before the generation/distribution of statistical reports.~~

~~(vi) Investigation must be performed for any one player interface having an unresolved drop variance in excess of an amount that is both more than \$25 and at least three percent (3%) of the actual drop. The investigation performed and results of the investigation must be documented, maintained for inspection, and provided to the tribal gaming regulatory authority upon request.~~

~~(vii) The results of a variance investigation, including the date and personnel involved in any investigation, will be documented in the appropriate report and retained. The results will also include any corrective action taken (e.g., accounting data storage component replaced, interface component repaired, software debugged, etc.). The investigation will be completed and the results documented within seven days of the day the variance was noted, unless otherwise justified.~~

~~(viii) Procedures must be established and implemented to perform the following on a regular basis, at a minimum of monthly, and using predetermined thresholds:~~

~~(A) Where the Class II gaming system is capable of providing information per player interface, identify and investigate player interfaces with total prize payouts exceeding bingo sales;~~

~~(B) Where bingo sales is available per player interface, investigate any percentage of increase/decrease exceeding a predetermined threshold, not to exceed 20%, in total bingo sales as compared to a similar period of time that represents consistency in prior performance.~~

~~(C) Investigate any exception noted in paragraphs (i) (3) (viii) (A) and (B) of this section and document the findings. The investigation may include procedures to review one or more of the following:~~

~~(1) Verify days on floor are comparable.~~

~~(2) Non-prize payouts for authenticity and propriety.~~

~~(3) Player interface out of service periods.~~

~~(4) Unusual fluctuations in manual payouts.~~

~~(D) If the investigation does not identify an explanation for exceptions then a physical check procedure must be performed, as required by paragraph (i)(3)(viii)(E) of this section.~~

~~(E) Document any investigation of unresolved exceptions using a predefined player interface physical check procedure and checklist, to include a minimum of the following as applicable:~~

~~(1) Verify game software;~~

~~(2) Verify player interface configurations;~~

~~(3) Test amount in accounting data for accuracy upon insertion of financial instruments into the financial instrument acceptor;~~

~~(4) Test amount out accounting data for accuracy upon dispensing of financial instruments from the financial instrument dispenser;~~

~~(5) Record findings and repairs or modifications made to resolve malfunctions, including date and time, player interface identifier and signature of the agent performing the player interface physical check, and additional signatures as required; and~~

~~(6) Maintain player interface physical check records, either in physical or electronic form, for the period prescribed by the procedure.~~

~~(ix) For Class II gaming systems, procedures must be performed at least monthly to verify that the system accounting data is accurate.~~

~~(x) For Tier C, at least weekly:~~

~~(A) Financial instruments accepted at a kiosk must be removed and counted by at least two agents; and~~

~~(B) Kiosk transactions must be reconciled to the beginning and ending balances for each kiosk.~~

~~(xi) At the conclusion of a promotion, accounting/audit agents must perform procedures (e.g., interviews, review of payout documentation, etc.) to ensure that promotional prize payouts, drawings, and giveaway programs are conducted in accordance with the rules provided to the patrons.~~

~~(4) Inter-tribal prize pools. Procedures must be established and implemented to govern the participation in inter-tribal prize pools, which at a minimum must include the review, verification and maintenance of the following records, which must be made available, within a reasonable time of the request, to the tribal gaming regulatory authority upon request:~~

~~(i) Summary of contributions in total made to an inter-tribal prize pool;~~

~~(ii) Summary of disbursements in total from an inter-tribal prize pool; and~~

~~(iii) Summary of inter-tribal prize pool funds availability.~~

~~(5) Performance Analysis. (i) Bingo performance data must be recorded at the end of the gaming operations specified 24-hour accounting period. Such data must include:~~

~~(A) Amount in and amount out for each Class II gaming system.~~

~~(B) The total value of all financial instruments accepted by the Class II gaming system by each financial instrument acceptor and by each financial instrument type.~~

~~(C) The total value of all financial instruments dispensed by the Class II gaming system and by each financial instrument type.~~

~~(D) The total value of all manual payouts by each Class II gaming system.~~

~~(E) The total value of bingo purchases for each Class II gaming system.~~

~~(F) The total value of prizes paid for each Class II gaming system.~~

~~(ii) Procedures must be established and implemented that ensure the reliability of the performance data.~~

~~(iii) Upon receipt of the summary of the data, the accounting department must review it for reasonableness using pre-established parameters defined by the gaming operation.~~

~~(iv) An agent must record and maintain all required data before and after any maintenance or modifications that involves the clearing of the data (e.g., system software upgrades, data storage media replacement, etc.). The information recorded must be used when reviewing performance reports to ensure that the maintenance or modifications did not improperly affect the data in the reports.~~

~~(6) Statistical reporting. (i) The bingo sales, prize payouts, bingo win, and actual bingo win percentages must be recorded for:~~

~~(A) Each shift or session;~~

~~(B) Each day;~~

~~(C) Month-to-date; and~~

~~(D) Year-to-date or fiscal year-to-date.~~

~~(ii) A monthly comparison for reasonableness must be made of the amount of bingo paper sold from the bingo paper control log to the amount of bingo paper sales revenue recognized.~~

~~(iii) Management employees independent of the bingo department must review bingo statistical information on at least a monthly basis.~~

~~(iv) Agents independent of the bingo department must investigate any large or unusual statistical fluctuations, as defined by the gaming operation.~~

~~(v) Such investigations must be documented, maintained for inspection, and provided to the tribal gaming regulatory authority upon request.~~

~~(vi) The actual bingo win percentages used in the statistical reports should not include operating expenses (e.g., a percentage payment to administrators of inter-tribal prize pools), promotional prize payouts or bonus payouts not included in the prize schedule.~~

~~(7) Progressive prize pools. (i) A display that shows the amount of the progressive prize must be conspicuously displayed at or near the player interface(s) to which the prize applies.~~

~~(ii) At least once each day, each gaming operation must record the total amount of each progressive prize pool offered at the gaming operation on the progressive log.~~

~~(iii) When a manual payment for a progressive prize is made from a progressive prize pool, the amount must be recorded on the progressive log.~~

~~(iv) Each gaming operation must record, on the progressive log, the base reset amount of each progressive prize the gaming operation offers.~~

~~(v) Procedures must be established and implemented specific to the transfer of progressive amounts in excess of the base reset amount to other awards or prizes. Such procedures may also include other methods of distribution that accrue to the benefit of the gaming public.~~

~~**(b) Pull tabs. (1) At the end of each month, a person or persons independent of pull tab sales and inventory control shall verify the accuracy of the ending balance in the pull tab control by reconciling the pull tabs on hand.**~~

~~**(2) At least monthly, a comparison for reasonableness shall be made of the amount of pull tabs sold from the pull tab control log to the amount of revenue recognized.**~~

~~**(3) Personnel independent of pull tab operations shall verify the amount of winning pull tabs redeemed each day.**~~

~~**(4) If the gaming operation utilizes electronic equipment in connection with the play of pull tabs, then the following standards shall also apply:**~~

~~**(i) If the electronic equipment contains a financial instrument acceptor, then §543.21(c) and (f), §543.31(c) and (f), or §543.41(c) and (f) (as applicable) shall apply.**~~

~~**(ii) If the electronic equipment uses a bar code or microchip reader, the reader shall be tested periodically to determine that it is correctly reading the bar code or microchip.**~~

~~(iii) If the electronic equipment returns a voucher to the player, then §543.7(f) (as applicable) shall apply.~~

~~(iv) If the electronic equipment utilizes patron account access cards for activation of play, then §543.7(g) (as applicable) shall apply.~~

~~(e) Card Games (1) The card games audit shall be conducted by personnel independent of the card games department.~~

~~(2) On a daily basis, audit/accounting personnel shall 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, adjustments, etc.).~~

~~(3) The following procedures shall be performed by accounting/audit personnel using the appropriate document prepared by the count team members for each day:~~

~~(i) Reconcile the dollar amount of drop proceeds to the dollar amount recorded in the applicable accountability document using, if applicable, the transfer forms indicating all transfers in/out of the count room, both during and at the end of the count. Investigate and document any variance noted.~~

~~(ii) Recalculate card game proceeds (all funds received by the gaming operation as compensation for conducting the game) in total and by shift. For computerized master games sheets that total the count proceeds from each box, accounting personnel are to recalculate rake in total and by shift for one day each month.~~

~~(iii) Verify that the correct total of card game proceeds is recorded in the accounting records.~~

~~(4) At least monthly, accounting/audit personnel shall review all payouts for the promotional progressive pots, pools, or other promotions to determine proper accounting treatment.~~

~~(5) At least monthly, accounting/audit personnel shall perform procedures to ensure that payouts for the promotional progressive pots, pools, or other promotions are conducted in accordance with conditions provided to the patrons.~~

~~(6) Daily, accounting/audit personnel shall reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document.~~

~~(7) Documentation (e.g., log, checklist, notation on reports, and tapes attached to original documents) evidencing the performance of card games audit procedures, the exceptions noted, and the follow-up of all card games audit exceptions shall be maintained,~~

~~(d) Cage. (1) The cage accountability shall be reconciled to the general ledger at least monthly.~~

~~(2) For at least one day each month, accounting/audit personnel shall trace the amount of cage deposits to the amounts indicated in the bank statements.~~

~~(3) For at least two days each year, a count shall 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. Do not include player interface hopper funds. Count all chips and tokens by denomination and type. Count individual straps, bags, and imprest banks on a sample basis. Trace all amounts counted to the amounts recorded on the corresponding accountability forms to ensure 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 shall be completed within the same gaming day for all areas.~~

~~(i) Counts shall 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.~~

~~(4) 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 the proper dollar amount has been recorded.~~

~~(5) For 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.~~

~~(6) For at least one day each month, accounting/audit personnel shall review a sample of returned checks to determine that the required information was recorded by cage personnel when the check was cashed.~~

~~(7) Accounting/audit personnel shall review exception reports for all computerized cage systems (e.g., fill/credit systems) at least monthly for propriety of transactions and unusual occurrences. The review shall include, but is not limited to, voided authorizations. All noted improper transactions or unusual occurrences identified shall be investigated with the results documented.~~

~~(8) At least monthly, accounting/audit personnel shall review all promotional payments, drawings, and giveaway programs to verify proper accounting treatment and proper win/loss computation.~~

~~(9) For all promotional payments, drawings, and giveaway programs the following documentation shall be maintained:~~

~~(i) Copies of the information provided to the patrons describing the promotional payments, drawings, and giveaway programs (e.g., brochures, fliers);~~

~~(ii) Effective dates; and~~

~~(iii) Accounting treatment, including general ledger accounts, if applicable.~~

~~(10) At least monthly, accounting/audit personnel shall perform procedures to ensure that promotional payments, drawings, and giveaway programs are conducted in accordance with information provided to the patrons.~~

~~(11) Daily, accounting/audit personnel shall 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.~~

~~(12) All cage auditing procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.~~

~~(e) Credit. (1) A person independent of the cage, credit, and collection functions shall perform all of the following at least three (3) times per year:~~

~~(i) Select a sample 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; and~~

~~(iv) Examine credit records to determine that appropriate collection efforts are being made and payments are being properly recorded.~~

~~(2) For a minimum of five (5) days per month, a person independent of the cage, credit, and collection functions shall subsequently reconcile partial payment receipts to the total payments recorded by the cage for the day and account for the receipts sequentially.~~

~~(3) A trial balance of gaming operation accounts receivable, including the name of the patron and current balance, shall be prepared at least monthly for active, inactive, settled or written-off accounts.~~

~~(4) The trial balance of gaming operation accounts receivable shall be reconciled to the general ledger each month. The reconciliation and any follow-up performed shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.~~

~~(5) On a monthly basis an evaluation of the collection percentage of credit issued to identify unusual trends shall be performed.~~

~~(f) Complimentary services or items. The internal audit or accounting departments shall review the reports required in paragraph §543.17 (c) at least monthly. These reports shall be made available to the Tribe, Tribal gaming regulatory authority, audit committee, other entity designated by the Tribe, and the Commission upon request.~~

~~(g) Drop and Count. (Tiers A, B and C) (1) Unannounced currency counter and currency counter interface (if applicable) tests shall be performed by personnel independent of the cage, vault, count team, player interface, and card games departments on at least a quarterly basis with the test results documented and maintained. All denominations of~~

~~currency and vouchers counted by the currency counter must be tested. This test may be performed by internal audit or the Tribal gaming regulatory authority. The result of these tests shall be documented and signed by the person or persons performing the test.~~

~~(2) Unannounced weigh scale and weigh scale interface (if applicable) tests shall be performed by a person or persons independent of the cage, vault, and player interface departments and count team at least quarterly with the test results being documented and maintained. This test may be performed by internal audit or the Tribal gaming regulatory authority. The result of these tests shall be documented and signed by the person or persons performing the test.~~

~~(3) For computerized key security systems controlling access to card games drop and count keys, accounting/audit personnel, independent of the system administrator, shall perform the following procedures:~~

~~(i) 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 to the card games drop and count keys. Also, determine whether any card games drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized.~~

~~(ii) 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 card games drop and count key removals or key returns occurred.~~

~~(iii) At least quarterly, review a sample of users that are assigned access to the card games drop and count keys to determine that their access to the assigned keys is adequate relative to their job position.~~

~~(iv) All noted improper transactions or unusual occurrences are investigated with the results documented.~~

~~(4) At least quarterly, an inventory of all count room, card game drop box release, storage rack, contents, override and panel keys shall be performed, and reconciled to records of keys made, issued, and destroyed. Investigations shall be performed for all keys unaccounted for, with the investigations being documented.~~

~~(5) For computerized key security systems controlling access to player interface drop and count keys, accounting/audit personnel, independent of the system administrator, shall perform the following procedures:~~

~~(i) 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 to the player interface drop and count keys. Also, determine whether any player interface drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized.~~

~~(ii) 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 player interface drop and count key removals or key returns occurred.~~

~~(iii) At least quarterly, review a sample of users that are assigned access to the player interface drop and count keys to determine that their access to the assigned keys is adequate relative to their job position.~~

~~(iv) All noted improper transactions or unusual occurrences are investigated with the results documented.~~

~~(6) At least quarterly, an inventory of all count room, player interface door, player interface fill cabinet, storage rack, contents, override and panel keys shall be performed, and reconciled to records of keys made, issued, and destroyed. Investigations shall be performed for all keys unaccounted for, with the investigation being documented.;~~

(2) Each malfunction and repair of the surveillance system as defined in this section; and

(3) Activities performed by surveillance agents.