

# SEMINOLE NATION GAMING AGENCY

## TRIBAL INTERNAL CONTROL STANDARDS

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**CHAPTER I – PURPOSE**

- A) The Seminole Nation Gaming Agency (SNGA) is required to establish, implement, and revise internal control standards pursuant to 25 CFR part 542 and 543 to ensure that gaming operations comply with the National Indian Gaming Commission's Minimum Internal Control Standards (MICS) and internal control standards or standards of operation required under any Tribal-State Gaming Compact(s) between the Seminole Nation and the State of Oklahoma.
- B) The MICS are minimum standards and the SNGA shall establish controls as defined within these Tribal Internal Control Standards (TICS) that do not conflict with the MICS or other regulations issued by the National Indian Gaming Commission, any Tribal-State Gaming Compact, or the Indian Gaming Regulatory Act as applicable.
- C) Each Gaming operation is required and shall develop and implement a System of Internal Control Standards (SICS) that, at a minimum, comply with these Tribal Internal Control Standards and are approved by the SNGA.
- D) Failure to do so may subject the tribal operator of the operation and/or the management contractor, to penalties under 25 USC 2713 or Seminole Nation law or regulation.
- E) Enforcement action by the NIGC will not be initiated without first informing the Seminole Nation and SNGA of deficiencies in the TICS or absence of SICS for its gaming operation(s) and allowing a reasonable period of time to address such deficiencies. Such prior notice and opportunity for corrective action are not required where the threat to the integrity of the operation is immediate and severe.
- F) Each gaming facility must comply with the standards applicable to their respective tiers.
- G) Nothing in these TICS shall be construed to grant to a state jurisdiction in Class II gaming or extend a state's jurisdiction in Class III gaming.

**CHAPTER II – DEFINITIONS/ACRONYMS**

The definitions in this Section apply to all Sections of this part unless otherwise noted.

- 1) **Accountability**- All financial instruments, receivables, and patron deposits constituting the total amount for which the bankroll custodian is responsible at a given time.
- 2) **Agent**- A person authorized by the gaming operation, as approved by the SNGA, to make decisions or perform assigned tasks or actions on behalf of the gaming operation.
- 3) **Ante**- A player's initial wager or predetermined contribution to the pot before the dealing of the first hand.

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- 4) **ATM**-Automated Teller Machine.
- 5) **AUP**- Agreed upon procedure.
- 6) **Automated payout**- Payment issued by a machine.
- 7) **Bill-in meter**- A meter included on a gaming machine accepting currency or vouchers that tracks the number of bills or vouchers put in the machine.
- 8) **Bingo**- See Class II gaming.
- 9) **Cage**- A secure work area within the gaming operation for cashiers, which may include a storage area for the gaming operation bankroll.
- 10) **Card game**- A game in which the gaming operation is not party to wagers and from which the gaming operation receives compensation in the form of a rake, time buy-in, or other fee or payment from a player for the privilege of playing.
- 11) **Card reader**- A peripheral device used to retrieve information from a mag-strip card and verified against a database to gain access to player information, system access, and system configuration on the gaming device.
- 12) **Cash-out voucher**- An instrument of value generated by a gaming machine representing a currency amount owed to a patron. This instrument may be wagered at other machines by depositing the cash-out voucher in the machine drop box.
- 13) **Cashless system**- A system that performs cashless transactions and maintains records of those cashless transactions.
- 14) **Cashless transaction**- A movement of funds electronically from one component to another, such as to or from a patron deposit account.
- 15) **CCD**- Casino Compliance Department.
- 16) **CEO**- Seminole Nation Gaming Enterprise Chief Executive Officer.
- 17) **CGR**- Chief Gaming Regulator of the Seminole Nation Gaming Agency.
- 18) **Chips**- Currency substitutes, in various denominations, issued by a gaming operation and used for wagering.
- 19) **Class I gaming**- Social games solely for prizes of minimal value or traditional forms of Indian gaming engaged in by individuals as a part of, or in connection with, tribal ceremonies, celebrations, or social events.
- 20) **Class II gaming**- Class II gaming has the same meaning as defined in 25 U.S.C. 2703(7)(A).
- 21) **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 or Seminole Nation Technical Standards.
- 22) **Class III gaming**- All forms of gaming that are not Class I or Class II gaming. Also known as Compact or Covered game.
- 23) **Coin-in meter**-The meter that displays the total amount wagered in a gaming machine.
- 24) **Compact**- Means the Seminole Nation –State of Oklahoma Gaming Compact covering Class III gaming approved by the Secretary of the Interior and published in the Federal Register pursuant to 25 U.S.C. 2710.

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- 25) **Commission**- The Seminole Nation Gaming Agency established by the Title 15 of the Seminole Nation Code of Laws, which performs regulatory oversight and monitors compliance with Tribal, Federal, and applicable State laws and regulations.
- 26) **Complimentary services and items**- Services and items provided to a patron at the discretion of a gaming operation agent on behalf of the gaming operation at no cost. Services and items may include, but are not limited to, travel, lodging, food, beverages, or entertainment expenses.
- 27) **Confidential information**- All private and proprietary, gaming-related information of the Seminole Nation, SNGE Board, SNGA, and gaming operations that may have a significant adverse impact on the Nation, SNGE Board, SNGA, the Nation's employees, Patrons, and/or Vendors if it is published or its integrity compromised and must include information protected by federal privacy laws and the find of information exempted from disclosure under the federal Freedom of Information Act (FOIA).
- 28) **Controlled Keys**- All keys related to the process of gathering currency/vouchers, excluding main door keys.
- 29) **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.
- 30) **Count room**- A secured room where the count is performed in which the currency and currency equivalents are counted.
- 31) **Count/Drop team**- Group of individuals that perform the drop/count of the currency and currency equivalents contained in the gaming machine drop, the table/card game drop, and Kiosk.
- 32) **Coupon**- A financial instrument of fixed wagering value 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.
- 33) **CTR**- Currency Transaction Report. Used to file single or aggregated currency transactions, in a single Gaming Day, in excess of \$10,000 with the IRS.
- 34) **Currency**- Cash, chips, gaming machine vouchers, coupons, and instruments worth monetary value.
- 35) **Currency equivalents**- Documents, financial instruments other than currency, or anything else of representative value to which the gaming operation has assigned a monetary value. A currency equivalent includes, but is not limited to, tokens, chips, coupons, vouchers, payout slips and vouchers, and other items to which a gaming operation has assigned an exchange value.
  
- 36) **Dealer**- An individual who operates a table or card game, individually or part of a team, administering rules and making pay-outs.
- 37) **Dedicated camera**- A video camera that continuously records a specific activity.
- 38) **Drop box**- A locked container in which currency or currency equivalents are placed at the time of a transaction. Where applicable to a card game, the drop box is affixed to the

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gaming table into which the drop is placed. The game type, table number, and shift are indicated on the box.

- 39) **Drop cabinet**- The wooden or metal base of the gaming machine or system that contains the gaming machine or system drop bucket.
- 40) **Drop box contents keys**- The key used to open the drop boxes.
- 41) **Drop box release keys**- The key used to release drop boxes from the tables.
- 42) **Drop box storage rack keys**- The key used to access the storage rack where the drop boxes are secured.
- 43) **Drop proceeds**- The total amount of financial instruments removed from drop boxes and financial instrument storage components.
- 44) **Drop period**- The period of time that occurs between sequential currency drops.
- 45) **EPROM**- Erasable, programmable, read-only memory software media.
- 46) **Exception report**- A listing of occurrences, transactions or items that fall outside a predetermined range of acceptability
- 47) **Family member**- Mother, Father, Son, Daughter, Brother, Sister, Husband, Wife, and person with whom the employee shares a domestic partnership.
- 48) **Fill slip**- A document evidencing a fill.
- 49) **Financial instrument**- Any tangible item of value tendered in game play, including, but not limited to bills, coins, vouchers, and coupons.
- 50) **Financial instrument acceptor**- Any component that accepts financial instruments.
- 51) **Financial instrument component release key**- The key used to release the financial instrument storage component from the drop cabinet.
- 52) **Financial instrument component storage rack key**- The key used to access the storage rack where the financial instrument storage components are secured.
- 53) **Financial instrument dispenser**- Any component that dispenses financial instruments.
- 54) **Financial instrument storage component**- Any component that stores financial instruments.
- 55) **Financial instrument storage component content keys**- The key used to open the financial instrument storage component canister, in which currency or currency equivalents are stored.
- 56) **FinCEN**- Financial Crimes Enforcement Network. A department of the U.S. Treasury organized to help fight money laundering.
- 57) **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:
  - a) Name of the game;
  - b) Manufacturer name or manufacturer's logo;
  - c) Voucher count; and
  - d) Prize structure, which shall include the number of winning pull tabs by denomination, with their respective winning symbols, numbers, or both.

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- 58) **Game play credits**- a method of representing value obtained from the exchange of cash or cash equivalents, or earned as a prize, in connection with electronic gaming. Game play credits may be redeemed for cash or cash equivalents.
- 59) **Game server**- an electronic selection device, utilizing a random number generator.
- 60) **Gaming device/component**- any component of the gaming system, required to conduct gaming on a gaming machine or technological aid used to conduct gaming activities, which may or may not include the machine/interface itself.
- 61) **Gaming machine/player interface**- the device of a gaming system that directly allows player interaction or participation in a gaming activity.
- 62) **Gaming machine analysis report**- a report prepared that compares theoretical to actual hold by a gaming machine on a monthly or other periodic basis.
- 63) **Gaming machine booths and change banks**- a booth or small cage in the gaming machine area used to provide change to players, store change aprons and extra coin, and account for jackpot and other payouts.
- 64) **Gaming machine count**- the total amount of cash removed from a gaming machine. The amount counted is entered on the Gaming Machine/Soft Count Sheet and is considered the drop.
- 65) **Gaming machine pay table**- the reel strip combinations illustrated on the face of the gaming machine that can identify payouts of designated coin amounts.
- 66) **Gaming promotion**- Any promotional activity or award that requires game play as a condition of eligibility.
- 67) **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 Accountants (AICPA).
- 68) **Generally Accepted Auditing Standards (GAAS)**- A widely accepted set of standards that provide a measure of audit quality and the objectives to be achieved in an audit, as established by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA).
- 69) **GM**- General Manager or equivalent.
- 70) **Governmental Accounting Standards Board (GASB)** - Generally accepted accounting principles used by state and local governments.
- 71) **Gross Gaming Revenue**- The annual total amount of currency wagered on Class II and Class III games and admission fees (including table or card fees), less any amounts paid out as prizes or paid for prizes awarded.
- 72) **Independent**- The separation of functions to ensure that the agent or process monitoring, reviewing, or authorizing the controlled activity, function, or transaction is separate from the agents or process performing the controlled activity, function, or transaction.

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73) **Internal Audit**- A SNGA department who perform an audit function of gaming operations that are independent of the department subject to audit. Independence is obtained through the organizational reporting relationship, as the internal audit department must 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 individual may provide audit coverage to more than one operation within a Tribe's gaming operation holdings.

74) **Kiosk**- A device capable of redeeming vouchers and/or wagering credits or initiating electronic transfers of money to or from a patron deposit account.

75) **Lammer**- A type of chip that is placed on a gaming table to indicate that the amount of chips designated thereon has been given to the patron for wagering on credit before completion of the credit instrument. Lammer may also mean a type of chip used to evidence transfers between table banks and card room banks.

76) **Lines of credit**- The privilege granted by a gaming operation to a patron to: a. Defer payment of debt; or b. Incur debt and defer its payment under specific terms and conditions.

77) **Logic Box**- A separately locked cabinet area (with its own locked door), which houses programmable storage media and/or components that have the potential to significantly influence the operation of the gaming machine.

78) **Manual payout**- Any non-automated payout.

79) **Marker**- A document, signed by the patron, promising to repay credit issued by the gaming operation.

80) **MEAL**- Machine Entrance Access Log.

81) **MICS**- Minimum Internal Control Standards.

82) **MIL**- Monetary Instrument Log. A log maintained to document all negotiable instrument transactions \$3,000 or greater.

83) **MTL**- Multiple Transactions Log. A log developed to keep track of individual transaction exceeding \$3,000 that, in total, may exceed \$10,000 during a gaming day.

84) **Nation**- Seminole Nation of Oklahoma.

85) **Net Gaming Revenue**- Gross gaming revenue of a casino gaming operation less:

- Amounts paid out as, or paid for, prizes; and
- Total gaming-related operating expenses, excluding management fees.

86) **Network communication equipment**- A device or collection of devices that controls data communication in a system including, but not limited to, cables, switches, hubs, routers, wireless access points, landline telephones and cellular telephones.

87) **NIGC**- National Indian Gaming Commission.

88) **OFAC**- Office of Foreign Assets Control.

89) **OMES**- State of Oklahoma Office of Management and Enterprise Services.

90) **OSF**- Office of State Finance renamed to Office of Management and Enterprise Services.

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91) **Par Sheet**- A specification sheet for a gaming machine that provides machine hold percentage, model number, hit frequency, reel combination, number of reels, number of coins that can be accepted, and reel strip listing.

92) **Patron/Player**- An individual who enters upon the gaming facility premises for the purposes of playing games/promotions located therein.

93) **Patron deposit account**-An account maintained on behalf of a patron, for the deposit and withdrawal of funds for the primary purpose of interacting with a gaming activity.

94) **PIN**-The individual identification number used to access a player's account.

95) **Pit podium**- A stand located in the middle of the tables used by gaming operation supervisory individual as a workspace and a record storage area.

96) **Pit Supervisor**-The gaming operation agent who supervises games in a pit.

97) **Player interface**-Any component(s) of a gaming system, including an electronic or technologic aid (not limited to terminals, player stations, handhelds, fixed units, etc.), that directly enables player interaction in a Class II.

98) **Prize payout**-Payment to a player associated with a winning or qualifying event.

99) **Programmable Storage Media**-Includes, but is not limited to:

- a) Electronically Programmable Read Only Memory Chips (EPROMs);
- b) Universal Serial Bus (USB) Drives;
- c) Dongles;
- d) E-keys;
- e) Game Flash;
- f) Bill Acceptor Chips;
- g) CDs;
- h) Boot EPROMs;
- i) Logic Boards;
- j) LAP Controllers;
- k) WAP Controllers;
- l) Smart Cards;
- m) Memory Cards;
- n) Shuffle Master;
- o) Casino Facts; and
- p) Any other form of programmable storage media device related to gaming activities.

100) **Progressive gaming machine**-A gaming machine with a payoff indicator, which the payoff increases as it is played (i.e., deferred payout). The payoff amount is accumulated, displayed on a machine, and must remain until a player lines up the jackpot symbols that result in the progressive amount being paid.

101) **Promotional progressive pots and/or pools**-Funds contributed to a game by and for the benefit of players that are distributed to players based on a predetermined event.

102) **RAP**-Revenue Allocation Plan.

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- 103) **Random number generator (RNG)**-A device that generates numbers in the absence of a pattern. May be used to determine numbers selected in various games such as keno and bingo. Also commonly used in gaming machines to generate game outcome.
- 104) **Runner**-A gaming operation agent who transports currency to or from a gaming table and cashier.
- 105) **SAM**-A screen-automated machine used to accept pari-mutuel wagers. SAM's also pay winning vouchers in the form of a voucher which is redeemable for currency.
- 106) **SAR**-Suspicious Activity Report: used to file (report) suspicious activities, involving or aggregating at least \$5,000 with FinCEN.
- 107) **SDN List**-OFAC's Specially Designated Nationals List.
- 108) **Shift**-A time period, approved by SNGA, not to exceed 24 hours.
- 109) **Shill**-An agent financed by the gaming operation and acting as a player.
- 110) **Smart card**-A card with embedded integrated circuits that possesses the means to electronically store or retrieve account data.
- 111) **SNGA**-Seminole Nation Gaming Agency
- 112) **SNGE**-Seminole Nation Gaming Enterprise
- 113) **SNGO**-Seminole Nation Gaming Ordinance. (Title 15)
- 114) **Soft count**-The count of the contents in a financial instrument storage component.
- 115) **Software**-See programmable storage media.
- 116) **Sufficient clarity**-The capacity of a surveillance system to record images at a minimum of 20 frames per second or equivalent recording speed and at a resolution sufficient to clearly identify the intended activity, person, object, or location.
- 117) **Surveillance operation room(s)**-The secured area(s) where surveillance takes place and/or where active surveillance equipment is located.
- 118) **Surveillance system**-A system of video cameras, monitors, recorders, printers, switches, selectors, and other equipment used for surveillance.
- 119) **SICS**-System of Internal Control Standards. An overall operational framework for a gaming operation that incorporates principles of independence and segregation of function, and is comprised of written policies, step by step procedures, and standard practices based on overarching regulatory standards specifically designed to create a system of checks and balances to safeguard the integrity of a gaming operation and protect its assets from unauthorized access, misappropriation, forgery, theft, or fraud.
- 120) **Table games**-Games that are banked by the house or a pool, whereby the house or the pool pays all winning bets and collects from all losing bets.
- 121) **TGRA**-Tribal Gaming Regulatory Authority, also known as SNGA.
- 122) **TICS**-Tribal Internal Control Standards. Standards established by the SNGA that are at least as stringent as the standards set forth in the 25 CFR § Parts 542 and 543.
- 123) **Title 15**-Title 15 of the Seminole Nation Code of Laws that allows gaming to be conducted within the jurisdiction of the Seminole Nation of Oklahoma. (SNGO)
- 124) **Tier A**-Gaming operations with annual gross gaming revenues of more than \$ 1 million but not more than \$8 million.

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- 125) **Tier B**-Gaming operations with annual gross gaming revenues of more than \$8 million but not more than \$15 million.
- 126) **Tier C**-Gaming operations with annual gross gaming revenues of more than \$15 million.
- 127) **Title 31**-The United States Code by which the Anti-money laundering act is regulated.
- 128) **Tribe**-Seminole Nation of Oklahoma.
- 129) **Vault**-A secure area where currency and currency equivalents are stored.
- 130) **Vendor**-An individual or entity that provides good or services to the gaming operations and/or receives payments from the gaming operations.
- 131) **Voucher**-A financial instrument of fixed wagering value, usually paper, that can be used only to acquire an equivalent value of cashable credits or currency through interaction with a voucher system.
- 132) **Voucher system**-A 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.
- 133) **Wager**-Sum of currency risked on an uncertain occurrence.

**WAP.** Wide Area Progressive gaming machine.

## CHAPTER III – AUDIT AND ACCOUNTING STANDARDS

- I. **Conflicts of standards.** When establishing SICS, the gaming operation shall review, and consider incorporating, other external standards such as GAAP, GAAS, and standards promulgated by GASB and FASB. In the event of a conflict between the MICS and the incorporated external standards, the external standards prevail.
- II. **Accounting.** Controls must be established and procedures implemented to safeguard assets and ensure each gaming operation:
  - 1) Prepares accurate, complete, legible, and permanent records of all transactions pertaining to gaming revenue and activities for operational accountability.
  - 2) Prepares general accounting records on a double-entry system of accounting, maintaining detailed, supporting, subsidiary records, and performs the following activities:
    - a) Record gaming activity transactions in an accounting system to identify and track all revenues, expenses, assets, liabilities, and equity;
    - b) Record all markers, IOU's, returned checks, held checks, or other similar credit instruments;
    - c) Record journal entries prepared by the gaming operation and by any independent accountants used;

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- d) Prepare income statements and balance sheets;
- e) Prepare appropriate subsidiary ledgers to support the balance sheet;
- f) Prepare, review, and maintain accurate financial statements;
- g) Prepare transactions in accordance with the appropriate authorization, as provided by management;
- h) Record transactions to facilitate proper recording of gaming revenue and fees, and to maintain accountability of assets;
- i) Compare recorded accountability for assets to actual assets at periodic intervals, and take appropriate action with respect to any variances;
- j) Segregate functions, duties, and responsibilities;
- k) Prepare SNGA approved minimum bankroll calculations; and
- l) Maintain and preserve all financial records and relevant supporting documentation.

**III. Internal audit.** Controls must be established and procedures implemented to ensure that:

- 1) Internal auditor(s) perform audits of each department of a gaming operation, at least annually, to review compliance with MICS, SICS, and TICS.
- 2) Internal auditor(s) report directly to the SNGA.
- 3) Documentation such as checklists, programs, reports, etc. is prepared to evidence all internal audit work and follow-up performed as it relates to compliance with TICS, SICS, and all instances of noncompliance.
- 4) Audit reports are maintained by the SNGA and must include the following information:
  - a) Audit objectives;
  - b) Audit procedures and scope;
  - c) Findings and conclusions;
  - d) Recommendations, if applicable; and

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- e) Management's response.
- 5) All material exceptions identified by internal audit work are investigated and resolved, and the results are documented.
- 6) Internal audit findings are reported to management, responded to by management stating corrective measures to be taken, and included in the report delivered to the SNGA for corrective action.
- 7) Follow-up observations and examinations are performed to verify that corrective action has been taken regarding all instances of non-compliance. The verification is performed within six (6) months following the date of notification of non-compliance.

#### IV. Annual requirements.

- 1) Agreed upon procedures.  
An independent CPA must be engaged to perform an assessment to verify whether the gaming operation is in compliance with these TICS and SICS. The assessment must be performed 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 "SSAEs"), issued by the American Institute of Certified Public Accountants.
- 2) The tribe must submit two copies of the agreed-upon procedures report to the Commission within 110 days of the gaming operation's fiscal year end in conjunction with the submission of the annual financial audit report required pursuant to 25 CFR part 571.
- 3) Review of internal audit.
  - a) The CPA must determine compliance by the gaming operation with the internal audit requirements in this paragraph (D) by:
    - (i) Completing the internal audit checklist;
    - (ii) Ensuring that the internal auditor completed checklists for each gaming department of the operation;
    - (iii) Verifying that any areas of non-compliance have been identified;
  - (iv) Ensuring that audit reports are completed and include responses from management; and

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- (v) Verifying that appropriate follow-up on audit findings has been conducted and necessary corrective measures have been taken to effectively mitigate the noted risks.
- b) If the CPA determines that the internal audit procedures performed during the fiscal year have been properly completed, the CPA may rely on the work of the internal audit for the completion of the MICS checklists as they relate to the standards covered by this part.
- 4) Report format. The SSAEs are applicable to agreed-upon procedures engagements required in this part. All noted instances of noncompliance with the MICS and/or the TICS or SICS, if they provide the same level of controls as the MICS, must be documented in the report with a narrative description, the number of exceptions and sample size tested.

## CHAPTER IV – AUDIT REVENUE STANDARDS

- I. **Supervision.** Supervision must be provided as needed by a gaming operation agent(s) with authority equal to or greater than those being supervised.
- II. **Independence.** Audits must be performed by gaming operation agent(s) independent of the transactions being audited.
- III. **Documentation.** The performance of revenue audit procedures, the exceptions noted, and the follow-up of all revenue audit exceptions must be documented and maintained.
- IV. **Controls** must be established, and procedures implemented to audit each of the following operational areas:
  - 1) Bingo.
  - 2) Pull tabs.
  - 3) Card games.
  - 4) Gaming promotions and player tracking.
  - 5) Complimentary services or items.
  - 6) Patron deposit accounts.
  - 7) Lines of credit.
  - 8) Drop and count.

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- 9) Cage, vault, currency, and currency equivalents.
- 10) Inventory.
  - a) At least monthly, verify receipt, issuance, and use of controlled inventory, including, but not limited to, bingo cards, pull tabs, playing cards, keys, pre-numbered and/or multi-part forms.
  - b) At least quarterly, perform minimum bankroll calculations to ensure that the gaming operation maintains currency in an amount sufficient to satisfy the gaming operation's obligations.

## CHAPTER V – EXTERNAL AUDIT STANDARDS

- I. An independent certified public accountant (CPA) must be engaged to perform “Agreed- Upon Procedures” to verify that the gaming operation is in compliance with internal control standards or with a SNGA approved variance.
  - 1) SNGE will submit RFP for external audit services at least 180 days before the end of the fiscal year.
    - a) In no case will a CPA firm or parties related to that firm be retained to perform the external audit for a period of more than five years.
    - b) SNGA will review and have input on the selection of the CPA firm.
    - c) A selection shall be made at least 120 days prior to the end of the fiscal year.
- II. The CPA will report on each event and procedure discovered that does not, in their opinion, satisfy the minimum standards or any SNGA approved variance.
  - 1) The CPA will report its findings to the Nation, SNGA, and SNGE management within 90 days of the gaming operation's fiscal year end.
  - 2) The CPA will submit a final report to the SNGE and SNGA within 110 days of the gaming operation's fiscal year end.
  - 3) The SNGA will submit two copies of the report to the NIGC within 120 days of the gaming operation's fiscal year end.

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- a) This regulation is intended to communicate the SNGA position on the minimum agreed-upon procedures to be performed by the CPA. The CPA's engagement and reporting are based on Statements on Standards for Attestation Engagements (SSAEs) in effect as of December 31, 2003, specifically SSAE 10 "Revision and Recodification Agreed-Upon Procedures Engagements."
- 4) If future revisions are made to the SSAEs or new SSAEs are adopted that are applicable to this type of engagement, the CPA is to comply with any new or revised professional standards in conducting engagements pursuant to these regulations and the issuance of the agreed-upon procedures report.

### III. The CPA will perform the Agreed-Upon Procedures in accordance with the following:

- 1) As a prerequisite to the evaluation of the gaming operation's internal control systems, the CPA will obtain and review an organization chart depicting:
  - a) Segregation of functions and responsibilities;
  - b) A description of the duties and responsibilities of each position shown on the organization chart; and
  - c) A current detailed narrative description of the gaming operation's procedures that demonstrate compliance.
- 2) Complete the CPA, NIGC, and MICS Compliance checklists or other comparable testing procedures.
  - a) The CPA will complete separate checklists for each gaming revenue center, cage and credit, internal audit, surveillance, information technology and complimentary services or items.
  - b) All questions on each applicable checklist should be completed.
  - c) 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).
- 3) The CPA will perform, at a minimum, the following procedures in conjunction with the completion of the checklists:
  - a) Observations of the gaming operation's agents as they perform their duties.
  - b) Interviews of the gaming operations agents who perform relevant procedures.
  - c) Compliance testing of various documents relevant to the procedures.

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- (i) The scope of such testing should be indicated on the checklist where applicable.
- d) At least one unannounced observation of each of the following:
  - (i) Financial instrument storage component drop;
  - (ii) Table games drop;
  - (iii) Financial instrument storage component count; and
  - (iv) Table games count.
- e) The AICPA's "Audits of Casinos" guide states that "observations of operations in the casino cage and count room should not be announced in advance."
  - (i) "Unannounced" means that no officers, directors, or gaming operation agents are given advance information regarding the dates or times of such observations.
  - (ii) The CPA should make arrangements with the gaming operation and the SNGA to ensure proper identification of the CPA's personnel and to provide for their prompt access to the count rooms.
- f) The checklists should provide for drop/count observations, soft drop/count, and financial instrument storage component drop/count and the drop box drop/count.
  - (i) The count room will not be entered until the count is in process.
  - (ii) CPA would not leave the room until the monies have been counted and verified to the count sheet by the CPA and accepted into accountability.

IV. Alternatively, the Nation may engage a CPA to perform the testing, observations and procedures reflected in paragraphs (C) (1), (2), and (3) of this Section utilizing the Tribal Internal Control Standards (TICS) adopted by the SNGA or approved variance that has received SNGA concurrence.

- 1) Accordingly the CPA will verify compliance by the gaming operation with the TICS. Should the Tribe elect this alternative, as a prerequisite, the CPA will perform the following:
  - a) The CPA will review the TICS to ascertain whether the criteria set forth in the MICS or Commission approved variances are adequately addressed.
  - b) The CPA may utilize personnel of the SNGA to cross-reference the TICS to the MICS, provided the CPA performs a review of the SNGA personnel's work and assumes complete responsibility for the proper completion of the work product.

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- 2) The CPA will report each procedure discovered by or brought to the CPA's attention that the CPA believes does not satisfy paragraph (D) (1) of this Section.

#### V. Reliance on Internal Auditors.

- 1) The CPA may rely on the work of an internal auditor, to the extent allowed by the professional standards, for the performance of procedures specified in paragraphs (C) (3) (a), (b), and (c) of this Section, and for the completion of the checklists as they relate to the procedures covered therein.
- 2) Agreed-Upon Procedures are to be performed by the CPA to determine that the internal audit procedures performed for a past 12-month period encompassing a portion or all of the most recent business year has been properly completed. The CPA will apply Agreed-Upon Procedures to the gaming operation's written assertion:
  - a) Obtain internal audit department work-papers completed for a 12-month period encompassing a portion or all of the most recent business year in accord with the CPA, NIGC, and MICS Compliance Checklists or other comparable testing procedures.
  - b) For the internal audit work-papers obtained in paragraph (E)(2)(a) of this Section, on a sample basis, re-perform the procedures included in CPA, NIGC, and MICS Compliance Checklists or other comparable testing procedures prepared by internal audit and determine if all instances of non-compliance noted in the sample were documented as such by internal audit. The CPA's sample should comprise a minimum of 5 percent of the procedures or other comparable testing procedures for the gaming machine and table game departments and 10 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:
    - (i) 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 their checklist.
    - (ii) For observations, the CPA should observe the same process as the internal auditor did for the procedure as indicated in their checklist.
    - (iii) 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.
    - (iv) Any additional procedures performed at the request of the SNGA or management should be included in the Agreed-Upon Procedures report transmitted to the SNGA.

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#### VI. Report Format.

- 1) 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 the TICS and variances approved by the SNGA, so long as they provide a level of control that equals or exceeds that of the MICS.
- 2) Accordingly, the Statements on Standards for Attestation Engagements (SSAE's), specifically SSAE 10, issued by the Auditing Standards Board is currently 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. The SNGA will provide an example report and letter formats upon request that may be used and contain all of the information discussed below:
  - a) The report will describe all instances of procedural non-compliance regardless of materiality with the MICS or approved variations, and all instances where the SNGA regulations do not comply with the MICS.
    - (i) 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.
    - (ii) For every instance of non-compliance noted in the CPA's agreed-upon procedures report, the following will be included:
      - (1) The citation of the applicable MICS for which the instance of non-compliance was noted; and
      - (2) A narrative description of the non-compliance, including the number of exceptions and sample size tested.

#### VII. Report Submission Requirements.

- 1) The CPA will prepare a report of the findings for the Nation, SNGA, and gaming operations management within 90 days of the gaming operation's fiscal year end. The CPA will submit a final report to the SNGE and SNGA within 110 days of the gaming operation's fiscal year end. The SNGA will submit two (2) copies of the report to the NIGC within 120 days of the gaming operation's fiscal year end. This report should be provided, in addition to any other reports required, to the Commission.
- 2) The SNGA will provide the State of Oklahoma with one copy of the financial audit for sites with Compact games.

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- 3) The CPA shall maintain the work-papers supporting the report for a minimum of five years. Digital storage is acceptable. The SNGA may request access to these work-papers at their discretion.

## CHAPTER VI – **TITLE 31 STANDARDS**

“Patron’s Agent”, as used in this Section only, is defined as any individual who conducts a financial transaction on behalf of another individual or organization.

### I. Standards.

- 1) The standards of 31 C.F.R. Chapter X applies to, and will be strictly adhered to, by all Seminole Nation of Oklahoma Gaming Operations. In the event of any conflict between this Section and Chapter X, the provisions of Chapter X supersede.

### II. Filing Obligations.

Each gaming operation will file a report of each transaction in currency, involving either currency in or currency out, of more than \$10,000.

- 1) All currency transactions include, but are not limited to:
  - a) Purchases of chips, tokens, and other gaming instruments;
  - b) Front money deposits;
  - c) Safekeeping deposits;
  - d) Payments on any form of credit, including markers and counter checks;
  - e) Bets of currency, including money plays;
  - f) Currency received by a gaming operation for transmittal of funds through wire transfer for a patron;
  - g) Purchases of a gaming operation’s check;
  - h) Exchanges of currency for currency, including foreign currency; and
  - i) Bills inserted into electronic gaming machines.
  - j) Redemptions of chips, tokens, vouchers, and other gaming instruments;

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- k) Front money withdrawals;
- l) Safekeeping withdrawals;
- m) Advances on any form of credit, including markers and counter checks;
- n) Payments on bets;
- o) Payments by a gaming operation to a patron based on receipt of funds through wire transfers;
- p) Cashing of checks or other negotiable instruments;
- q) Exchanges of currency for currency, including foreign currency;
- r) Travel and complimentary expenses and gaming incentives; and
- s) Payment for tournaments, contests, and other promotions.

2) Other provisions of this Section notwithstanding, gaming operations, are exempted from reporting obligations found in this Section and § 1021.313 for the following transactions in currency or currency transactions:

- a) Transactions between a gaming operation and a dealer in foreign exchange, or between a gaming operation and a check cashier, as those terms are defined in §1010.100(ff), so long as such transactions are conducted pursuant to a contractual or other arrangement with a gaming operation covering the financial services in paragraphs (1)(h), (1)(p), and (1)(q) of this Section;
- b) Currency out transactions to the extent the currency is won in a money play and is the same currency the patron wagered in the money play, or currency in transactions to the extent the currency is the same currency the patron previously wagered in a money play on the same table game without leaving the table;
- c) Bills inserted into electronic gaming machines in multiple transactions (unless a gaming operation has knowledge pursuant to §1021.313 in which case this exemption would not apply); and
- d) Jackpots from slot machines or video lottery terminals.

### III. Identification.

The gaming operation will only accept the following forms of identification for CTR reporting:

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- 1) Acceptable guest identification for United States citizens is limited to the following unexpired:
  - a) Valid state driver's license;
  - b) Valid state issued identification card;
  - c) Valid military identification card (photocopies prohibited);
  - d) Valid tribal identification card, if the identification card has a photograph, address, and expiration date;
  - e) Valid passport; or
  - f) Valid alien registration card.
- 2) Acceptable guest identification for foreign citizens is limited to the following unexpired:
  - a) Valid foreign country driver's license;
  - b) Valid foreign country issued identification card;
  - c) Valid alien registration card; or
  - d) Valid other government issued documentation.

#### **IV. Structured Transactions.**

No person shall evade transactions in currency reporting requirements of this chapter with respect to such transactions that:

- 1) Cause or attempt to cause a domestic financial institution to fail to file a report required under the transaction in currency reporting requirements of this chapter;
- 2) Cause or attempt to cause a domestic financial institution to file a report required under the transactions in currency reporting requirements of this chapter that contains a material omission or misstatement of fact; or
- 3) Structure (as defined in § 1010.100(xx)) or assist in structuring, or attempt to structure or assist in structuring, any transacting with one or more domestic financial institutions.

#### **V. Currency Transaction Report by Casino (CTR).**

- 1) CTR forms will be made available to applicable gaming departments.

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- 2) CTR forms will be completed in accordance with Title 31 and contain all required information.
- 3) When a patron or patron's agent completes or attempts to complete a Title 31 transaction that would cause the patron's transactions to exceed \$10,000 in the gaming operations twenty-four (24) hour gaming day, the employee handling the transaction will initiate the procedures for the reporting requirements of Title 31 by obtaining the patron's name, social security number, permanent address and appropriate identification credential, examine the identification credential, including the expiration date, and verify the patron's identity to the fullest extent possible.
- 4) As an option to requesting the necessary identification and other data from an established patron or patron's agent, information on file may be used if:
  - a) the handler of the transaction knows the patron;
  - b) the patron's name and appropriate identification credential were obtained from the patron for a previous transaction;
  - c) the information is on file to complete a CTR;
  - d) the patron information on file is periodically updated with current expiration dates of identification credentials and documentation of their examination of original identification credentials; and
  - e) The information is reported on the CTR.
- 5) The transaction will be terminated in any situation where the identification requirements cannot be completed.
- 6) After completing the reportable transactions, all required information will be obtained for filing the CTR.
- 7) In any situation where identification requirements are not complied with, but the transaction was completed, the patron will be prohibited from further gaming and a CTR will be prepared. Once the required information is obtained to file an amended CTR, the prohibition may be removed.
- 8) The handler or supervisor of the transaction will forward the CTR and/or report to the Compliance Officer within twenty-four (24) hours after the end of the gaming day.
- 9) When two or more individuals act in concert to complete a reportable transaction, joint safekeeping accounts, etc., the information from each individual will be included on the CTR.

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- 10) When a patron's agent or agents represent one or more individuals, then the patron's agent information in addition to the individual's information will be included on the CTR.
  - a) Where more than one patron's agent acts in behalf of an individual, currency in or currency out totaling more than \$10,000 during any gaming day will be aggregated.

#### VI. Multiple Transaction Log (MTL).

- 1) Multiple currency transactions totaling more than Ten Thousand Dollars (\$10,000.00) during any gaming day are reportable under Title 31. A separate record containing a list(s) of each transaction between the gaming operation and its patrons involving currency and having a value of Three Thousand Dollars (\$3,000.00) or more will be aggregated (kept track of) on an MTL in order to determine if the Ten Thousand Dollars (\$10,000.00) threshold has been attained. An MTL is a one-part log maintained in each monitoring area for purposes of recording currency transaction information.
- 2) "Currency in" transactions are to be aggregated (added to) only with other "currency in" transactions. "Currency out" transactions are only to be aggregated with other "currency out" transactions unless it is a currency exchange transaction. Currency exchange transactions are "currency for currency" transactions and are recorded as both currency in and currency out.
- 3) MTL's logging each currency transactions Three Thousand Dollars (\$3,000.00) or more will be maintained and aggregated for each gaming day.
- 4) MTL's will be located at monitoring areas within each department for this purpose, and are established at each single specific cage and at each specific gaming pit or grouping of tables supervised by an individual.
- 5) Alternately, an MTL may be assigned to any single cage cashier for each shift, provided the gaming operation has established controls to account for all MTL's issued/required each gaming day.
- 6) MTL's will contain the following information:
  - a) time, date, and amount of the transaction;
  - b) the name and SSN/TIN and /or other unique identification number used to establish the identity of the patron (if known);
  - c) type of transaction (currency in or currency out);
  - d) location where the transaction occurred;

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- e) signature and gaming operation agent identification number responsible for the accuracy of the record of the person recording each transaction;
- f) For each unknown patron:
  - (i) description of the patron, and agent if applicable, will include at a minimum, age, sex, race, eye color, hair, weight, and height; and
- g) Transactions logged will be placed on the list in the chronological order in which they occur.

7) A MTL is to be completed for each monitoring area and/or cage cashier during the gaming day, regardless of whether or not any reportable transactions have occurred. If no transactions have been reported during the designed twenty-four hours (24) period, an indication such as "no activity" is to be recorded on the MTL.

8) To prevent the circumvention of Title 31, gaming operation agents in each monitoring area during each gaming day will:

- a) maintain MTLs;
- b) immediately record reportable transactions on MTLs;
- c) Review the MTL to become familiar with descriptions of individuals whose transactions are being monitored;
- d) notify other personnel in the same monitoring area that the monitoring process has been initiated for a particular patron; and
- e) monitor patrons' transactions for possible reportable transactions.

9) For single table game chip redemption of \$3,000 or more, the cage will contact the pit to inquire if the patron's name is available.

10) At the conclusion of the gaming day, a new MTL is started and recording of information on the previous MTL will cease.

11) Review MTLs for accuracy and sign.

12) On a routine basis, no longer than twenty-four (24) hours after the end of a designated gaming day, MTLs will be submitted to the Compliance Officer to be reviewed for compliance and to complete any CTR reporting requirements.

## VII. Negotiable Monetary Instruments (Monetary Instrument Logs (MIL)).

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- 1) In addition to the MTL's the gaming operation will maintain a separate log that contains a chronological list of each transaction between the gaming operation and patrons involving the following types of instruments having a face value of \$3,000 or more:
  - a) personal checks (excluding instruments which evidence credit granted by a gaming operation strictly for gaming, such as markers);
  - b) business checks (including gaming operation checks);
  - c) official bank checks;
  - d) cashier's checks;
  - e) third-party checks;
  - f) promissory notes;
  - g) traveler's checks; and
  - h) Money orders.
- 2) The MIL log will include:
  - a) the time, date and amount of the transaction;
  - b) patron name;
  - c) permanent address of the patron;
  - d) type of instrument;
  - e) name of drawer or issuer of the instrument;
  - f) all reference numbers (e.g., gaming operation account number, personal check number, etc.);
  - g) name and gaming operation agent identification number of the gaming operation agent who completed the transaction; and
  - h) logged transactions will be placed on the log in the chronological order in which they occur.
- 3) At the conclusion of the gaming day, a new MIL is started and recording of information on the previous MIL will cease.

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- 4) On a routine basis, no longer than twenty-four (24) hours after the end of a gaming day, MILs will be submitted to the Compliance Officer to be reviewed for compliance and to complete any Title 31 reporting requirements.

#### VIII. Suspicious Activity Report (SAR).

- 1) Each gaming operation will file with FinCEN, to the extent and in the manner required, a report of any suspicious transaction that is relevant or that the gaming operation believes to be relevant to a possible violation of law or regulation.
- 2) A transaction requires reporting under the terms of this Section if it is conducted or attempted by, at, or through a gaming operation, and involves or aggregates at least Five Thousand Dollars (\$5,000.00) in funds or other assets, and the gaming operation knows, suspects, or has reason to suspect that the transactions (or pattern of transactions of which the transaction is a part):
  - a) Involves funds derived from illegal activity or is intended or conducted in order to hide or disguise funds or assets derived from illegal activity (including without limitation, the ownership, nature, source, location, or control of such funds or assets) as part of a plan to violate or evade any Federal law or regulation or to avoid any transaction reporting requirement under Federal law or regulation
  - b) Is designed whether through structuring or other means, to evade any requirements of this Section or of any regulations promulgated under the Bank Secrecy Act;
  - c) Has no business or apparent lawful purpose or is not the sort in which the particular patron would normally be expected to engage, and the gaming operation knows of no reasonable explanation for the transaction after examining facts, including background and possible purpose of the transaction; or
  - d) Involves use of the gaming operation to facilitate criminal activity.
- 3) A SAR form will contain the information required by Title 31 and any other available information that is requested on the form for all suspicious transactions. A completed SAR is considered a confidential document and the patron is not to be informed that a report was completed.
- 4) A Suspicious Activity Report (SAR) will be available within each department that may encounter suspicious activity.
- 5) When a gaming operation agent determines that a possible suspicious transaction has occurred, a report is prepared and submitted to the Compliance Officer within twenty-four (24) hours. The Compliance Officer will review each SAR and supporting documentation

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and determine whether or not a suspicious transaction has occurred that requires the SAR to be filed with FinCEN.

- 6) The Compliance Officer will be responsible for ensuring that the SAR form(s) are completed in accordance with Title 31 and contain the information required for all suspicious transactions reported.
- 7) The SAR will be filed with FinCEN as indicated in the instructions to the SAR.
- 8) A SAR will be filed no later than thirty (30) calendar days after the date of the initial detection by the gaming operation of facts that may constitute a basis for filing a SAR under this Section. If no suspect is identified on the date of such initial detection, a gaming operation may delay the filing of a SAR for an additional thirty (30) calendar days to identify a suspect, but in no case will reporting be delayed more than sixty (60) calendar days after the date of such initial detection.
- 9) A copy of the original SAR will be forwarded to the SNGA within the same filing timeframe as required by FINCEN. The gaming operation will make all original supporting documentation available for reviewing purposes upon request.
- 10) In situations involving violations that require immediate attention such as ongoing money laundering schemes, the gaming operation or designated individual will immediately notify by telephone an appropriate law enforcement authority in addition to filing a SAR within the specific time frames.
- 11) The gaming operation may also voluntarily report suspicious transactions that may relate to terrorist activity by calling FinCEN's hotline at 1-866-556-3974 in addition to filing a SAR within the timely specified above.
- 12) The gaming operation is not required to file a SAR for a robbery or burglary committed or attempted that is reported to appropriate law enforcement authorities.
- 13) Supporting documentation will be identified as such and maintained by the gaming operation, and will be deemed to have been filed with the SAR. A gaming operation will make all supporting documentations available to SNGA, FINCEN, appropriate law enforcement agencies, and/or Federal/State gaming regulatory authority that examines the gaming operation for compliance with the Bank Secrecy Act.
- 14) SAR's are considered confidential documents and will not be disclosed with any individual not authorized or privy to the information contained therein (e.g., law enforcement, SNGA, designated compliance personnel, etc.).
- 15) No gaming operation, director, officer, employee, or agent of any gaming operation will disclose a SAR or any information that would reveal the existence of a SAR.

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- 16) Any gaming operation director, officer, employee, or agent that is subpoenaed or otherwise requested to disclose a SAR or any information that would reveal the existence of a SAR, will decline to produce the SAR or such information, citing this Section and 31 U.S.C. 5318(g)(2)(A)(i), and will notify FinCEN of any such request and the response thereto.

#### **IX. Player Tracking Records.**

- 1) Player tracking records may be used as source documents for documenting currency activity to comply with Title 31.
- 2) Summary documents may be retained in lieu of original player tracking records if:
  - a) the summary documents include at a minimum, on a daily basis, all the currency transaction information recorded on the original player tracking records;
  - b) original player tracking records are retained for a minimum of seven days; and
  - c) both original and summary player tracking records are retained when the records are used as support to a SAR.
- 3) All safekeeping deposits and withdrawals of \$3,000 or more must be re-corded on a receipt with the date, time, patron name, patron permanent address, social security number and the type and amount of transaction.
- 4) The nature of any non-currency deposit must be documented on the receipt form.

#### **X. Foreign Currency Transactions.**

- 1) Patrons using foreign currency must be tracked by equivalent threshold level in U.S. currency of \$3,000 and a CTR must be completed for a patron who has exceeded \$10,000.
- 2) A foreign patron may use his or her passport and another appropriate identification. The second form of identification must be the equivalent type of U.S. identification approved by FinCEN and the IRS, such as a driver's license, military ID, etc. at least one form of identification must contain a photograph.

#### **XI. Office of Foreign Assets Control (OFAC).**

- 1) The gaming operation must establish procedures for compliance with OFAC's prohibition of organizations doing business in the United States from conducting transactions with individuals, businesses, governments, and countries identified on OFAC's SDN List and must include the following:

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- a) Searching the SDN List manually or automated to ensure the gaming operation is not conducting business with individuals on the SDN List;
- b) Handling situations if a patrons name appears on the SDN List;
- c) Submittal of a Report of Blocked Transactions form to OFAC for rejected transactions; and
- d) Conducting a risk assessment to determine gaming operations high-risk transactions requiring a SDN List search.

### **XII. Record Retention**

- 1) A copy of any completed form required to be filed under this Section must be retained, along with all original business records and/or any supporting documentation, in chronological order for five (5) years from the date of filing and must be readily available for inspection. Summary documents may be used for inspection purposes provided original documentation can be retrieved, upon request, within three (3) business days.
- 2) Each completed form maintained for recordkeeping purposes under this Section must be retained in chronological order for a minimum of five (5) years from the date prepared and must be readily available for inspection. Summary documents may be used for inspection purposes provided original documentation can be retrieved, upon request, within three (3) business days.
- 3) All computerized programs which would enable a person to access and review the records described in this Section or the use of any storage media to meet the retention requirements of this Section must be approved by the SNGA.
- 4) All indexes, books, programs, record layouts, manuals, formats, instructions, file descriptions, and similar materials must be submitted and on file with the SNGA.

### **XIII. Training Program.**

- 1) A comprehensive written Title 31 training program must be established by the gaming operation and maintained to instruct employees as to the requirements of Title 31, the financial transaction reporting requirements, and the gaming operations system of internal control.
- 2) Records must be maintained to document when training was provided, the gaming operation agents receiving the training, and the content of the training session.

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- 3) Gaming operation agents must receive and pass a comprehensive training before they are permitted to function in any capacity that may include Title 31 reporting, record keeping, and compliance.
- 4) Additional Title 31 training for these employees must be provided annually.
- 5) Training must include, but is not limited to:
  - a) Presenting materials such as a copy of Title 31, CTR, SAR, Title 31 transaction guidelines, MTL, etc., and any appropriate procedure manuals;
  - b) Reviewing and explaining the purpose, use and completion requirements of each Title 31 document and record and how they are used;
  - c) Explaining prohibited transactions, loggable transactions, reportable transactions and suspicious transactions;
  - d) Reviewing duties, responsibilities and procedures associated with each gaming operation agent's position;
  - e) Explaining the procedures for safe-keeping deposits, if applicable;
  - f) Reviewing the definition of a patron and "established patron," also known as "known patron" and when established patron information on file may be used on a CTR; and
  - g) Explaining the consequences of noncompliance with Title 31.

## CHAPTER VII – COMPLIANCE

### I. General.

- A. The Seminole Nation Gaming Commission (SNGA) is required to establish, implement, and revise internal control standards pursuant to 25 CFR part 542 and 543 to ensure that gaming operations comply with the National Indian Gaming Commission's Minimum Internal Control Standards (MICS) and internal control standards or standards of operation required under any Tribal-State Gaming Compact(s) between the Seminole Nation and the State of Oklahoma.
- B. The MICS are minimum standards and the SNGA shall establish controls as defined within these Tribal Internal Control Standards (TICS) that do not exceed or conflict with the MICS or other regulations issued by the National Indian Gaming Commission, any Tribal-State Gaming Compact, or the Indian Gaming Regulatory Act as applicable.

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- C. If there is a direct conflict between an internal control standard established in a Tribal-State compact and a standard or requirement set forth in the MICS, then the internal control standard established in a Tribal-State compact should prevail. If an internal control standard in a Tribal-State compact provides a level of control that equals or exceeds the level of control under an internal control standard or requirement set forth in the MICS, then the Tribal-State compact standard shall prevail. If an internal control standard or a requirement set forth in the MICS provides a level of control that exceeds the level of control under an internal control standard established in a Tribal-State compact, then the internal control standard or requirement set forth in the MICS part shall prevail.
- D. Each Gaming operation is required and shall develop and implement a System of Internal Control Standards (SICS) that, at a minimum, complies with these Tribal Internal Control Standards and are approved by the SNGA.
- E. Failure to do so may subject the tribal operator of the operation and/or the management contractor to penalties under 25 USC 2713 or Seminole Nation law or regulation.
- F. Enforcement action by the NIGC will not be initiated without first informing the Seminole Nation and SNGA of deficiencies in the TICS or absence of SICS for its gaming operation(s) and allowing a reasonable period of time to address such deficiencies. Such prior notice and opportunity for corrective action are not required where the threat to the integrity of the operation is immediate and severe.
- G. Each gaming facility must comply with the standards applicable to their respective tiers.
- H. Nothing in these TICS shall be construed to grant to a state jurisdiction in Class II gaming or extend a state's jurisdiction in Class III gaming.

## II. Determination of Tier Level.

- A. Certain standards may be applicable in accordance with the gaming operation's tier level as established within Section 1 – Definitions for Tier A, Tier B, and Tier C.
- B. Determination of tier level will be made based upon the annual gross gaming revenues indicated within the gaming operations audited financial statements.
- C. 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.
- D. The SNGA may extend the deadline by an additional six (6) months, at its discretion, if written notice is provided to the NIGC no later than two weeks before the expiration of the nine (9) month period.
- E. All gaming operations that commence operations after the established effective date of the TICS, must comply with the TICS before commencement of operations

**III. Tribal Internal Control Standards**

- A. The SNGA must ensure that the Tribal Internal Control Standards (TICS) provide a level of control that does not exceed or conflict with the applicable standards set forth in the MICS and the Compact.
- B. The SNGA shall establish deadlines for compliance with these Tribal Internal Control Standards (TICS) and shall ensure compliance with those deadlines as set forth by the National Indian Gaming Commission (NIGC) and in accordance with the Seminole Nation gaming ordinance, Title 15 of Seminole Nation Code Annotated and shall establish, implement, and revise the control standards with this document as follows: Tribal Internal Control Standards shall:
  - 1. Provide a level of control that does not exceed or conflict with any Tribal-State Compact or the minimum standards set forth in 25 CFR Parts 542 and 543;
  - 2. Contain standards for currency transaction reporting that comply with IRS regulations and 31 CFR Chapter X; and
  - 3. Establish standards for games authorized that are not currently addressed.
- C. Any additional controls proposed by the SCA related to the implementation of any Tribal-State Gaming Compact(s) will be given good faith consideration. The SNGA shall notify the SCA of its response or action with respect to such proposals.
- D. The SNGA will provide a comment period for any proposed additions/revisions of the SNGA TICS prior to their implementation.

**IV. Variance Process for Gaming Operations.**

- A. SNGA may approve a variance from these standards for a gaming operation if it has determined that the variance (i.e. alternate standard) will achieve a level of security and integrity sufficient to accomplish the purpose of the standard it is to replace. A gaming operation may implement an alternate standard, in accordance with SNGA approval. Class II MICS variances are subject to the NIGC Chair's decision, pursuant to Section 2.5 of this part.
- B. For each enumerated standard, for which a licensed gaming operation seeks a variance, it shall submit to the SNGA a written request by management and a detailed report, which shall include the following:
  - 1. A detailed description of the variance; and
  - 2. An explanation of how the variance achieves a level of security, integrity, and control sufficient to accomplish the purpose of the standard it is to replace.

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- C. For each standard for which the SNGA approves a variance that may not comply specifically to a Class II standard/(s) promulgated by the NIGC in 25 CFR 543, the SNGA shall submit to the NIGC or directly to the Chairperson of the NIGC, within thirty (30) days, a detailed report from the SNGA authorizing the variance and the documentation submitted to and used by the SNGA in its determination and authorization of the variance as prescribed.
- D. In the event that the SNGA or the Seminole Nation Tribal Government chooses to submit an alternate standard request directly to the NIGC Chairperson for joint government to government review, the SNGA or Seminole Nation Tribal Government may do so without the approval requirement set forth in Section V.

#### V. NIGC Concurrence with a Class II MICS Variance

##### A. Review by Chairperson of the NIGC.

- 1. The Chairperson may approve or object to an alternate standards approved by the SNGA.
- 2. If the Chairperson approves the alternate standard, the gaming operation may continue to use it as authorized by the SNGA.
- 3. If the Chairperson objects, the operation may no longer use the alternate standard and must follow the relevant Class II MICS set forth.
- 4. Any objection by the Chairperson must be in writing and provide reasons that the alternate standard, as approved by the SNGA, does not provide a level of security or integrity sufficient to accomplish the purpose of the standard it is to replace.
- 5. If the Chairperson fails to approve or object in writing within 60 days after the date of receipt of a complete submission, the alternate standard is considered approved. The Chairperson may, upon notification to the SNGA, extend this deadline an additional sixty (60) days.

- B. Appeal of NIGC Chairperson's decision. The SNGA may appeal the Chair's decision pursuant to 25 CFR chapter III, subchapter H.
- C. The SNGA may choose to submit an alternate standard request directly to the Chairperson for joint government to government review.

#### VI. CPA Testing and Guidelines

- A. Consistent with 25 CFR 571.12 Audit Standards, an annual independent financial statement audit of the Tribe's gaming operations shall be conducted as prescribed by the SNGA,

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provided that the auditor **selected** by the SNGA, **six (6) months prior to the year end**, shall be a firm of known and demonstrable experience, expertise, and stature in conducting audits of this kind and scope. The audit shall examine revenues and expenses incurred in connection with the conduct of all gaming activities in accordance with generally accepted auditing standards and shall include, but not be limited to, those matters necessary to verify the determination of adjusted gross revenues and the basis of the payments made to the NIGC and to the State pursuant to the requirements set forth in the Tribal- State Compact. The audit shall be concluded within five (5) months following the close of each calendar year, provided that extensions may be requested by the SNGA. The audit report for the conduct of covered games shall be submitted to the SCA within thirty (30) days of completion. The auditors' work papers concerning covered games shall be made available to the SCA upon request.

- B. The Tribal Operator of the gaming operations and/or management contractor may include their respective corporate audit in conjunction with the audits required by the SNGA. For reporting purposes, the audit of the conduct of covered games, as specified by the Tribal-State Compact, shall be separately stated. Further, as part of the audit report, the independent CPA shall certify to the SNGA that, in the course of the audit, the auditor discovered no matters within the scope of the audit which were determined or believed to be in violation of any provision stated within the Tribal-State Compact.
- C. All gaming-related contracts that result in purchases of supplies, services, or concessions for more than \$25,000 in any year (except for contracts for professional legal or accounting services) shall be specifically included within the scope of the audit.
- D. Copies of the annual independent financial audit of the Tribe's gaming operations shall be submitted directly to the SNGA for distribution to the National Indian Gaming Commission and to the State Compliance Agency, in accordance with the Tribal-State Compact, within 120 days of the gaming operations fiscal year end.
- E. In conjunction with the annual independent financial statement audit, the independent certified public accountant (CPA) shall perform an assessment to verify that the gaming operation is in compliance with the MICS, and / or the Tribal Internal Control Standards (TICS) or SICS.
- F. An Independent CPA shall be engaged on an annual basis to perform "Agreed-Upon Procedures" to verify that the gaming operation is in compliance with the Tribal Internal Controls Standards (TICS) set forth in this document or a tribally approved variance thereto that has received NIGC concurrence (where applicable), the NIGC MICS, and the SICS where they provide the level of control required. The CPA shall report each event and procedure discovered by or brought to the CPAs attention that the CPA believes does not satisfy these standards or the Tribal approved variance that has received NIGC concurrence. The "Agreed Upon Procedures" may be performed in conjunction with the annual audit. The CPA shall report its findings to the SNGA, the Tribe, and to management. The SNGA shall submit two copies of the report to the NIGC within 120 days of the gaming operations fiscal year end. Throughout these regulations, the CPAs engagement and reporting are based on Statements on Standards for Attestation

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Engagements (SSAEs). If future revisions are made to the SSAEs or new SSAEs are adopted that are applicable to this type of engagement, the CPA is to comply with any new or revised professional standards in conducting engagements pursuant to these regulations and the issuance of the agreed-upon procedures report. The CPA shall perform the "Agreed- Upon procedures" in accordance with the following:

1. The CPA shall compare the Tribal Internal Control Standards (TICS) to the NIGC MICS to ascertain whether the criteria set forth in the NIGC MICS or NIGC approved variances are adequately addressed.
2. The CPA may utilize SNGA personnel to cross-reference the TICS to the NIGC MICS, provided the CPA performs a review of the work performed by SNGA personnel and assumes complete responsibility for the proper completion of the work product.
3. The CPA shall report each procedure discovered by or brought to the CPA's attention that the CPA believes does not satisfy the NIGC MICS requirements in part VI (F)(1) in this section.
4. As a prerequisite to the evaluation of the gaming operation's system of internal control standards (SICS), 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 operation's procedures in effect that demonstrate compliance.
5. The CPA shall complete the CPA NIGC MICS Compliance checklists or other comparable testing procedures. The checklists should measure compliance on a sampling basis by performing walk-throughs, observations and substantive testing. The CPA shall complete separate checklists for each gaming revenue center, cage and credit, internal audit, surveillance, information technology, drop and count, and complimentary services or items. 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). If the CPA determines that the internal audit procedures performed during the fiscal year have been properly completed, the CPA may rely on the work of the internal audit for the completion of the MICS checklists as they relate to the standards covered by this part.
6. The CPA shall 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: Gaming machine coin drop, gaming machine currency acceptor drop, table games drop, gaming machine coin count, gaming machine currency acceptor count, and table games count. The AICPA's "Audits of Casinos" Audit and

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Accounting Guide states that “observations of operations in the casino cage and count room should not be announced in advance \* \* \*” 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 SNGA to ensure proper identification of the CPA's personnel and to provide for their prompt access to the count rooms.

- b. The gaming machine coin count observation would include a weigh scale test of all denominations using pre-counted coin. The count would be in process when these tests are performed and would be conducted prior to the commencement of any other walkthrough procedures. For computerized weigh scales, the test can be conducted at the conclusion of the count, but before the final totals are generated.
- c. The checklists should provide for drop/count observations, inclusive of hard drop/count, soft drop/count and currency acceptor drop/count. The count room would not be entered until the count is in process and the CPA would not leave the room until the monies have been counted and verified to the count sheet by the CPA and accepted into accountability. If the drop teams are unaware of the drop observations and the count observations would be unexpected, the hard count and soft count rooms may be entered simultaneously. Additionally, if the gaming machine currency acceptor count begins immediately after the table games count in the same location, by the same count team, and using the same equipment, the currency acceptor count observation can be conducted on the same day as the table games count observation, provided the CPA remains until monies are transferred to the vault/cashier.
- d. Observations of the gaming operation's employees as they perform their duties.
- e. Interviews with the gaming operation's employees who perform the relevant procedures.
- f. Compliance testing of various documents relevant to the procedures. The scope of such testing should be indicated on the checklist where applicable.
- g. 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, is not required for the partial period.

G. Reliance on Internal Auditors. 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 parts VI (F)(6)(d, e and f) of this section, and for the completion of

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the checklists as they relate to the procedures covered therein, provided that the internal audit department can demonstrate to the satisfaction of the CPA that the requirements contained within – Internal Audit, as applicable, have been satisfied.

1. 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 6-month periods) encompassing a portion or all of the most recent business year has been properly completed. The CPA will apply the following Agreed-Up Procedures to the gaming operation's written assertion:
  - a. Obtain the internal audit department work-papers completed for a 12-month period (includes two 6-month periods) encompassing a portion or all of the most recent business year and determine whether the proper CPA NIGC MICS Compliance Checklists or other comparable testing procedures were included in the internal audit work papers 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 part VI (G)(1)(a) of this section, on a sample basis, re-perform the procedures included in the CPA NIGC MICS Compliance Checklists or other comparable testing procedures prepared by the internal audit department and determine if all instances of noncompliance noted in the sample were documented as such by the internal auditor(s). The CPA NIGC MICS Compliance Checklists or other comparable testing procedures for the applicable Drop and Count procedures are not included in the sample re-performance of procedures because the CPA is required to perform the Drop and Count observations under part VI (F)(6)(a) of this section of the Agreed-Upon Procedures. The CPAs sample shall comprise a minimum of 3 percent of the procedures required in each CPA NIGC MICS Compliance Checklist or other comparable testing procedures for the gaming machine and table game departments and 5 percent for the other departments completed by the internal audit department in compliance with the Section - Internal Audit TICS. The reperformance of the procedures is performed as follows:
    - i. 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 their checklist.
    - ii. For observations, the CPA should observe the same process as the internal auditor did for the procedure as indicated in their checklist.
    - iii. 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.

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- c. The CPA is to investigate and resolve any differences between their re-performance results and the internal audit results.
- d. Ensure that audit reports are completed and include responses from management.
- e. Verify that appropriate follow-up on audit findings has been conducted and necessary corrective measures have been taken to effectively mitigate the noted risks.
- f. Documentation is maintained for 5 years by the CPA indicating the procedures re-performed along with the results.
- g. When performing the procedures for part VI (G)(1)(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.
- h. Any additional procedures performed at the request of the NIGC, the SNGA, or management should be included in the Agreed-Upon Procedures report transmitted to the SNGA and subsequently to the NIGC.

H. Report Format. The NIGC has concluded that the performance of the 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 NIGC MICS, the SNGA TICS, and approved variances, provide a level of control that equals that of the established MICS. Accordingly, the Statements on Standards for Attestation Engagements (SSAEs) specifically SSAE 10, issued by the Auditing Standards Board is currently applicable. SSAE 10 provides current, pertinent guidance regarding agreed-upon procedures engagements, and the sample report formats included within those standards should be used, as appropriate, in the preparation of the CPAs agreed-upon procedures report. If future revisions are made to this standard or new SSAEs 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 NIGC will provide an Example Report and Letter Formats, upon request, that may be used and contain all of the information discussed as follows:

1. The report must describe all instances of procedural noncompliance regardless of materiality with the MICS or approved variations, and all instances where the SNGA TICS do not comply with the NIGC MICS. All noted instances of non-compliance with the MICS and/or the TICS or SICS, if they provide the same level of controls as the MICS, must be documented in the report with a narrative description, the number of exceptions, and sample size tested. 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

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instance of noncompliance noted in the CPAs agreed-upon procedures report, the following information must be included:

- a. The citation of the applicable MICS for which the instance of noncompliance was noted.
- b. A narrative description of noncompliance, including the number of exceptions and sample size tested.
2. [Reserved].

#### I. Report Submission Requirements

1. The CPA shall prepare a report of the findings for the SNGA, the Tribe and management. The SNGA shall submit 2 copies of the report to the NIGC no later than 120 days after the operation's business year. This report should be provided in addition to any other reports required to be submitted to the NIGC.
2. The CPA should maintain the work-papers supporting the report for a minimum of five years. Digital storage is acceptable. The NIGC may request access to these work-papers, through the Tribe.
3. CPA NIGC MICS Compliance Checklists. In connection with the CPA testing pursuant to this section and as referenced therein, NIGC will provide CPA MICS Compliance Checklists upon request.

## CHAPTER VIII – BINGO

### **Supervision.**

Supervision must be provided as needed for bingo operations by an agent(s) with authority equal to or greater than those being supervised.

#### I. Bingo Card Inventory.

- A. Physical bingo card inventory controls must address the placement of orders, receipt, storage, issuance, removal, and cancellation of bingo card inventory to ensure that:
  1. The bingo card inventory can be accounted for at all times; and,
  2. Bingo cards have not been marked, altered, or otherwise manipulated.
- B. When bingo card inventory is initially received from the supplier, it must be inspected (without breaking the factory seals, if any), counted, inventoried, and secured by an authorized agent.

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- C. Bingo card inventory records must include the date received, quantities received, and the name of the individual conducting the inspection.
- D. Bingo cards must be maintained in a secure location, accessible only to authorized agents, and with surveillance coverage adequate to identify persons accessing the storage area.
- E. For Tier A operations, bingo card inventory may be stored in a cabinet, closet, or other similar area; however, such area must be secured and separate from the working inventory.
- F. Controls must be established for the issuance and return of bingo card inventory. Records signed by the issuer and recipient must be created under the following events:
  - 1. Issuance of inventory from storage to a staging area;
  - 2. Issuance of inventory from a staging area to the cage or sellers;
  - 3. Return of inventory from a staging area to storage; and,
  - 4. Return of inventory from cage or seller to staging area or storage.
- G. Bingo cards removed from inventory that are deemed out of sequence, flawed, or misprinted and not returned to the supplier must be cancelled to ensure that they are not utilized in the play of a bingo game.
- H. Bingo cards that are removed from inventory and returned to the supplier or cancelled must be logged as removed from inventory.
- I. Bingo cards associated with an investigation must be retained intact outside of the established removal and cancellation policy.
- J. The inventory of bingo cards must be tracked and logged from receipt until use or permanent removal from inventory.
- K. The bingo card inventory record(s) must include:
  - 1. Date;
  - 2. Shift or session;
  - 3. Time;
  - 4. Location;
  - 5. Inventory received, issued, removed, and returned;
  - 6. Signature of agent performing transaction;
  - 7. Signature of agent performing the reconciliation;
  - 8. Any variance;
  - 9. Beginning and ending inventory; and,

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10. Description of inventory transaction being performed.

#### **II. Bingo Card Sales/Distribution.**

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

#### **III. Draw.**

- A. Controls must be established, and procedures implemented to ensure that all eligible objects used in the conduct of the bingo game are available to be drawn and have not been damaged or altered.
- B. Verification of physical objects must be performed by two agents before the start of the first bingo game/session. At least one of the verifying agents must be a supervisory agent or independent of the bingo games department.
- C. Where the selection is made through an electronic aid, certification in accordance with 25 CFR 547.14 is acceptable for verifying the randomness of the draw and satisfies the requirements of paragraph III (A)–(B) of this section.

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- D. Controls must be established, and procedures implemented to provide a method of recall of the draw, which includes the order and identity of the objects drawn, for dispute resolution purposes.
- E. Controls must be established, and procedures implemented to ensure that:
  - 1. The identity of each object drawn is accurately recorded and transmitted to the participants. The procedures must identify the method used to ensure the identity of each object drawn.
  - 2. For all games offering a prize payout of \$1,200 or more, as the objects are drawn, the identity of the objects are immediately recorded and maintained for a minimum of 24 hours.

#### **IV. Prize Payouts.**

- A. Controls must be established, and procedures implemented for cash or cash equivalents that address the following:
  - 1. Identification of the employee authorized (by position) to make a payout;
  - 2. Predetermined payout authorization levels (by position) to make a payout; and,
  - 3. Documentation procedures ensuring separate control of the cash accountability functions.
- B. Controls must be established, and procedures implemented to verify that the following is valid for the game in play prior to payment of a winning prize:
  - 1. Winning card(s);
  - 2. Objects drawn; and,
  - 3. The previously designated arrangement of numbers or designations on such cards, as described in 25 U.S.C. 2703(7)(A).
- C. At least two agents must verify that the card, objects drawn, and previously designated arrangement were valid for the game in play.
- D. Where an automated verification method is available, verification by such method is acceptable.
- E. For manual payouts, at least two agents must determine the validity of the claim and verify that the winning pattern has been achieved on the winning card prior to payment of a prize.
- F. For manual payouts, a computer validation/verification system may serve as one of the validators/verifiers.
- G. For automated payouts, the system may serve as the sole validation/verification method.

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- H. At least two agents must authorize, sign, and witness all manual prize payouts above \$1,200, or a lower threshold as authorized by management and approved by SNGA.
- I. Manual prize payouts above the following threshold (or a lower threshold, as authorized by management and approved by SNGA) must require one of the two signatures and verifications to be a supervisory or management employee independent of the operation of Class II Gaming System bingo:
  - 1. Five Thousand Dollars (\$5,000) for a Tier A facility;
  - 2. Ten Thousand Dollars (\$10,000) for a Tier B facility;
  - 3. Twenty Thousand Dollars (\$20,000) for a Tier C facility; or,
  - 4. Fifty Thousand Dollars (\$50,000) for a Tier C facility with over \$100,000,000 in gross gaming revenues.
- J. A computer validation/verification system may substitute for one authorization/signature verifying, validating or authorizing a winning card, but may not substitute for a supervisory or management authorization/signature.
- K. The predetermined thresholds, whether set at the TICS level or lower, must be authorized by management, approved by SNGA, documented, and maintained.
- L. Payout records, including manual payout records, must include the following information:
  - 1. Date and time;
  - 2. Amount of the payout (alpha & numeric for player interface payouts); and,
  - 3. Bingo card identifier or player interface identifier;
  - 4. Game name or number;
  - 5. Description of the pattern covered (e.g. cover-all or four corners);
  - 6. Signature of all, but not less than two, agents involved in the transaction;
  - 7. For override transactions, verification by a supervisory or management agent independent of the transaction; and,
  - 8. Any other information necessary to substantiate the payout.
- M. Cash payout limits shall be established with the Gaming machine payout standards in Section ? – Financial Instruments.

## V. Technological Aids and Bingo Equipment.

- A. Controls must be established, and procedures implemented to safeguard the integrity of technological aids and bingo equipment used in the play of bingo during installations, operations, modifications, removal and retirements.
- B. Such procedures must include the following:
  - 1. Shipping and receiving;
  - 2. Access credential control methods;

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3. Recordkeeping and audit processes;
4. Software system signature verification;
5. Installation testing;
6. Display of rules and necessary disclaimers; and
7. Dispute resolution procedures.

C. All Class II gaming equipment must comply with 25 CFR part 547, Minimum Technical Standards for Gaming Equipment Used with the Play of Class II Games.

D. The SNGA must approve technological aids before they are utilized with or in conjunction with the play of bingo games.

E. Technological aids and certain bingo equipment used in live bingo are subject to the standards in - Gaming Systems in regard to Independent Testing Lab (ITL) certification, SNGA approval, installations, operations, modifications, removal and retirement (as applicable).

F. For equipment malfunctions, procedures must be implemented to investigate, document, and resolve malfunctions. Such procedures must address the following:

1. Determination of the event causing the malfunction;
2. Review of relevant records, game recall, reports, logs, surveillance records;
3. Repair or replacement of the component or equipment; and,
4. Verification of the integrity of the component or equipment before restoring to operation.

G. Procedures must be implemented to retire or remove any or all associated components of a Class II gaming system from operation. Procedures must include the following:

1. For related equipment such as blowers, cards, interface cards:
  - a. Remove and/or secure equipment; and
  - b. Document the removal/securing of equipment.
2. [Reserved].

H. Class II gaming system bingo card sales. In order to adequately record track and reconcile sales of bingo cards, the following information must be documented from the server (this is not required if the system does not track the information, but the system limitation(s) must be noted):

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

## VI. Variances.

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The operation must establish, as approved by the SNGA, the threshold level at which a variance, including deviations from the mathematical expectations required by 25 C.F.R. 547.4, will be reviewed to determine the cause. Any such review will be documented.

## CHAPTER IX – CASINO INSTRUMENTS

For this section only, credit or customer credit means a unit of value equivalent to cash or cash equivalents deposited, wagered, won, lost, or redeemed by a customer. Coins shall include tokens.

### Gaming Machine Prize Payouts.

- A. Controls must be established, and procedures implemented for cash or cash equivalents that address the following:
  1. Identification of the agent authorized (by position) to make a payout;
  2. Predetermined payout authorization levels (by position); and
  3. Documentation procedures ensuring separate control of the cash accountability functions.
- B. For jackpot documentation shall include the following information:
  1. Date and time;
  2. Machine number;
  3. Dollar amount of cash payout (both alpha and numeric) or description of personal property awarded, including fair market value. Alpha is optional if another unalterable method is used for evidencing the amount of the payout;
  4. For Covered game jackpots, game outcome (including reel symbols, card values, suits, etc.), and for manual Class II prize payouts, description of pattern covered, such as cover-all or four corners;
  5. Game outcome is not required if a computerized jackpot/fill system is used;
  6. Preprinted or concurrently printed sequential number;
  7. Verification, Authorization, and Signatures.
  8. Signatures of at least two (2) employees verifying and witnessing the payout or gaming machine fill except as otherwise provided in Section 11.1(B); and
  9. For all games offering a prize payout of \$1,200 or more, as the objects are drawn, the identity of the objects is immediately recorded. Such records must be maintained for a minimum of 24 hours.
- C. Jackpot payouts over a predetermined amount shall require the signature and verification of a supervisory or management employee independent of the gaming machine department (in addition to the two signatures required in paragraph (B)(7) of this

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section). Alternatively, if an on-line accounting system is utilized, only two signatures are required: one employee and one supervisory or management employee independent of the gaming machine department. This predetermined amount shall be authorized by management (as approved by the SNGA), documented, and maintained. On graveyard shifts (eight-hour maximum) payouts/fills less than \$100 can be made without the payout/fill being witnessed by a second person. With regard to jackpot payouts and hopper fills, the signature of one employee is sufficient if an on-line accounting system is utilized and the jackpot or fill is less than \$1,200.

- D. For short pays of \$10.00 or more, and payouts required for accumulated credits, the payout form shall include the following information:
  - 1. Date and time;
  - 2. Machine number;
  - 3. Dollar amount of payout (both alpha and numeric); and,
  - 4. The signature of at least one (1) employee verifying and witnessing the payout. Where the payout amount is \$50.00 or more, signatures of at least two (2) employees verifying and witnessing the payout. Alternatively, the signature of one (1) employee is sufficient if an on-line accounting system is utilized and the payout amount is less than \$3,000.
  - 5. For automated payouts, the system may serve as the sole validator of the claim/verifier that a winning pattern has been achieved.
  - 6. For override transactions, verification by a supervisory or management agent independent of the transaction; and
  - 7. Any other information necessary to substantiate the payout.
- E. For manual payment of a voucher of \$500 or more, require a supervisory employee to verify the validity of the voucher prior to payment.
- F. Manual prize payouts above the following threshold (or a lower threshold, as authorized by management and approved by SNGA) must require one of the two signatures and verifications to be a supervisory or management employee independent of the operation of Gaming Systems:
  - 1. Five Thousand Dollars (\$5,000) for a Tier A facility;
  - 2. Ten Thousand Dollars (\$10,000) for a Tier B facility;
  - 3. Twenty Thousand Dollars (\$20,000) for a Tier C facility; or,
  - 4. Fifty Thousand Dollars (\$50,000) for a Tier C facility with over \$100,000,000 in gross gaming revenues.
- G. Computerized jackpot/fill systems shall be restricted so as to prevent unauthorized access and fraudulent payouts by one person as required by -Information Technology of this document.

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- H. Payout forms shall be controlled and routed in a manner that precludes any one (i) person from producing a fraudulent payout by forging signatures or by altering the amount paid out subsequent to the payout and misappropriating the funds.

#### Gaming Machine Promotional Payouts or Awards.

If a gaming operation offers promotional payouts or awards that are not reflected on the gaming machine pay table, then the payout form/documentation shall include:

- A. Date and time;
- B. Machine number and denomination;
- C. Dollar amount of payout or description of personal property (e.g., jacket, toaster, car, etc.) including fair market value;
- D. Type of promotion (e.g., double jackpots, four-of-a-kind bonus, etc.);
- E. Signature of at least one employee authorizing and completing the transaction.

#### Promotional Payouts, Drawings, and Giveaway Programs.

The following procedures must apply to any payment resulting from a promotional payment, drawing, or giveaway program disbursed by the cage department or any other department. This section does not apply to payouts for card game promotional pots and/or pools.

- A. All payments must be documented to support the cage accountability.
- B. Payments above \$600 (or lesser amount as approved by SNGA) must be documented at the time of the payment, and documentation must include the following:
  - 1. Date and time;
  - 2. Dollar amount of payment or description of personal property (e.g. car);
  - 3. Reason for payment (e.g. name of promotion);
  - 4. Customer's name and confirmation that identity was verified (drawings only); and,
  - 5. Signature(s) of at least two agents verifying, authorizing, and completing the promotional payment with the patron. For computerized systems that validate and print the dollar amount of the payment on a computer-generated form, only one signature is required.

#### Cash-out Tickets/Vouchers.

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

- A. Gaming machine accounting and auditing procedure standards in – Gaming Systems of this document shall apply.

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- B. For cash-out tickets/vouchers, controls must be established and procedures implemented that include these standards.
- C. On a quarterly basis, the gaming operation shall foot all jackpot cash-out tickets equal to or greater than \$1,200 and trace totals to those produced by the host validation computer.
- D. The customer may request a cash-out ticket from the gaming machine that reflects all remaining credits. The cash-out ticket shall be printed at the gaming machine by an internal document printer. The cash-out ticket/vouchers shall be valid for a time period specified by the SNGA, or the gaming operation as approved by the SNGA. Cash-out tickets may be redeemed for payment or inserted in another gaming machine and wagered, if applicable, during the specified time period.
- E. The customer shall redeem the cash-out ticket/voucher at a cashier's station where it can be validated. Alternatively, if a gaming operation utilizes a remote computer validation/redemption system (e.g. electronic kiosk), the SNGA, or the operation as approved by the SNGA, shall develop alternate standards for the maximum amount that can be redeemed, which shall not exceed \$2,999.99 per cash-out transaction.
- F. Upon presentation of the cash-out ticket/voucher for redemption, the following shall occur:
  - 1. Scan the bar code via an optical reader or its equivalent; or,
  - 2. Input the cash-out ticket/voucher validation number into the computer.
- G. The information in paragraph F of this section shall be communicated to the host computer. The host computer shall verify the authenticity of the cash-out ticket/voucher and communicate directly to the cashier (redeemer).
- H. If valid, the cashier (redeemer of the cash-out ticket) pays the customer the appropriate amount and the cash-out ticket is electronically noted "paid" in the system. The "paid" cash-out ticket shall remain in the cashier's bank for reconciliation purposes. The host validation computer system shall electronically reconcile the cashier's banks for the paid cashed-out tickets.
- I. For manual payment of a cash-out ticket/voucher of \$500 or more, requires a supervisory employee to verify the validity of the cash-out ticket prior to payment.
- J. The "paid" cash-out ticket(s)/voucher(s) shall remain in the cashier's bank for reconciliation purposes.
- K. If invalid, the host computers shall notify the cashier (redeemer). The cashier (redeemer) shall refuse payment to the customer and notify a supervisor of the invalid condition. The supervisor shall resolve the dispute.
- L. If the host validation computer system temporarily goes down, cashiers may redeem cash-out tickets at a cashier's station after recording the following:
  - 1. Serial number of the cash-out ticket;
  - 2. Date and Time;
  - 3. Dollar amount;
  - 4. Issuing gaming machine number;

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- 5. Marking ticket "paid"; and,
- 6. The ticket shall remain in cashier's bank for reconciliation purposes.
- 7. Cash-out tickets shall be validated as expeditiously as possible when the host validation computer system is restored. All cash-out tickets must be validated and recorded by the computer system.
- 8. If the host validation computer system is down for more than four (4) hours, the gaming operation shall promptly notify the SNGA or its designated representative.

M. Unredeemed cash-out tickets/vouchers can only be voided in the voucher system by supervisory agents. The accounting department will maintain the voided cash-out ticket/voucher, if available.

N. The SNGA or the gaming operations as approved by the SNGA, shall establish and comply with procedures to control cash-out ticket paper, which shall include procedures that:

- 1. Mitigate the risk of counterfeiting of cash-out ticket paper;
- 2. Adequately control the inventory of the cash-out ticket paper;
- 3. Provide for the destruction of all unused cash-out ticket paper; and,
- 4. Alternatively, if the gaming operation utilizes a computer validation system, this standard shall not apply.

O. Gaming machine systems that utilize cash-out tickets shall comply with all other standards (as applicable) in this TICS, including:

- 1. Standards for bill acceptor drop and count;
- 2. Standards for coin drop and count; and
- 3. Standards concerning EPROMS or other equivalent game software media.

P. Controls must be established and procedures implemented to:

- 1. Verify the authenticity of each voucher redeemed.
- 2. If the voucher is valid, verify that the patron is paid the appropriate amount.
- 3. Document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated such as a mutilated, expired, lost or stolen voucher.
- 4. Retain payment documentation for reconciliation purposes.
- 5. For manual payment of a voucher of \$500 or more, require a supervisory employee to verify the validity of the voucher prior to payment.

Patron accounts and cashless systems.

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- A. Supervision. Supervision must be provided as needed for patron deposit accounts and cashless systems by an agent(s) with authority equal to or greater than those being supervised.
- B. 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.
- C. Establishment of patron deposit accounts. The following standards apply when a patron establishes an account.
  - 1. The patron must appear at the gaming operation in person, at a designated area of accountability, and present valid government issued picture identification; and,
  - 2. An agent must examine the patron's identification and record the following information:
    - a. Type of identification credential examined;
    - b. The credential number;
    - c. The expiration date of credential; and,
    - d. Patron's name;
    - e. A unique account identifier;
    - f. Date the account was opened; and,
    - g. The agent's name.
  - 3. The patron must sign the account documentation before the agent may activate the account.
  - 4. The agent or cashless system must provide the patron deposit account holder with a secure method of access.
- D. Patron deposits, withdrawals and adjustments.
  - 1. Prior to the patron making a deposit or withdrawal from a patron deposit account, the agent or cashless system must verify the patron deposit account, identity of the patron and availability of funds. Reliance on a secured Personal Identification Number (PIN) entered by the patron is an acceptable method of verifying identification.
  - 2. Adjustments made to the patron deposit accounts must be performed by an agent.
  - 3. When a deposit, withdrawal, or adjustment is processed by an agent, a transaction record must be created containing the following information:
    - a. Same document number on all copies;
    - b. Type of transaction, (deposit, withdrawal, or adjustment);
    - c. Name of other identifier of the patron;

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- d. The unique account identifier;
- e. Patron signature for withdrawals, unless a secured method of access is utilized;
- f. For adjustments to the account, the reason for the adjustment;
- g. Date and time of transaction;
- h. Amount of transaction;
- i. Nature of deposit, or withdrawal, or adjustment (e.g., cash, check, chips); and,
- j. Signature of the agent processing the transaction.

4. When a patron deposits or withdraws funds from a patron deposit account electronically, the following must be recorded:

- a. Date and time of transaction;
- b. Location (gaming machine/player interface, kiosk);
- c. Type of transaction (deposit, withdrawal);
- d. Amount of transaction; and,
- e. The unique account identifier.

E. Patron deposit account transaction records must be available to the patron upon reasonable request.

F. If electronic funds transfers are made to or from a gaming operation bank account for patron deposit account funds, the bank account must be dedicated and may not be used for any other types of transactions.

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

#### Account Access Cards.

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

#### A. Equipment.

- 1. A central computer, with supporting hardware and software, to coordinate network activities, provide system interface, and store and manage a player/account database.
- 2. A network of contiguous player terminals with touchscreen or button controlled video monitors connected to an electronic selection device and the central computer via a communications network.

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3. One or more electronic selection devices, utilizing random number generators, each of which selects any combination or combinations of numbers, colors, and/or symbols for a network of player terminals.

B. Player terminal standards.

1. The player terminals are connected to a game server.
2. The game server shall generate and transmit to the bank of player terminals a set of random numbers, colors, and/or symbols at regular intervals. The subsequent game results are determined at the player terminal and the resulting information is transmitted to the account server.
3. The game server shall be housed in a game server room or a secured locked cabinet.

C. Customer account maintenance standards.

1. A central computer acting as an account server shall provide customer account maintenance and the deposit/withdrawal function of those account balances.
2. Customers may access their accounts on the computer system by means of an account access card at the player terminal. Each player terminal may be equipped with a card reader and PIN pad or touch screen array for this purpose.
3. All communications between the player terminal, or bank of player terminals, and the account server shall be encrypted for security reasons.

D. Customer account generation standards.

1. A computer file for each customer shall be prepared by a clerk, with no incompatible functions, prior to the customer being issued an account access card to be utilized for machine play. The customer shall select his/her PIN to be used in conjunction with the account access card.
2. For each customer file, an employee shall:
  - a. Record the customer's name and current address,
  - b. The date the account was opened; and,
  - c. At the time the initial deposit is made, account opened, or credit extended, the identity of the customer shall be verified by examination of a valid driver's license or other reliable identity credential.
3. The clerk shall sign-on with a unique password to a terminal equipped with peripherals required to establish a customer account. Passwords are issued and can only be changed by information technology personnel at the discretion of the Department director and in accordance with – Information Technology.
4. After entering a specified number of incorrect PIN entries at the cage or player terminal, the customer shall be directed to proceed to the appropriate station to obtain a new PIN. If the customer forgets, misplaces or requests a change to their PIN, the same procedures shall apply.

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#### E. Deposit of credits standards.

1. The cashier shall sign-on with a unique password to a cashier terminal equipped with peripherals required to complete the credit transactions(s). Passwords are issued and can only be changed by information technology personnel at the discretion of the Department director and in accordance with – Information Technology.
2. The customer shall present cash, chips, coin, or cash equivalents, or coupons along with their account access card to a cashier to deposit credits.
3. The cashier shall complete the transaction by entering an account number or utilizing a card scanner that the cashier shall slide the customer's account access card through.
4. The cashier shall accept the funds from the customer and enter the appropriate amount on the cashier terminal.
5. A multi-part deposit slip shall be generated by the point-of-sale receipt printer with the following steps:
  - a. The cashier shall direct the customer to sign the deposit slip receipt,
  - b. One copy of the deposit slip shall be given to the customer; and,
  - c. The other copy of the deposit slip shall be secured in the cashier's cash drawer.
6. The cashier shall verify the customer's balance before completing the transaction. The cashier shall secure the funds in their cash drawer and return the account access card to the customer.
7. Alternatively, if a kiosk is utilized to accept a deposit of credits, the SNGA or the gaming operation as approved by the SNGA shall establish and comply with procedures that safeguard the integrity of the kiosk system.

#### F. Prize standards.

1. Winners at the gaming machines may receive cash, prizes redeemable for cash or merchandise.
2. If merchandise prizes are to be awarded, the specific type of prize or prizes that may be won shall be disclosed to the player before the game begins.
3. The redemption period of account access cards, as approved by the SNGA, shall be conspicuously posted in the gaming operation.

#### G. Credit withdrawal. The customer shall present their account access card or ticket to the cashier to withdraw their credits. The cashier shall perform the following:

1. Scan the account access card;
2. Request the customer to enter their PIN, if the PIN was selected by the customer;

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

#### Smart Cards.

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

#### Coupon Standards.

Any program for the exchange of coupons for chips, tokens, and/or another coupon program shall be approved by the SNGA prior to implementation. If approved, the gaming operation shall establish and comply with procedures that account for and control such programs.

## CHAPTER X – GAMING MACHINES

### I. General Gaming System Standards.

- A. Controls must be established, and procedures implemented to safeguard the integrity of gaming machines/player interfaces and components during procurement, installation, operation maintenance, modifications, and removal and/or retirement of gaming machines/player interfaces and related gaming systems, including the requirements for interior access and the security of system software.

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- B. Such controls and procedures must incorporate the standards listed in this section and related standards of operation required under SNGA Rules & Regulations.
- C. For this section only, credit or customer credit means a unit of value equivalent to cash or cash equivalent deposited, wagered, won, lost, or redeemed by a customer.

#### II. **Certification and Approval.**

- A. Any manufacturer, distributor, or supplier of a gaming system(s) for purchase, lease, or any other use or storage at any licensed gaming facility must submit a completed vendor license application and licensure fee to the SNGA and receives a vendor license from the SNGA, prior to the sale, lease and delivery of any gaming system(s).
- B. An Independent test laboratory is a laboratory agreed to and designated in writing by the SNGA as competent and qualified to conduct scientific tests and evaluations on electronic gaming systems, devices, and related equipment.
- C. Per Tribal-State Compact, only a nationally recognized laboratory may be used to conduct and evaluate gaming systems used for certification of compact games.
- D. All Class II gaming equipment must comply with 25 CFR Part 547, Minimum Technical Standards for Gaming Equipment Used with the Play of Class II Games.
- E. All gaming systems and related equipment, including system interfaces used for accounting and player tracking purposes must be approved by the SNGA, which may also require certification by a gaming laboratory.

#### III. **Security of System Software.**

- A. Procedures must be implemented for system software verifications. These procedures must include comparing signatures generated by the verification programs required by 25 CFR 547.8, to the signatures provided in the independent test laboratory letter for that software version.
- B. An employee independent of the gaming machine operation must perform system software signature verification(s) to verify that only approved software is installed.
- C. Procedures must be implemented for investigating and resolving any software verification variances.
- D. At least annually, procedures shall be performed to ensure the integrity of a sample of gaming machine game program EPROMs, or other equivalent game software media, by personnel independent of the gaming machine department or the machines being tested.
- E. The SNGA, or the gaming operation subject to the approval of the SNGA, shall develop and implement procedures for the following:

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1. Removal of EPROMs, or other equivalent game software media, from devices, the verification of the existence of errors as applicable, and the correction via duplication from the master game program EPROM, or other equivalent game software media;
2. Copying one gaming device program to another approved program;
3. Verification of duplicated EPROMs, game program or other equivalent game software media before being offered for play;
4. Receipt of EPROMs, or other equivalent game software media; and,
5. Securing the EPROM, game program or other equivalent game software media, duplicator, and master game EPROMs, or other equivalent game software media, from unrestricted access.

F. The master game program number, par percentage, and the pay table shall be verified to the par sheet when initially received from the manufacturer.

G. Gaming machines with potential jackpots in excess of \$100,000 shall have the game software circuit boards locked or physically sealed. The lock or seal shall necessitate the presence of a person independent of the gaming machine department to access the device game program EPROM, or other equivalent game software media. If a seal is used to secure the board to the frame of the gaming device, it shall be pre-numbered.

H. Records that document the procedures in paragraph (E) (1) of this section shall include the following information:

1. Date;
2. Machine number (source and destination);
3. Manufacturer;
4. Program number;
5. Personnel involved;
6. Reason for duplication;
7. Disposition of any permanently removed EPROM, or other equivalent game software media;
8. Seal numbers, if applicable; and,
9. Approved testing lab approval numbers, if available.

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- I. EPROMS, or other equivalent game software media, returned to gaming devices shall be labeled with the program number. Supporting documentation shall include the date, program number, information identical to that shown on the manufacturer's label, and initials of the person replacing the EPROM, or other equivalent game software media.

#### IV. Installation.

- A. The SNGA shall establish procedures governing the shipping, receiving, and installation of all hardware and software components. Such procedures shall include:
  1. A communications procedure between the supplier, the gaming operation, and the SNGA to properly control the shipping and receiving of all software and hardware components. Such procedures shall include:
    - a. Notification of pending shipments made by the gaming operation;
    - b. Certification in accordance with all applicable technical standards;
    - c. Notification from the supplier to the SNGA, or the gaming operation as approved by the SNGA, of the shipping date and expected date of delivery. The shipping notification shall include, but is not limited to:
      - (i) Name and address of the supplier;
      - (ii) Description of the shipment;
      - (iii) A serial number (as applicable);
      - (iv) For software: software version and description of software;
      - (v) Method of shipment; and,
      - (vi) Expected date of delivery.
  2. A procedure for the exchange of gaming system components for maintenance and replacement.
  3. The SNGA or designee must receive all gaming system components and game play software packages and verify the contents against the shipping notification.
  4. Gaming system components must be shipped in a secure manner to deter unauthorized access.
  5. Upon delivery of any gaming devices to any licensed facility, no one shall break the seal of any delivery, nor shall any device be removed from the shipping container without the physical presence and/or authorization of a SNGA agent.

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- B. Controls must be established to restrict access to the Class II gaming system components, as set forth in – Information Technology.
- C. The **Gaming Operation** must maintain the following records, as applicable, related to installed gaming servers and player interfaces:
  - 1. Facility;
  - 2. Date placed into service;
  - 3. Date made available for play;
  - 4. The name of the Supplier and/or Vendor;
  - 5. The gaming facility's Asset Identification number assigned to each machine;
  - 6. Floor location;
  - 7. The manufacturer's serial number(s);
  - 8. The game title(s) (or similar identifying information) available on each machine;
  - 9. Software version;
  - 10. Software media seal number(s);
  - 11. Initial meter readings.

## **V. Installation Testing**

- A. Only SNGA authorized or approved gaming systems and modifications may be installed.
- B. Testing must be completed during the installation process to verify that the player interface has been properly installed. This must include testing the following, as applicable:
  - 1. Communication with the Class II gaming system;
  - 2. Communication with the accounting system;
  - 3. Communication with the player tracking system;
  - 4. Currency and vouchers/cash-out tickets to bill acceptor;
  - 5. Voucher/cash-out tickets printing;

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6. Meter incrementation;
7. Pay table, for verification;
8. Player interface/gaming machine denomination, for verification;
9. All buttons, to ensure that all are operational and programmed appropriately;
10. System components, to ensure that they are safely installed at location; and,
11. Locks, to ensure that they are secure and functioning.

C. Records must be kept of all new installations and/or modifications to gaming systems. These records must include, at a minimum:

1. The date of the installation or modification;
2. The nature of the installation or change such as new software, server repair, significant configuration modifications;
3. Evidence of verification that the installation or the modifications are approved; and,
4. The identity of the agent(s) performing the installation/modification

**VI. In-House Progressive Gaming Machine.**

- A. A meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.
- B. At least once each day, each gaming operation shall record the amount shown on each progressive jackpot meter at the operation except for those jackpots that can be paid directly from the gaming machine.
- C. Explanations for meter reading decreases shall be maintained with the progressive meter reading sheets, and where the payment of a jackpot is the explanation for a decrease, the gaming operation shall record the jackpot payout number on the sheet or have the number reasonably available.
- D. Each gaming operation shall record the base amount of each progressive jackpot the gaming operation offers.
- E. The SNGA shall approve procedures specific to the transfer of progressive amounts in excess of the base amount to other gaming machines. Such procedures may also include other methods of distribution that accrue to the benefit of the gaming public via an award or prize.

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#### **VII. Wide-Area Progressive Gaming Machine (WAP).**

- A. A meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.
- B. As applicable to participating gaming operations, the WAP gaming machine system shall be adequately restricted to prevent unauthorized access (e.g., changing passwords at least quarterly, restrict access to game software media, and restrict physical access to computer hardware, etc.).
- C. The SNGA shall approve procedures for the WAP system that:
  - 1. Reconcile meters and jackpot payouts;
  - 2. Collect/drop gaming machine funds;
  - 3. Verify jackpot, payment, and billing to gaming operations on pro-rata basis;
  - 4. System maintenance;
  - 5. System accuracy; and,
  - 6. System security.
- D. Reports, where applicable, adequately documenting the procedures required in paragraph VII (C) of this section shall be generated and retained.

#### **VIII. Retirement and/or Removal of Gaming Machines.**

- A. The SNGA shall establish procedures governing the retirement and removal of any or all associated components of a gaming system from operation.
- B. Such procedures shall include the following:
  - 1. For gaming machines/player interfaces and components that accept cash or cash equivalents:
    - a. Coordination with the drop team to perform a final drop;
    - b. Collection of final accounting information such as meter readings, drop and payouts;
    - c. Remove and/or secure any or all associated equipment such as locks, card reader, or ticket printer from retired or removed component; and,

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- d. Document removal, retirement, and/or destruction.
- 2. For removal of software components:
  - a. Uninstall, purge, destroy storage media, and/or return the software to the software license holder/owner; and,
  - b. Document the removal.
- 3. For all components:
  - a. Verify that unique identifiers and description of removed/retired components are recorded as part of the retirement documentation; and,
  - b. Coordinate with the accounting department to properly retire the component in system records.
- 4. For other related equipment such as blowers, cards, interface cards:
  - a. Remove and/or secure equipment; and,
  - b. Document the removal or securing of equipment.
- C. Where the SNGA authorizes the gaming operation to destroy any gaming system component, procedures must be developed to destroy such components. Such procedures must include the following:
  - 1. Methods of destruction;
  - 2. Witness or surveillance of destruction;
  - 3. Documentation of all components destroyed; and,
  - 4. Signatures of the employee(s) destroying the components attesting to destruction.

## **IX. Standards for Evaluating Theoretical and Actual Hold Percentages.**

- A. Accurate and current theoretical hold worksheets shall be maintained for each gaming machine or group of identical machines (as applicable).
- B. For multi-game/multi-denominational gaming systems, an employee or department independent of the gaming machine department shall:
  - 1. On a weekly basis, record the coin-in meters;

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- 2. On a quarterly basis, record the coin-in meters for each pay table contained in a gaming machine or group of gaming machines; and,
- 3. On an annual basis, adjust the theoretical hold percentage in the gaming machine statistical report to a weighted average based upon the ratio of coin-in for each game pay table.

C. For those gaming operations that are unable to perform the weighted average calculation as required by paragraph B of this section, the following procedures shall apply:

- 1. On at least an annual basis, calculate the actual hold percentage for each gaming machine or group of gaming machines;
- 2. On at least an annual basis, adjust the theoretical hold percentage in the gaming machine statistical report for each gaming machine or group of gaming machines to the previously calculated actual hold percentage; and,
- 3. The adjusted theoretical hold percentage shall be within the spread between the minimum and maximum theoretical payback percentages.

D. The adjusted theoretical hold percentage for multi-game/multi-denominational gaming machine systems may be combined for machines with exactly the same game mix throughout the year.

E. The theoretical hold percentages used in the gaming machine analysis reports should be within the performance standards set by the manufacturer.

F. Records shall be maintained which include win, write (sales), and win-to-write hold percentages compared to theoretical hold percentage for each gaming machine or group of gaming machines (as applicable) as follows:

- 1. Each shift or session (as applicable);
- 2. Each day;
- 3. Month-to-date; and,
- 4. Year-to-date or fiscal year-to-date.

G. A report shall be produced at least monthly showing month-to-date, year-to-date (previous twelve (12) months data preferred), and if practicable, life-to-date actual hold percentage computations for individual machines or group of machines and a comparison to each machine's theoretical hold percentage previously discussed.

H. Records shall be maintained for each machine or group of machines indicating the dates and type of changes made and the recalculation of the theoretical hold as a result of the changes to the gaming machine.

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- I. Records shall be maintained for each machine that indicate the date the machine was placed into service, the date the machine was removed from operation, the date the machine was placed back into operation, and any changes in machine numbers and designations.
- J. All of the gaming machines shall contain functioning meters that shall record coin-in or credit- in, or on-line gaming machine monitoring system that captures similar data.
- K. All gaming machines with bill acceptors shall contain functioning bill-in meters that record the dollar amounts or number of bills accepted by denomination.
- L. Gaming machine in-meter readings shall be recorded at least weekly immediately prior to or subsequent to a gaming machine drop. On-line gaming machine monitoring systems can satisfy this requirement. However, the time between readings may extend beyond one week in order for a reading to coincide with the end of an accounting period only if such extension is for no longer than six (6) days.
- M. The employee who records the in-meter reading shall either be independent of the soft count team or shall be assigned on a rotating basis, unless the in-meter readings are randomly verified quarterly for all gaming machines and bill acceptors by a person other than the regular in-meter reader.
- N. Upon receipt of the meter reading summary, the accounting department shall review all meter readings for reasonableness using pre-established parameters.
- O. Prior to final preparation of statistical reports, meter readings that do not appear reasonable shall be reviewed with gaming machine department employees or other appropriate designees, and exceptions documented, so that meters can be repaired or clerical errors in the recording of meter readings can be corrected.
- P. Each change to a gaming machine's theoretical hold percentage, including progressive percentage contributions, shall result in that machine being treated as a new machine in the statistical reports (i.e., not commingling various hold percentages) except for adjustments made in accordance with paragraph B of this section.
- Q. If promotional payouts or awards are included on the gaming machine statistical reports, it shall be in a manner that prevents distorting the actual hold percentages of the affected machines.
- R. The statistical reports shall be reviewed by both the gaming machine department management and management employees independent of the gaming machine department on at least a monthly basis.
- S. For those Class III gaming machines that have experienced at least one hundred thousand (100,000) or a level of wagering transactions (as established by the gaming operation and approved by the SNGA), large variances (three percent (3%) recommended) between

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theoretical hold and actual hold shall be investigated and resolved by a department independent of the gaming machine department with the findings documented and provided to the SNGA upon request in a timely manner. This does not include linked network games.

- T. For Class II gaming machines, the operation must establish, as approved by the SNGA, the threshold level at which a variance, including deviations from the mathematical expectations required by 25 CFR 547.4, will be reviewed to determine the cause. Any such review must be documented.
- U. Maintenance of the on-line gaming machine monitoring system data files shall be performed by a department independent of the gaming machine department. Alternatively, maintenance may be performed by gaming machine supervisory employees if sufficient documentation is generated, and it is randomly verified on a monthly basis by employees independent of the gaming machine department.
- V. Updates to the on-line gaming machine monitoring system to reflect additions, deletions, or movements of gaming machines shall be made at least weekly prior to in-meter readings and the weigh process.

#### **X. Gaming System Performance Standards.**

- A. Gaming machine accounting/auditing procedures shall be performed by employees who are independent of the transactions being reviewed.
- B. For on-line gaming machine monitoring systems, procedures shall be performed at least monthly to verify that the system is transmitting and receiving data from the gaming machines properly and to verify the continuing accuracy of coin-in meter readings as recorded in the gaming machine statistical report.
- C. For each drop period, accounting/auditing personnel shall compare the coin-to-drop meter reading to the actual drop amount. Discrepancies should be resolved prior to generation/distribution of on-line gaming machine monitoring system statistical reports.
- D. Follow-up shall be performed for any one machine having an unresolved variance between actual coin drop and coin-to-drop meter reading in excess of three percent (3%) and over \$25.00. The follow-up performed and results of the investigation shall be documented, maintained for inspection, and provided to SNGA upon request.
- E. For each drop period, accounting/auditing employees shall compare the bill-in meter reading to the total bill acceptor drop amount for the period. Discrepancies shall be resolved before the generation/distribution of gaming machine statistical reports.
- F. A follow-up shall be performed for any one machine having an unresolved variance between actual currency drop and bill-in meter reading in excess of an amount that is both more than \$25 and at least three percent (3%) of the actual currency drop. The

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follow-up performed and results of the investigation shall be documented, maintained for inspection, and provided to the SNGA upon request.

- G. At least annually, accounting / auditing personnel shall randomly verify that game software media changes are properly reflected in the gaming machine analysis report.
- H. Accounting/auditing employees shall review exception reports for all computerized gaming machine systems on a daily basis for propriety of transactions and unusual occurrences.
- I. All gaming machine auditing procedures and any follow-up performed shall be documented, maintained for inspection, and provided to SNGA upon request.

## **XI. Gaming Machine Access.**

- A. Controls must be established, and procedures implemented to ensure adequate:
  - 1. Control of physical and logical access to the gaming system environment, including accounting, voucher/cash-out ticket, cashless and player tracking systems, among others used in conjunction with gaming systems;
  - 2. Physical and logical protection of storage media and its contents, including recovery procedures;
  - 3. Access credential control methods;
  - 4. Record keeping and audit processes; and,
  - 5. Departmental independence, including, but not limited to, means to restrict agents that have access to information technology from having access to financial instruments.

## **XII. Malfunctions.**

- A. Procedures must be implemented to investigate, document and resolve malfunctions. Such procedures must address the following:
  - 1. Determination of the event causing the malfunction;
  - 2. Review of relevant records, game recall, reports, logs, surveillance records;
  - 3. Repair or replacement of the gaming component;
  - 4. Verification of the integrity of the gaming component before restoring it to operation.

## **XIII. Other Standards.**

- A. Controls for acceptance and payment of instruments used in wagering and other transactions and other cash handling procedures for gaming systems are contained within Section – Casino Instruments and Section – General Provisions.
- B. The procedures for the collection of the gaming machine and the count thereof shall comply with Section –Drop and Count.
- C. Additional key control requirements for gaming systems are contained within Section – Key and Access Controls.
- D. When gaming machines have the capability to issue points for an in-house player tracking system as an award for play, the standards in Section for Player Tracking shall apply.
- E. Access credential control methods and other relevant controls must adhere to Section – Information and Technology.
- F. Standards for revenue Audit of gaming systems are contained within Section Auditing Revenue.

## **CHAPTER XI – PROMOTIONS**

### **I. Supervision.**

- A. Supervision shall be provided as needed for gaming promotions by a gaming operation agent(s) with authority equal to or greater than those being supervised.

### **II. Gaming Promotions**

- A. The rules of the gaming promotion shall be displayed or made readily available to the patron upon request. Gaming promotions rules require SNGA approval prior to implementation and shall include the following:
  1. The rules of play;
  2. The nature and value of the associated prize(s) or currency award(s);
  3. Any restrictions or limitations on participant eligibility;
  4. The date(s), time(s), and location(s) for the associated promotional activity or activities;
  5. Any other restrictions or limitations, including any related to the claim of prizes or currency awards;
  6. The announcement date(s), time(s), and location(s) for the winning entry or entries; and
  7. Rules governing promotions offered across multiple gaming operations, third party sponsored promotions, and joint promotions involving third parties.
- B. Gaming promotions shall be submitted to the SNGA no later than the 5th of each calendar month for the subsequent month, with exceptions to be approved by the SNGA Compliance Manager and/or Chief Gaming Regulator.
- C. SNGA may approve consecutive gaming promotions for a maximum of six (6) months.

**CHAPTER XII – COMPLIMENTARY ITEMS****I. Complimentary Standards.**

- A. Complimentary, “comp,” means a service or item provided at no cost, excluding marketing promotions.
- B. All complimentary programs that are submitted to SNGA Compliance Department for approval shall include at minimum, but is not limited to:
  - 1. List of approved supervisory comp issuers;
  - 2. Conditions and limits of comp issuers;
- C. Issuance records and tracking documentation of all complimentary services and items, including currency and non-currency gifts, shall be submitted to the SNGA upon request.
- D. At least monthly, accounting, information technology, or independent audit agents that cannot grant or receive complimentary privileges, shall prepare reports that include the following information for all complimentary items and services equal to or exceeding \$25:
  - 1. Name of patron who received the complimentary service or item;
  - 2. Name(s) of authorized issuer of the complimentary service or item;
  - 3. The actual currency value of the complimentary service or item;
  - 4. The type of complimentary service or item (i.e., food, beverage, etc.); and
  - 5. Date the complimentary service or item was issued.
- E. All comps shall be system generated or issued on a preprinted sequentially numbered “Comp Slip”.
- F. A comp matrix shall be submitted to the SNGA for approval depicting the level of complimentary authorization gaming operation agents are authorized to approve for the issuance of complimentary services or items.
- G. The gaming operation shall establish procedures for the following:
  - 1. Limits and conditions on the approval and issuance of complimentary services or items for SNGA approval;
  - 2. Making and documenting changes to conditions or limits on the approval and issuance of complimentary services or items;
  - 3. Documenting and recording the authorization, issuance, and redemption of complimentary services or items, including currency and non-currency gifts;
    - i. Records shall include the following for all complimentary items and services:
      - 1) Name of patron who received the complimentary service or item;
      - 2) Name(s) of issuer(s) of the complimentary service or item;
      - 3) The actual currency value of the complimentary service or item;
      - 4) The type of complimentary service or item (i.e., food, beverage);

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- 5) Date the complimentary service or item was issued;
- 6) Pre-printed sequence number;
- 7) Reason for issuance; and
- 8) Department issued.

- 4. Point adjustments shall be documented listing the following:
  - i. Date;
  - ii. Patron name;
  - iii. Account number;
  - iv. Machine number;
  - v. Date played;
  - vi. Time in/out;
  - vii. Reason for adjustment;
  - viii. Amount of points to be adjusted; and
  - ix. Signature of supervisory gaming operation agent.

## CHAPTER XIII – INFORMATION TECHNOLOGY

### II. Supervision.

- A. Controls must identify the supervisory gaming operation agent in the department or area responsible for ensuring that the department or area is operating in accordance with established policies and procedures.
- B. The supervisory gaming operation agent must be independent of the operation of games.
- C. Controls must ensure that duties are adequately segregated and monitored to detect procedural errors and to prevent the concealment of fraud.
- D. Information technology agents having access to gaming systems may not have signatory authority over financial instruments and payout forms and must be independent of and restricted from access to:
  - 1. Financial instruments.
  - 2. Accounting, audit, and ledger entries; and
  - 3. Payout forms.

### III. **As used in this Section only, a system is any computerized system that is integral to the gaming environment.**

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This includes, but is not limited to, the server and peripherals for gaming system, accounting, surveillance, essential phone system, and door access and warning systems.

#### **IV. Gaming systems' logical and physical controls.**

Controls must be established and procedures implemented to ensure adequate:

- A. Control of physical and logical access to the information technology environment, including accounting, voucher, cashless and player tracking systems, among others used in conjunction with gaming systems.
- B. Physical and logical protection of programmable storage media and its contents, including recovery procedures.
- C. Access credential control methods.
- D. Record keeping and audit processes; and
- E. Departmental independence, including, but not limited to, means to restrict gaming operation agents that have access to information technology from having access to financial instruments.

#### **V. Physical security.**

- A. The information technology environment and infrastructure (server room) must be maintained in a secure physical location such that access is restricted to authorized gaming operation agents only.
- B. Access devices to the systems' secured physical location, such as keys, cards, or fobs, must be controlled by an independent agent.
- C. Access to the systems' secured physical location must be restricted to gaming operation agents and authorized persons in accordance with established policies and procedures, which must include maintaining and updating a record of gaming operation agents granted access privileges.
- D. Network Communication Equipment must be physically secured from unauthorized access.

**VI. Logical security.**

- A. Controls must be established and procedures implemented to protect all systems and to ensure that access to the following is restricted and secured:
  - 1. Systems software and application programs.
  - 2. Data associated with gaming systems; and
  - 3. Communications facilities, systems, and information transmissions are associated with gaming systems.
- B. Unused services and non-essential ports must be disabled unless approved by SNGA.
- C. Procedures must be implemented to ensure that all activity performed on systems is restricted and secured from unauthorized access and logged.
- D. Communications to and from systems via Network Communication Equipment must be logically secured from unauthorized access.

**VII. User controls.**

- A. Systems, including application software, must be secured with passwords or other means for authorizing access.
- B. Management personnel or gaming operation agents independent of the department being controlled must assign and control access to system functions.
- C. Access credentials such as passwords, PINs, or cards must be controlled as follows:
  - 1. Each agent must have his or her own individual and unique access credential that must not be shared with anyone.
  - 2. Access credentials must be changed at least quarterly with changes documented; and
  - 3. Access credential records must be maintained either manually or by systems that automatically record access changes and force access credential changes, including the following information for each agent:
    - a. Agent's name.
    - b. Supervisory agent's signature granting access.
    - c. Date the user was given access and/or password change; and
    - d. Description of the access rights assigned to user.
- D. Lost or compromised access credentials must be deactivated, secured, or destroyed within 48 hours.

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- E. Access credentials of terminated agents must be deactivated within 48 hours.
- F. Only authorized gaming operation agents may have access to inactive or closed accounts of other users, such as player tracking accounts and terminated user accounts.

#### **VIII. Installations and/or modifications.**

- A. Only SNGA approved systems and modifications may be installed.
- B. Records must be kept of all new installations and/or modifications to gaming systems. These records must include, at a minimum:
  - 1. The date of the installation or modification.
  - 2. The nature of the installation or change such as software version, server repair, and significant configuration modifications.
  - 3. Evidence of verification that the installation or the modifications are approved; and
  - 4. The identity of the gaming operation agent(s) performing the installation/modification.
- C. Documentation of inventory must be maintained, such as manuals and user guides, describing the systems in use and the operation, including hardware.

#### **IX. Remote access.**

- A. Gaming operation agents and authorized people may be granted remote access for system support, provided that each access session is documented and maintained at the place of authorization. The documentation must include:
  - 1. Name of gaming operation agent authorizing access.
  - 2. Name of gaming operation agent accessing the system.
  - 3. Verification of the gaming operation agent's authorization.
  - 4. Reason for remote access.
  - 5. Description of work to be performed.
  - 6. Date and time of start of end-user remote access session; and
  - 7. Date and time of conclusion of end-user remote access session.
- B. All remote access must be provided via a secure method.
- C. Continuous remote access must not be allowed unless approved by SNGA.

#### **X. Incident monitoring and reporting.**

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- A. Procedures must be implemented for responding to, monitoring, investigating, resolving, documenting, and reporting security incidents associated with information technology systems.
- B. All security incidents must be responded to within an established time period approved by the SNGA and formally documented.

#### **XI. Data backups.**

- A. Controls must include adequate backup, including, but not limited to, the following:
  - 1. Daily data backup of critical information technology systems.
  - 2. Data backup of critical programs or the ability to reinstall the exact programs as needed.
  - 3. Secured off-site storage of all backup data files and programs, or other adequate protection.
  - 4. Mirrored or redundant data source; and
  - 5. Redundant and/or backup hardware.
- B. Controls must include recovery procedures, including, but not limited to, the following:
  - 1. Data backup restoration.
  - 2. Program restoration; and
  - 3. Redundant or backup hardware restoration.
- C. Recovery procedures must be tested on a sample basis at specified intervals at least annually. Results must be documented.
- D. Backup data files and recovery components must be managed with at least the same level of security and access controls as the system for which they are designed to support.

#### **XII. Software downloads.**

Downloads, either automatic or manual, must be performed in accordance with Section 106, Class II Gaming Machine Technical Standards (as applicable).

- A. Downloads are an acceptable means of transporting approved content, including, but not limited to software, files, data, and prize schedules.
- B. Downloads must use secure methodologies that must deliver the download data without alteration or modification, in accordance with 25 CFR § 547.15(a).
- C. Downloads conducted during operational periods must be performed in a manner that must not affect game play.

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- D. Downloads must not affect the game classification unless approved by SNGA.
- E. Downloads must not affect the integrity of accounting data.
- F. Gaming systems must be provided:
  - 1. Name and identification number, or other unique identifier, of any individual(s) conducting or scheduling a download.
  - 2. Time and date of the initiation of the download.
  - 3. Time and date of the completion of the download.
  - 4. Gaming system components to which software was downloaded.
  - 5. Version(s) of download package and any software downloaded. Logging of the unique software signature must satisfy this requirement; and
  - 6. Outcome of any software verification following the download (success or failure).
- G. Verifying downloads. Downloaded software on a gaming system must be capable of being verified by the gaming system using a software signature verification method that meets the requirements of 25 CFR § 547.8(f) (as applicable).

**XIII. Verifying downloads.**

Following the download of any gaming system software, the gaming system must verify the downloaded software using a software signature verification method. Gaming operations must verify downloaded game content and configuration.

**XIV. Door Access Systems.**

Access controls must be approved by the SNGA.

- A. SNGA staff must be provided “all access” door permissions for their use in completing physical inspections on behalf of their job duties except for sensitive areas which must require a Security escort.
- B. Door Access “Proximity” cards must be issued by the SNGA during the licensing process and activated by the gaming operations.
- C. SNGA proximity I.D. must be worn at all times by gaming operation agents while on gaming operation property.
- D. Any change in job position that would result in a change in card access must be reported to the SNGA within 72 hours.
- E. A replacement card must be issued by the SNGA with the applicable fee.

F. Un-issued proximity cards must be stored in a secure location at the SNGA.

All noted improper transactions, or unusual occurrences are investigated with the results documented and presented to SNGE Management and SNGA. This must be reviewed at the first of the month and is to be included in the monthly submission to the SNGA.

## CHAPTER XIV – SURVEILLANCE

### I. Surveillance equipment and control room(s).

Controls will be established and procedures implemented include the following:

- A. For Tier A, the surveillance system will be maintained and operated from a secure location.
- B. For Tiers B and C, the surveillance system will be maintained and operated from a staffed surveillance room(s), independent of gaming operations.
- C. The surveillance room(s) will be secured to prevent unauthorized entry.
- D. Access to the surveillance room(s) will be limited to surveillance agents and other authorized persons.
- E. The surveillance room(s) access logs will be maintained.
- F. Surveillance room equipment will have total override capability over all other satellite surveillance equipment.
- G. Power loss to the surveillance system:
  1. For Tier A, in the event of power loss to the surveillance system, alternative security procedures, such as additional supervisory or security agents, will be implemented immediately. An auxiliary or backup power source will be available and capable of providing immediate restoration of power to the surveillance system to ensure that all areas are covered by dedicated cameras.
  2. For Tier B and C, in the event of power loss to the surveillance system, an auxiliary or backup power source will be available and capable of providing immediate restoration of power to the surveillance system to ensure that surveillance agents can observe all areas covered by dedicated cameras.
- H. The surveillance system will record an accurate date and time stamp on recorded events. The displayed date and time will not significantly obstruct the recorded view.

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- I. All surveillance agents will be trained in the use of equipment, games, and house rules.
- J. The SNGA will establish procedures so that each camera required by the standards in this Section will be installed in a manner that will prevent it from being readily obstructed, tampered with, or disabled.
- K. The surveillance system will:
  - 1. Have the capability to display all camera views on a monitor(s);
  - 2. Include sufficient numbers of recording devices to record the views of all cameras required by this Section.
  - 3. Record all camera views; and
  - 4. For Tier B and C only, include sufficient numbers of monitors to simultaneously display gaming and count room activities.
- L. A periodic inspection of the surveillance systems will be conducted. When the malfunction of the surveillance system is discovered, the malfunction and necessary repairs will be documented and repairs initiated immediately.
  - 1. If a dedicated camera malfunctions, alternative security procedures, such as additional supervisory or security agents, will be implemented immediately.
  - 2. The SNGA Chief Gaming Regulator will be notified of any surveillance system and/or camera(s) that have malfunctioned for more than twenty-four (24) hours and the alternative security measures being implemented.

## II. Additional surveillance requirements.

With regard to the following functions, controls will also include:

- A. Dedicated surveillance camera(s) of the progressive prize meters for gaming systems at the following thresholds:
  - 1. Wide area progressives with a reset amount of \$1 million; and
  - 2. In-house progressives with a reset amount of \$100,000.
  - 3. Any gaming machine not included in a progressive group but offering a payout of \$250,000.
- B. Manual bingo:
  - 1. For manual drawings, the surveillance system will monitor the bingo ball drawing device or mechanical random number generator, which will be recorded during the course of the drawing by a dedicated camera to identify the numbers or other designations drawn; and
  - 2. The surveillance system will monitor and record the activities of the bingo game, including drawing, and entering the balls, numbers or other designations drawn.

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#### C. Card games:

1. Except for card game tournaments, a dedicated camera(s) with sufficient clarity will be used to provide:
  - a. An overview of the activities on each card table surface, including card faces and currency and/or currency equivalents.
  - b. An overview of card game activities, including patrons and dealers; and
  - c. An unobstructed view of all posted progressive pool amounts.
2. For card game tournaments, a dedicated camera(s) will be used to provide an overview of tournament activities and any area where currency or currency equivalents are exchanged.

#### D. Cage and vault:

1. The surveillance system will monitor and record a general overview of activities occurring in each cage and vault area with sufficient clarity to identify individuals within the cage, patrons and agents at the counter areas, and to confirm the amount of each currency transaction.
2. Each cashier station will be equipped with one (1) dedicated overhead camera covering the transaction area; and
3. The cage or vault area in which exchange and transfer transactions occur will be monitored and recorded by a dedicated camera, that provides coverage with sufficient clarity to identify the chip values and the amounts on the exchange and transfer documentation.
  - a. Controls provided by a computerized exchange and transfer system constitute an adequate alternative to viewing the amounts on the exchange and transfer documentation.
4. All cage and vault areas will be equipped with, at minimum, one (1) PTZ camera.

#### E. Count rooms:

1. The surveillance system shall monitor and record with sufficient clarity a general overview of all areas where currency or currency equivalents may be stored or counted; and
2. The surveillance system will provide coverage of count equipment with sufficient clarity to view any attempted manipulation of the recorded data.
3. All count rooms and verifying areas will be equipped with at least one (1) PTZ camera.

### III. Recording retention.

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Controls will be established and procedures implemented include the following:

- A. All recordings required by this Section will be retained for a minimum of seven days; and
- B. Suspected crimes, suspicious activity, or detentions by security agents discovered within the initial retention period will be copied and retained for a time period, not less than one year.

**IV. Review Request.**

The Surveillance department will occasionally receive a request for review of a specific incident.

- A. Request from Gaming Enterprise and Request from Law Enforcement.

- 1. Review Requests shall be made on the Review Request Form.
  - 2. Review Requests shall be processed within 48 hours of the request.

**V. Logs.**

Logs will be maintained and demonstrate the following:

- A. Compliance with the storage, identification, and retention standards required in this Section.
- B. Each malfunction and repair of the surveillance system as defined in this Section; and
- C. Activities performed by surveillance agents as required by the controls in this Section.