

## NIGC Key Employee Definition

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To: NIGC General Information <info@NIGC.gov>

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In response to your request for comment on proposed revisions to Part 502 — DEFINITIONS, please accept the below suggested revisions:

§502.14 Key Employee.

Key employee means:

- (a) **Any employee having the power to exercise significant influence over decisions concerning the operation of a gaming revenue center or support function, such as the employees of the following departments:**
- 1) Accounting
  - 2) Bingo
  - 3) Cage and vault
  - 4) Credit
  - 5) Collections
  - 6) Finance
  - 7) Gaming compliance
  - 8) Human resources
  - 9) Internal audit
  - 10) Internal information systems
  - 11) Keno
  - 12) Marketing
  - 13) Pit operations
  - 14) Poker operations
  - 15) Race book
  - 16) Security
  - 17) Gaming machines
  - 18) Sports book
  - 19) Surveillance
- (b) **If not otherwise licensed as a key employee or primary management official, any person whose compensation (salaries, bonuses, and other taxable benefits) exceeds \$400,000 per annum, or the four highest compensated persons, whichever method results in the greater number of persons.**
- (c) **Any person who has the authority to determine who is authorized to grant credit, grant extensions of credit, or approve the write-off or discount of credit owed.**
- (d) **Any person who has the authority to determine who is authorized to grant complimentary benefits.**
- (e) **Any other employee of the gaming enterprise designated by the Tribe as a key employee in its gaming ordinance.**

We believe the currently proposed revisions to the key employee definition fails to consider that the heightened level of scrutiny afforded a key employee directly contributes to the overall effectiveness of the control environment. Accordingly, the definition should be derived from a risk based analysis in which those positions possessing the power to exercise significant influence are identified. When making the “significant influence” determination, it is worthy to note that internal controls are the mechanisms, rules, and procedures implemented to ensure the integrity of financial and accounting information, promote accountability and prevent fraud – as

well as achieve compliance with applicable laws and regulations. Our proposed revision is intended to identify those positions most critical to the enterprise achieving its objectives; thereby, warranting a key employee background examination.

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