

The Wisconsin Division of Gaming (WDOG) appreciates the opportunity to provide comment on the NIGC Class III MICS Guidance document. The WDOG is providing comments for the following sections:

NIGC MICS CHANGE	WDOG COMMENT
<p>542.13 (g)(6) – “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.”</p>	<p>The WDOG believes that the current standard regarding software labeling should remain in place. The current standard ensures that software ID label will be on the media in case of removal, and easily identifying media in an electronic gaming machine may prevent unnecessary media testing for the sake of media identification.</p>
<p>542.13 (h)(18) – “three percent (3%) recommended”.</p>	<p>The WDOG believes that a minimum threshold should be in place for investigation of machine performance. The 3% threshold helps identify patterns of loss and malfunction which may go unnoticed as the investigation threshold rises.</p>
<p>542.13 (j)(1) “(1) The following standards apply if a player tracking system is utilized:            (i) The player tracking system shall be secured so as to prevent unauthorized access (e.g., changing passwords at least quarterly and physical access to computer hardware, etc.).            (ii) The addition of points to members' accounts other than through actual gaming machine play shall be sufficiently documented (including substantiation of reasons for increases) and shall be authorized by a department independent of the player tracking and gaming machines. Alternatively, addition of points to members' accounts may be authorized by gaming machine supervisory employees if sufficient documentation is generated and it is randomly verified by employees who are independent of the gaming machine department on a quarterly basis.            (iii) Booth employees who redeem points for members shall be allowed to receive lost players club cards, provided that they are immediately deposited into a secured container for retrieval by independent personnel.”</p>	<p>The WDOG believes that physical and IT security standards in player tracking systems are critical in protecting against fraud. The WDOG recommends retention of the standards for tracking of agent work on an employee account within a gaming machine or player tracking department. Player’s club cards are valuable assets belonging to patrons, and the security of lost cards should be included in the standards.</p>

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<p>542.13 (5)/(7) – “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 the Tribal gaming regulatory authority upon request.”</p>	<p>The WDOG believes that a minimum threshold should remain in place for investigation of machine drop variances of Tribal assets. While investigations of a higher threshold may lead to fewer investigations, the 3% threshold helps identify patterns of loss and malfunction which may go unnoticed as the investigation threshold rises.</p>
<p>542.14 (b) – “(1) If personal checks, cashier's checks, payroll checks, or counter checks are cashed at the cage, the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with appropriate controls for purposes of security and integrity.                      (2) The Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with procedures for the acceptance of personal checks, collecting and recording checks returned to the gaming operation after deposit, re-deposit, and write-off authorization.”</p>	<p>The WDOG believes that controls should remain in place for financial instrument acceptance, along with assurance casino credit is not possibly given where prohibited by State/Tribal Compact.</p>
<p>542.17 (a) – “including limits based on relationships between the authorizer and recipient”.</p>	<p>The WDOG believes that controls should remain in place regarding the relationship between the authorizer of a comp and the recipient. A lack of controls in this area increases the risk of assets being given to patrons without justification, and increases the potential for fraud.</p>
<p>542.17 (c) – “The internal audit or accounting departments shall review the reports required in paragraph (b) of this section at least monthly. These reports shall be made available to the Tribe, Tribal gaming regulatory authority, audit committee, other entity designated by the Tribe, and the Commission upon request.”</p>	<p>The WDOG believes that this standard should remain in place regarding the reporting for player tracking systems. This reporting may help identify areas of risk, concern, or fraud.</p>

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Drop & Count:	<p>The WDOG recommends retention of the standards for drop and count non-currency paperwork (credit fill slip, inventory form, etc.) These documents are critical to maintaining the ability to conduct and audit of gaming revenue.</p>
Internal Audit:	<p>The WDOG recommends retention of the requirement that Tier C operations maintain a separate internal audit department. The WDOG has observed that the utilization of outside auditors who are not at a property on a full-time basis negatively affects the quality of the audits and increases the risk of control violations occurring without being identified. While the WDOG agrees that the additional expense of an internal audit department may not be justified for Tier A and B operations, the higher level of assets and therefore higher level of risk inherent in a Tier C operation merits the additional expense of an internal department.</p>
Surveillance:	<p>The WDOG recommends retention of the standards for providing adjustable camera coverage of table games (i.e., PTZ). The WDOG believes that lack of a dedicated camera requirement increases the risk of unrecorded activity at the table.</p> <p>The WDOG believes that the table games coverage requirement of activities is too broad and vague, leaving out specific coverage requirements for games which have unique mechanics such as craps and roulette. Some games have areas to bet which may need more intense focus to determine bets, pays, patron/dealer activities, etc. The lack of standards for individual games may lead to inadequate coverage.</p> <p>The WDOG recommends that surveillance requirements for Cage and vault continue to include coverage of the credit/fill window. A potentially high level of casino assets are at risk in cage and vault transactions, and the WDOG believes that reliance solely on paperwork as protection for these transactions is insufficient.</p>

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Surveillance (cont.):	<p>The WDOG recommends retention of the standards for count equipment surveillance coverage and recording clarity. Confirmation by surveillance of written and actual totals from the count machines mitigates the risk of errors and fraud.</p> <p>The WDOG recommends retention of the standards for recording of suspected crimes/suspicious activity by the surveillance department. A lack of standards in this area increases the risk of incidents occurring undetected.</p>