



COMANCHE NATION GAMING COMMISSION
P.O BOX 1769 LAWTON, OK 73502
1915 E. GORE BLVD. LAWTON, OK 73501
PHONE: (580) 595-3300 FAX: (580) 595-3394
WWW.COMANCHENATION.COM

April 26, 2012

Via Email Transmission: reg.review@nigc.gov

Tracie Stevens, Chairwoman
Steffani A. Cochran, Vice-Chairperson
Daniel Little, Associate Commissioner
National Indian Gaming Commission
1441 L Street, N.W., Suite 9100
Washington, DC 20005

Re: Comments on Preliminary Discussion Draft of 25 C.F.R. Part 543 – Minimum Internal Control Standards For Class II Gaming

Dear Chairwoman Stevens, Vice-Chairperson Cochran and Commissioner Little:

The Comanche Nation of Oklahoma (the "Nation") respectfully submits the following comments in response to the National Indian Gaming Commission's ("NIGC" or "Commission") Discussion Draft of 25 C.F.R. Part 543 – *Minimum Internal Control Standards For Class II Gaming* ("Discussion Draft"). Initially, we thank you for seeking tribal input through release of a discussion draft. We hope this will allow for the elimination of any errors and improvement to the proposed Minimum Internal Control Standards ("MICS") prior to their publication for comment as part of a formal rulemaking effort. We would also like to express our appreciation to you for our opportunity to participate on the recent Tribal Advisory Committee ("TAC"), and urge you to carefully consider the work and the concerns expressed by the TAC in review of the MICS.

As we have expressed to the Commission in prior comments and through the TAC correspondence, we strongly support the protection and preservation of Tribal Gaming Regulatory Authorities ("TGRAs") as the primary regulators of Class II gaming, consistent with the Indian Gaming Regulatory Act ("IGRA") and our sovereign right of self-government. And, as part of our own effort to continue to build a strong tribal government – a primary objective of Congress in passing IGRA – we fully support the use of technology, to the greatest extent feasible, for the advancement of Class II gaming, again in accordance with the objectives of IGRA.

We note that our comments on the Part 543 Discussion Draft are generally favorable, although we do have some areas of concern expressed below. We were pleased to find that the



COMANCHE NATION GAMING COMMISSION
P.O BOX 1769 LAWTON, OK 73502
1915 E. GORE BLVD. LAWTON, OK 73501
PHONE: (580) 595-3300 FAX: (580) 595-3394
WWW.COMANCHENATION.COM

proposed MICS address a number of the concerns we expressed in our March 6, 2008 comments ("2008 Comments") concerning proposed Part 543 MICS.

General Comments

First and foremost, the Nation is concerned that many sections of the Discussion Draft are highly procedural, describing in great detail the actual steps that a TGRA or gaming operation must take. That is not the purpose of MICS, which are by definition Minimum Internal Control Standards, and not Minimum Internal Control Procedures. When the NIGC implements *standards*, it allows TGRAs and gaming operations the flexibility to develop individual procedures that meet those standards and also are appropriate for the particular tribe and/or operation. When the NIGC requires compliance with specific *procedures*, not only does the NIGC exceed its authority under the IGRA, it also risks establishing a one-size-fits-all approach that necessarily will not be appropriate for some tribes. Our concern is that the Commission had the worst case scenario in mind in developing this Discussion Draft; a worst case scenario is, by definition, unique and distinct, and should not serve as the basis for regulating the vast majority of tribes and gaming operations that do not constitute worst cases. The TAC expressed considerable concern with Commission staff that too much emphasis was being placed on a few extreme examples, resulting in more strenuous regulation of the overwhelming number of tribes who have gamed and regulated responsibly. The Nation shares the TAC's concern and strongly urges the Commission to reconsider this procedural approach, and to instead emphasize the development of proper standards.

Second, the Nation notes that the Discussion Draft does not include a section devoted to "rules of interpretation and general application for this part," as recommend by the TAC at its December meeting in Suquamish, Washington. It is vitally important to avoid unnecessary confusion and disputes of various kinds at the tribal and federal level by expressly providing that: (1) the MICS are minimal and TGRA's may implement additional standards to mitigate risks; (2) only applicable gaming standards apply (so for instance line of credit standards do not apply to a facility which does not offer lines of credit); (3) no part of the regulations should be construed or interpreted to limit or preclude the use of technology not otherwise referenced; and, (4) only provisions determined invalid by a court of competent jurisdictions should be severed and the remainder of the regulations should remain intact.

Third, although the Nation recognizes that the NIGC has received considerable input from the TAC designated to assist it in preparing these MICS, and has received feedback from a variety of tribes and tribal organizations, such input does not substitute for broader tribal consultation. The Nation believes that circulating this draft and making it available for comment is a positive first step in broader tribal consultation on the regulations under consideration.



COMANCHE NATION GAMING COMMISSION
P.O BOX 1769 LAWTON, OK 73502
1915 E. GORE BLVD. LAWTON, OK 73501
PHONE: (580) 595-3300 FAX: (580) 595-3394
WWW.COMANCHE NATION.COM

Fourth, the Nation is concerned that the Discussion Draft is unbalanced—some provisions contain a great deal of detail, others do not. It is unclear from a review of the Discussion Draft on its face why certain provisions warrant such a significantly greater level of detail than others.

Fifth, the Nation supports the idea, endorsed by the TAC, that the NIGC may flesh out the MICS through the use of guidance documents. However, there is a danger in such an approach. Auditors sometimes mistake non-binding guidance documents as agency requirements. Furthermore, guidance documents generally are not subject to notice and comment rulemaking and, accordingly, future Commissions may amend such documents in accordance with the prevailing policy without notice to and opportunity for public comment by tribes. At the same time, however, guidance documents can be accorded deference by the courts to the extent they have the power to persuade. The Nation, therefore, advises the Commission to take great care to ensure that any such guidance truly *guides* by providing information and assistance, rather than suggesting or leading to any particular result. Guidance documents should not, for example, read like model TICS, as the great variation from one tribal gaming operation to the next ensures that any such document would be inappropriate for many tribes. Additionally, guidance should not suggest that a particular result is better than another (i.e., best practices), or contain dictates or imperatives (i.e., must or shall).

Draft 25 C.F.R. § 543.1 – What does this part cover?

The Nation has no comments on Discussion Draft § 543.1.

Draft 25 C.F.R. § 543.2 – What are the definitions of this part?

The Nation is particularly pleased to the definitions for "Tier A," "Tier B" and "Tier C" have been amended to account for inflation, as the Nation suggested in its 2008 Comments, and as recommended by the TAC. Additionally, the Nation is pleased to see that problematic definitions for "game," "lotto," "progressive prize," "sleep," "pull tabs," and "instant bingo"—to which the Nation objected in 2008—do not appear in the Discussion Draft. However, the Nation has concerns with the following definitions appearing in the Discussion Draft:

Agent. Although the Nation has no specific objection to the definition contained in § 543.2, the Nation nonetheless believes that the *use* of the term "agent" throughout the Discussion Draft should be carefully revisited. As drafted, the definition of "agent" would appear to require the agent to be a person. However, as used, the term would appear to include instances where an "agent" would necessarily have to be a computer or system control. For example, in the Class II



COMANCHE NATION GAMING COMMISSION
P.O BOX 1769 LAWTON, OK 73502
1915 E. GORE BLVD. LAWTON, OK 73501
PHONE: (580) 595-3300 FAX: (580) 595-3394
WWW.COMANCHECOMMISSION.COM

gaming system bingo controls, the MICS would require at least two agents to determine the validity of a claim prior to paying a prize, and two agents must verify that the winning pattern has been achieved. As drafted, this would require two people to stand next to each Class II bingo player station. The Nation doubts the NIGC intended to impose such an enormous increase in staffing on Class II operations across the country. The Nation encourages the NIGC to revisit the concept of agents throughout the MICS to determine which controls require the presence of a person and which controls are more appropriately addressed through the bingo system itself. Additionally, we are concerned that the words "agent" and "personnel" are used inconsistently throughout the Discussion Draft. We urge the Commission to carefully revisit each instance of these words to ensure that the right word is being used for any given provision.

Gaming Promotion. The Nation notes that the TAC deleted the definition of "gaming promotion" from its draft MICS during its December meeting in Suquamish, Washington. In light of that deletion, the Nation questions whether this definition is necessary. Additionally, the Nation is concerned that the definition in the Discussion Draft would apply to "game play" generally, and urges instead that any definition be narrowed to include only "Class II game play."

Sufficient clarity. The Nation objects to this definition's reliance on "frames per second," which may limit use of technologies that do not rely upon frames. If the Commission believes that a definition of "sufficient clarity" is essential to the MICS, we urge the Commission to consider a definition that will not limit future technology.

System of Internal Control Standards (SICS). The Nation strenuously objects to the NIGC's proposal to regulate the internal system of operations that the Nation uses to comply with its TICS and the federal MICS. The "SICS" requirements in the Discussion Draft are well beyond the NIGC's regulatory authority, and would add an additional level of federal bureaucratic control that is duplicative and at times contradictory of tribal efforts and wholly unnecessary. This concept should be abandoned.

First, the concept of requiring SICS as a federal requirement is unnecessary. Tribes already necessarily have a system of operational controls they use to comply with the TICS and the MICS. How else could a tribe ensure that its operations comply with its TICS? The NIGC already has the authority to ensure that a tribe is meeting the MICS. Adding the concept of SICS to the MICS simply adds a third level of federal bureaucracy to controls already regulated by the NIGC.

Second, it is beyond the NIGC's regulatory authority. The IGRA does not authorize the NIGC to tell a tribe how to staff its operations, which specific personnel should have which function required by the TICS and MICS, or how they should interact in order to comply with



COMANCHE NATION GAMING COMMISSION
P.O BOX 1769 LAWTON, OK 73502
1915 E. GORE BLVD. LAWTON, OK 73501
PHONE: (580) 595-3300 FAX: (580) 595-3394
WWW.COMANCHENATION.COM

the MICS. The IGRA grants the NIGC the authority to ensure that the MICS are being met. It is for the tribes to create a system to ensure that they are being met.

Third, the SICS are ill-defined and would represent an enormous, and unauthorized, increase in the NIGC's regulatory power. The definition does not state what constitutes a "proper" SICS. Yet Discussion Draft section 543.3(h) would authorize the NIGC to impose penalties on a tribe for "deficiencies" in its SICS. Under this regulatory scenario, NIGC would be able to impose penalties on a tribe if it does not believe that tribe's SICS are sufficient. This would be an entirely subjective "standardless" standard, and as a result would grant the NIGC enormous and, as discussed above, unlawful power to threaten a gaming operation with penalties unless the operation began implementing the MICS in the manner the NIGC prefers. This approach should also be abandoned.

Draft 25 C.F.R. § 543.3 – How do tribal governments comply with this part?

The Nation is pleased that the Discussion Draft affords TGRAs the flexibility, at their discretion, to extend the compliance deadline beyond the initial twelve (12) months proposed in § 543.3(b)(2). We believe that this allows TGRAs enough time to evaluate any new regulations and promulgate any necessary changes to TICS, while also affording TGRAs the flexibility to extend the compliance deadline if necessary.

However, as we expressed in our 2008 Comments, the Nation is concerned about a critical omission from the Discussion Draft: the Part 543 Discussion Draft contains no "only applicable standards apply" provision. (We note that the Tribal Gaming Working Group's July 2011 submissions to the NIGC included such a provision at § 543.4(b), and that the NIGC included such language in its Part 547 Discussion Draft, at § 547.3(c).) The Nation feels strongly that such language is necessary to prevent tribes from being held to inapplicable standards. For example, § 543.24(c) requires several specific audit procedures for different gaming activities. Without an "only applicable standards apply" provision, a tribe that does not offer pull-tabs might nonetheless be required under § 543.24(c)(3) to implement procedures to audit pull-tabs. Similarly, a tribe that does not use a voucher system in its gaming operation would be incapable of complying with § 543.24(c)(1)(iv), which requires a monthly audit of such a voucher system. Language that makes clear that "only applicable standards apply" would alleviate any responsibility of tribes to comply with regulations that do not apply to their operations.

The Tribal Gaming Working Group's submission included two other provisions that the Nation believes are essential to this Section:



COMANCHE NATION GAMING COMMISSION
P.O BOX 1769 LAWTON, OK 73502
1915 E. GORE BLVD. LAWTON, OK 73501
PHONE: (580) 595-3300 FAX: (580) 595-3394
WWW.COMANCHECOMMISSION.COM

- **TGWG Proposed § 543.3(c) – No Limitation of Technology.** This part should not be interpreted to limit the use of technology or to preclude the use of technology not specifically referenced.
- **TGWG Proposed § 543.3(d) – Severability.** If any provision of this part is declared invalid by a court of competent jurisdiction, such decision shall not affect the remainder of this part.

The Nation urges the Commission to restore these sections to § 543.3.

Additionally, the Nation echoes the TAC in suggesting that the § 543.3(f)(2), Determination of Tier, should afford a gaming operation nine months "from the end of the operation's fiscal year," not "from the date of the independent certified public accountant's audit report," to achieve compliance with the requirements of the new tier.

Finally, the Nation urges that the NIGC clarify in § 543.3(a) that TGRAs do not merely "also regulate Class II gaming," but instead are the primary regulators of Class II gaming. To say that TGRAs "also regulation" minimizes their front-line role in gaming regulation. Such a clarification would be consistent with § 543.3(h)(2), which correctly identifies tribes as "the primary regulators of their gaming operation(s)."

Draft 25 C.F.R. § 543.4 – Does this part apply to small and charitable gaming operations?

The Nation is pleased to see that, in response to our 2008 Comments, the Discussion Draft raises the exemption threshold for small and charitable gaming operations from \$1 million to \$3 million. However, the Nation has some concerns about the Discussion Draft's use in § 543.4(b) of the term "charitable organization." That term is not defined, either in this section or in the definitions at § 543.2, and might be read by some to limit such operations to certain categories of organization, such as 501(c)(3) nonprofits.

Draft 25 C.F.R. § 543.5 – How does a gaming operation apply to use an alternate control standard from those set forth in this part?

Consistent with the recommendation of the TAC, expressed at its January meeting in Pala, California, the Nation urges that the NIGC clarify in Discussion Draft § 543.5 that a variance, or alternate control standard, takes effect upon approval by the TGRA.

Draft 25 C.F.R. §§ 543.7 - 543.8 – Bingo

In our 2008 Comments, the Nation strongly objected to the definition for "electronic or electromechanical facsimile," which in effect created an artificial distinction between electronic



COMANCHE NATION GAMING COMMISSION
P.O BOX 1769 LAWTON, OK 73502
1915 E. GORE BLVD. LAWTON, OK 73501
PHONE: (580) 595-3300 FAX: (580) 595-3394
WWW.COMANCHECOMMISSION.COM

bingo and paper bingo. Although that definition does not appear in the Discussion Draft, a similar effect is created by the Discussion Draft's distinguishing "Class II gaming system bingo" in § 543.7, and "manual bingo" in § 543.8.

This dichotomy makes little sense and will be operationally impractical to implement. First, neither term is defined. As a result, it will be very difficult for operations to determine which set of controls apply to which bingo games. For example, the "Manual Bingo" MICS contain a set of provisions that allow for the use of technologic aids. How is a gaming operation to distinguish between a "manual" bingo game being played with technologic aids and a "class II gaming system" bingo game being played with technologic aids? By definition, all Class II bingo games are played on a system, regardless of the technology being used.

Additionally, the IGRA allows a full spectrum of technologic aids to be used in the play of bingo. Accordingly, one system might be completely manual with no technologic aids whatsoever, one may have an electronic ball draw but otherwise be fully manual, one might use an electronic ball draw and electronic cards, while yet another might use some other combination. All are permissible under the IGRA, and all should be subject to the same operational MICS controls. There is no reasoned or principled way to distinguish controls for bingo based on the type of technologic aid that is being used. The NIGC should abandon this approach. It will simply be unworkable on the ground.

Draft 25 C.F.R. § 543.9 – What are the minimum internal control standards for pull tabs?

The Discussion Draft § 543.9(b), concerning pull tab inventory, and § 543.9(d), concerning winning pull tabs, contain a great deal more detail than the proposal put forth by the TAC during its December meeting in Suquamish, Washington. Additionally, the TAC did not think it necessary to include MICS concerning statistical records, which are included in the Discussion Draft at § 543.9(f). In each of these three instances, it appears that the NIGC has drawn material from the TGWG's proposed guidance documents, and perhaps from other sources, and included them as MICS in the Discussion Draft. The Nation urges the Commission to reconsider whether this material is appropriate for MICS, or whether it would be better relegated to guidance.

Draft 25 C.F.R. § 543.10 – What are the minimum internal control standards for card games?

Like the preceding section, Discussion Draft § 543.10 is considerably more detailed than the proposal put forth by the TAC during its December meeting in Suquamish, Washington, and appears to incorporate material drawn from the TGWG's proposed guidance documents, and



COMANCHE NATION GAMING COMMISSION
P.O BOX 1769 LAWTON, OK 73502
1915 E. GORE BLVD. LAWTON, OK 73501
PHONE: (580) 595-3300 FAX: (580) 595-3394
WWW.COMANCHENATION.COM

perhaps from other sources. The Nation urges the Commission to reconsider whether this level of detail is appropriate for MICS, or whether much of this material would be better relegated to guidance.

Draft 25 C.F.R. § 543.12 – What are the minimum internal control standards for gaming promotions and player tracking systems?

In addition to our comment above concerning the definition of "gaming promotion" contained in § 543.2, the Nation objects to controls being imposed on promotional activities. The current MICS do not contain controls for promotional activities, and these new controls would be a marked departure for the NIGC. By definition, a promotional activity is not gaming, as there is no consideration involved. Accordingly, the NIGC lacks authority to regulate such activity. The Nation already has a rigorous system for ensuring that all of its promotions are controlled and additional federal controls are unnecessary.

The TAC, at its December meeting in Suquamish, Washington, recommended that "gaming promotions" and "player tracking systems" be deleted from any proposed MICS. The Nation urges the Commission to reconsider whether the regulations contained within his section of the Discussion Draft are necessary.

Draft 25 C.F.R. § 543.13 – What are the minimum internal control standards for complimentary services or items?

Consistent with the opinion expressed by the TAC, the Nation recommends that this Section be deleted from any proposed MICS. At its January meeting in Pala, California, the TAC determined that there was no need for minimum internal control standards for complimentary services or items.

Draft 25 C.F.R. § 543.14 – What are the minimum internal control standards for patron deposit accounts and cashless systems?

The Nation notes an apparent inconsistency between Discussion Draft § 543.14(a)(2), which states that "[s]mart cards cannot maintain the only source of account data," and the definition of "smart card" in § 543.2, which reads: "A card with embedded integrated circuits that possess the means to electronically store or receive account data, *and is the only source of that data*" (emphasis added).

Additionally, the Nation notes that Discussion Draft § 543.14 contains no reference to unrestricted patron deposit accounts, which were endorsed by the TAC during its December



COMANCHE NATION GAMING COMMISSION
P.O BOX 1769 LAWTON, OK 73502
1915 E. GORE BLVD. LAWTON, OK 73501
PHONE: (580) 595-3300 FAX: (580) 595-3394
WWW.COMANCHENATION.COM

meeting in Suquamish, Washington. The Nation would like to see such accounts addressed by the MICS, so long as such accounts are consistent with other laws.

Draft 25 C.F.R. § 543.15 – What are the minimum internal control standards for lines of credit?

Consistent with the opinion expressed by the TAC, the Nation recommends that this Section be deleted from any proposed MICS. At its January meeting in Pala, California, the TAC determined that there was no need for minimum internal control standards for lines of credit.

Draft 25 C.F.R. § 543.17 – What are the minimum internal control standards for drop and count?

Initially, the Nation notes that § 543.17 is an excellent example of our general concern that this Discussion Draft is too process-oriented, when the MICS should instead be standards-oriented. For example, the draft MICS developed by the TAC at its January meeting in Pala, California, would require that controls for "[s]ecurity over drop boxes removed and awaiting transport to the count room." The Discussion Draft, on the other hand, mandates a particular *procedure*, when it requires at § 543.17(d)(3)(iii), that "[c]ard game drop boxes must be transported directly to the count room or other equivalently secure area by a minimum of two agents, at least one of whom is independent of the card game shift being dropped, until the count takes place." The TAC's language allows for a TGRA to require, and for an operation to implement, procedures that provide necessary security and are appropriate for the operation. The Discussion Draft fixes one particular procedure in stone, to the exclusion of all others. Such attention to procedure is beyond the NIGC's authority, and will necessarily create situations where procedural MICS are inappropriate for a particular gaming operation and prevents gaming operations from implementing an alternative procedure that proves to be more effective.

Additionally, we are concerned by the use of terms such as "financial instrument storage component" and "bill-in meter," which were not used by the TAC, and which may serve to limit use of particular technologies.

Finally, the Nation notes that the Discussion Draft § 543.17 divides drop and count by activity, e.g., providing "[c]ard game drop standards" at § 543.17(d), and "[p]layer interface and financial instrument drop standards" at § 543.17(e). The TAC did not think it necessary to make such distinctions in the language it endorsed at both its December and January meetings. The Nation urges that the NIGC revisit this Section to determine whether, as the TAC suggests, a single set of drop standards and a single set of count standards will suffice. We also object to the



COMANCHE NATION GAMING COMMISSION
P.O BOX 1769 LAWTON, OK 73502
1915 E. GORE BLVD. LAWTON, OK 73501
PHONE: (580) 595-3300 FAX: (580) 595-3394
WWW.COMANCHECOMMISSION.COM

use of the phrase "soft count" in § 543.17(f)-(g) (and, referring to those sections, in § 543.23(c)(1)(ix)).

Draft 25 C.F.R. § 543.18 – What are the minimum internal control standards for the cage, vault, kiosk, cash and cash equivalents?

This Section provides an example of one concern the Nation has about the Discussion Draft. At § 543.18(d)(2), the Discussion Draft mandates certain procedures "[f]or any individual increase/decrease that exceeds \$100." As previously noted, the Nation strongly objects to the procedural nature of this and other provisions. Additionally, the Nation objects to NIGC setting the threshold at which this sort of action should occur. TGRAs should have the authority to determine whether the threshold at which to take certain procedures.

The Nation further notes that the TAC, in the drafts developed at its December and January meetings, neither defined "kiosk" nor specifically regulated kiosks as the NIGC does in Discussion Draft § 543.18. The Nation feels that the Commission's inclusion of "kiosk" is unnecessary, and recommends its deletion.

Draft 25 C.F.R. § 543.20 – What are the minimum internal control standards for information technology and information technology data?

The Discussion Draft § 543.20 contains a great deal of material that the TGWG proposed in guidance documents, rather than in MICS. The Nation urges the Commission to revisit this Section to determine whether the level of detail suggested by the Discussion Draft is necessary in MICS, or whether much of this detail might instead be better relegated to guidance documents.

Additionally, at its January meeting in Pala, California, the TAC recommended deleting the phrase "including, but not limited to, means to restrict agents that have access to information technology from having access to financial instruments," which the Discussion Draft retains at § 543.20(b)(5). The Nation agrees with the TAC that this language is not necessary and should not be included in any proposed MICS.

Finally, the Discussion Draft contains a number of new requirements that may implicate the technical specifications of the games and gaming systems being used, and as a result require careful review and further consideration. For example, the MICS for Information Technology impose a number of requirements on Class II gaming that may or may not already be addressed in the Technical Standards. One of these is a requirement at § 543.20(h)(2) that records must be kept of all new installations or modifications to Class II gaming systems, but it is not made clear who is to keep and maintain such records. Another at 543.20(f)(2) would require that unused



COMANCHE NATION GAMING COMMISSION
P.O BOX 1769 LAWTON, OK 73502
1915 E. GORE BLVD. LAWTON, OK 73501
PHONE: (580) 595-3300 FAX: (580) 595-3394
WWW.COMANCHECOMMISSION.COM

services and non-essential ports must be disabled. These are technical requirements more appropriate for Technical Standards. The Nation believes the NIGC should ensure that games authorized for play under the Technical Standards can meet these new requirements.

Draft 25 C.F.R. § 543.21 – What are the minimum internal control standards for surveillance?

The Nation applauds the NIGC for addressing the TAC's concerns about auxiliary power and maintenance of logs. However, the Nation notes that the TAC raised two (2) concerns that appear not to be addressed in the Discussion Draft. First, there is no requirement in § 543.21 to document training. Second, there is no requirement for surveillance coverage of bingo game boards. The Nation urges the NIGC to consider inserting language to address these issues.

Additionally, the Nation supports the NIGC's decision to allow overview camera coverage for card game tournaments. However, the Nation questions the requirement at § 543.21(b)(1)(i) to have dedicated camera surveillance of the Class II game server. Often, these servers are located in a secured location, and may even be located off-site in a secured location. Having a dedicated camera providing continuous coverage of an immobile server box in a secured location seems unwarranted.

Draft 25 C.F.R. § 543.23 – What are the minimum internal control standards for audit and accounting?

The Nation is pleased to see much of the language endorsed by the TAC at its December meeting in Suquamish, Washington, reflected in Discussion Draft § 543.23. However, the Nation is puzzled by the insertion of § 543.23(b)(iii) and its reference to the gaming operation's "independent accountants." The Nation does not understand the purpose of this language, and is concerned that it might be interpreted as a requirement that an operation retain independent accountants, and/or that such independent accountants be responsible for these journal entries. The Nation urges the Commission to revisit this language and clarify what is intended.

Draft 25 C.F.R. § 543.24 – What are the minimum internal control standards for revenue audit?

The Nation notes that the Discussion Draft, at §§ 543.24(c)(9)(i)-(ii), concerning drop and count, requires quarterly "unannounced" tests of currency counters and currency counter interfaces, and of weigh scales and weigh scale interfaces. The Nation's gaming regulations currently require that auditors, state agents, or other visitors to the tribal gaming operation give advance notice to the Comanche Nation Gaming Commission in order to ensure that one of our



COMANCHE NATION GAMING COMMISSION
P.O BOX 1769 LAWTON, OK 73502
1915 E. GORE BLVD. LAWTON, OK 73501
PHONE: (580) 595-3300 FAX: (580) 595-3394
WWW.COMANCHE NATION.COM

agents is available to escort the visiting party into non-public areas of the operation. We believe any proposed rule should reflect that such notice to tribal gaming regulators would not constitute an improper "announcement" of the upcoming test. Our 2008 comments expressed a similar concern regarding a proposed requirement for unannounced observations of drop and count.

As always, the Nation strongly believes in the principle of government-to-government consultation on issues such as this, and appreciates the dialogue NIGC has opened with tribal governments by circulating this Discussion Draft. The Nation looks forward to continued government-to-government consultation with the NIGC on this critically important issue.

If you have any questions concerning our comments please contact me at (580)595-3300.

Sincerely,

Jill Peters
Executive Director
Comanche Nation Gaming Commission