NATIONAL INDIAN GAMING COMMISSION

TRIBAL ADVISORY COMMITTEE MEETING

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PLACE: Hilton Garden Inn
815 East Mall Drive
Rapid City, South Dakota  57701
INDEX

TAC MEMBERS PRESENT:

John Magee, Gaming Commissioner, Pechanga Band of Luiseño Mission Indians
Kathi Hamel, Casino General Manager, Lytton Rancheria of California
Jason Ramos, Gaming Commission Chairman, Blue Lake Rancheria
Daniel K. McGhee, Gaming Commission Administrator, Poarch Band of Creek Indians
Brian Callaghan, Gaming Commission Executive Director, Pokagon Band of Potawatomi Indians
Christinia Thomas, Office of Gaming Regulation and Compliance Executive Director, Mille Lacs Band of Ojibwe
Steve Garvin, Gaming Commissioner, Ho-Chunk Nation
Jeff Wheatley, Director of Gaming, Stillaguamish Tribe of Indians
Michele Staona, Gaming Commission Executive Director, The Confederated Tribes of the Warm Springs Reservation of Oregon
Leo Culloo, General Manager of The Point Casino, Port Gamble S’Klallam Tribe
Mia M. Tahdoohahrippah, Gaming Commission Compliance Director, Comanche Nation
Robin Lash, Gaming Commissioner, Miami Tribe of Oklahoma
Matthew Morgan, Gaming Commissioner, Chickasaw Nation
Thomas Wilson, Gaming Commission Executive Director, Pascua Yaqui Tribe
Carleen Chino, Gaming Commissioner Executive Director, The Navajo Nation

NIGC SPEAKERS:

David Little
Nimish Purohit
R. Rust West
Tracie Stevens
Michael Hoenig

FACILITATOR:

Robert Fisher
MR. FISHER: Good morning, everybody. Welcome. So in a moment, let's go over the agenda for the day and figure out where we're going to start up this morning. Before I do that, let me just request that for those people who are in the audience, we ask that you sign in. There's a sign-in sheet on the other side of the door, and there's also a separate sign-in sheet for you if you want to give public comment to the tribal advisory committee either this morning or this afternoon. All right.

So generally, we can start -- we're going to pick up this morning on the technical standards.

MR. WILSON: Robert, I'd like to request that if the TAC can go into executive session for a few minutes, there's some issues we'd like to discuss. And then we can proceed on with the agenda.

MR. FISHER: Okay. So you want to go into executive session and you just want the TAC members present. Okay.

(Executive session – Discussion held off the record.)
MR. WILSON: So the fellow TAC-ians, we have concluded that we'd like to go on the record; that at the beginning of each meeting, we'll have an executive session. It helps us in organizing our day. So that will just become part of the process going forward. And so that can actually be an agenda item, I guess, that we have an executive session first. And then we will have an executive session, request executive session today prior to discussion of the MICS. There's some philosophical things that we believe are important for the group to get their head around first so that we can have a more effective discussion when we get to that.

And then the other thing is we just want to make sure that what's on the screen, that the documents on the screen are -- the only documents that we're looking at are the ones from the NIGC website and the submittal documents from Poarch Creek, so that we don't have any confusion about which version or what it is that we're working off of from that standpoint.

And then finally, we discussed the realization that the document that NIGC sent out, the summary document that is only pieces of the
entire document, and that there could be other changes in the entire document that we're not discussing because we're focusing on that. And a question that the TAC has for the NIGC on that is, is the presumption that we should take that, the only areas that you have concerns about are those that are in the summary document and that we can go on the premise that the rest of the document that may have other changes in it are not an issue with the NIGC?

MR. LITTLE: Is that question for me? No, actually there's other areas that we do want to discuss, including, you know, wide area networks, downloadable software, things like that. So there are some areas that we do want to kind of talk about. And then also I think it was very helpful when it was kind of opened up yesterday where TAC members had really gone through the document, had raised, you know, specific issues there. So we're definitely interested in making sure that there's a thorough scrub of that whole regulation and that any areas that folks feel need to be addressed are addressed.

MR. WILSON: So I just -- and, Robert, for your benefit as a facilitator, you know, we were
sort of going on that only that summary document was the primary focus of what we were to discuss. But in that case, you know, Dan, based on what you're saying, we don't want to lose sight of the bigger document; that everybody is comfortable that they can bring forward anything that's in that document, that we're not just limited to the summary document.

MR. LITTLE: I think when Nimish and our former associate general councilman went through it, they just picked the large concepts and made their changes, and that's what they made the comparison for. I'm pretty confident they pretty much touched on every point. Nimish can step in any time he feels like. But I think they did a pretty good job of addressing every change, almost nearly every change, except for maybe there was some cleanup, you know, changes that were made that we didn't address in the comparison. But for the most part, I think they did a good job of going after the major concepts and addressing them.

MR. PUROHIT: We looked at all the areas that had the comments. That's why I kind of redid the comparison document and added common
areas from the TGWG draft as well. And as the commissioner said, we kind of grouped it into all the major changes that you had in there. We didn't include every single change, and especially there are areas where they're repeated throughout the document. Kathi brought up the constant reference to 542, that was throughout the document. There was some other issues like the Tribal Gaming Regulatory Authority being truncated to the TGRA. Even though they were major and throughout the document, it's kind of implied that that's more of a verbiage change or something along those lines as well. But the major areas the commissioner said that had significant response associated with that as well and the reasoning by the TGWG, those are the ones we grouped in there and those ten areas that we highlighted.

MR. WILSON: And I think for us, some of the confusion with that document was that it's honing together different sections of the standards, but losing track that, oh, wait a minute, this is talking about this section, this is talking about that, but it's all grouped together. And the other thing that can be a
struggle sometimes is when it just pulls out, let's say section E, but then it begs the question, what's in A, B, C, D prior to that and what's after it. And so we're all understanding better now that there's a bigger piece here that as a TAC we have to reference so that we're seeing it in context of an entire document and not just the piece that's on the display.

MR. LITTLE: You know what will be helpful, because we're going to get into the MICS today hopefully, and we've done some comparison. That's a little different than this comparison document. But it would be really interesting, because we've got our attorneys and our audits going through that document trying to prepare a good document. So if there's any suggestions that you have, if there's a formatting thing that you can suggest, please let us know now because we're hopefully going to have that entire document to you over the next few months as we continue along as it goes on the agenda. So if there are some formatting or agenda issues that you want us to talk about, please let us know and we'll get that in there.

MR. WILSON: Thanks.
MS. HAMEL: I just have one question. The review process that the NIGC is taking for the MICS, is it being reviewed by a group of people collectively or individually, and different people are making different comments based on the section?

MR. LITTLE: Primarily it was done by our audits department and Rust West, who is here, one of our senior auditors. He'll be available, certainly like Nimish is here, to help clarify some of the, you know, reasoning or the comments that we made. And, you know, once again, you know, we're looking at it from our perspective. Some of the things in the document, you know, we think probably could be clarified, and these are just our comments and, you know, the way we're looking at it. And, you know, take it any way you want. And, hopefully, it may stimulate some discussion, and if there's some areas where we've got it wrong and where we are not sure or we've misinterpreted the meaning of the TGRA, please let us know. So it's basically just a starting point for discussion, not a position, not anything, just how we perceive this. And the hope is that, you know, it will stimulate some
good discussion and then it will help us have a
better understanding of what the goal of the
overall change is.

MR. McGHEE: So can we suggest maybe like
if we're going through these substantive changes,
the big changes -- I've only had them a few
months -- but if you go through those, and then
like we talked about yesterday, then if we get
through -- I mean, you guys' comments. And then
the other things that weren't addressed, if we
save time before we move to a new section to say
any other issues within the bingo section that
weren't changed, weren't made to that, we
actually give the opportunity to address those
each time. Like we're going to do with the
technical standards today, there were parts that
weren't changed made, but people had some
questions. So we save that at the end of
each --

MR. LITTLE: We think the MICS was done a
little differently, and that is there were some
areas that weren't addressed by the working group
that we have addressed in our working group.
That's why it will say, No comparable section.

MR. McGHEE: If we deleted the --
MR. LITTLE: Right. That could be true, you did do a good job at streamlining the whole thing. That might be an opportunity to say why we did this, this was the logic and reasoning.

MR. WILSON: Thanks.

MR. FISHER: Sure. I do have a -- I guess I have two questions. One is what is it that you want to project up on the screen? Do you want to project the NIGC document, or do you want to project the TGWG document? Because the full TGWG document that was delivered to NIGC has everything in it, plus the changes, plus your commentary.

MR. McGHEE: I think the summary that has been --

MR. FISHER: You want the comparison document?

MR. LITTLE: My opinion, and I thought this worked out well, when you did put the working group's document up there and then as topics came up and edits were made, you were able to do it right there. I thought, for me, that was the most beneficial. We all have the summary documents and we can certainly get everybody a hard copy if they don't have it. But for me, I
thought that was most helpful when you could
actually sit there and make the edits and get the
changes, and that way everybody can look at it so
when you're back in your room late at night
saying, What did they say, we make sure
everything is correct.

MR. McGHEE: Did you have up the TGWG,
this document?

MR. FISHER: I have both things. When we
were kind of looking at different sections and
how the sections fit together and then when we
made a change from what was in the -- what was
contained in the comparison document, I made that
directly -- I was working in the TGWG document.

MR. McGHEE: I think the way you were able
to toggle just the two documents --

MR. FISHER: Back and forth.

MR. McGHEE: Is the two you're only going
to need. You can pop this one up or pop this one up.

MR. FISHER: Okay. That's good. We can
check at the end of the day about how you handle
the executive sessions in the morning, whether
you want everybody to come down or whether you
just want to do the executive session and then
say we're going to start a half an hour later or
an hour later, whatever it is.

The second thing is I realized last night
when I was going back through the consensus
decisions and trying to figure out how to capture
those in a way to give them back to you, and I
don't have them for you because I haven't figured
out how to do this yet, so here I come to tell
you that the -- two things, one is the thing that
you pointed out, Tom, which is that there are
other changes in the TGWG document that are not
reflected in the comparison documents. And,
secondly, that the -- that it would be, I think,
really useful for the TAC to designate kind of an
informal or formal, whatever you want to do, just
if you want to call it a drafting group or
whatever, to really begin the process of thinking
about how your -- what your final product is
going to look like and then to work with us
around how we capture the consensus decisions in
a way that will feed into the final product. So
I'm assuming that you're going to have -- you're
going to reach consensus, you're going to issue a
report. And as I was looking at all of the
consensus decisions, there are some choices to be
made about how to organize it and how to present it. And rather than me make those choices, I thought if you're up for it, you could -- somebody could work with me around how we capture that now, or we can just put it out to you and you can deal with it later on.

MR. McGHEE: I mean, just so I'm clear, let's say the technical standards are almost done, except for definitions, which we're supposed to address as we go along, I understand. So you're saying maybe a group could take that, not necessarily to make changes, but decide this section would work better here or that kind of thing, when you're talking about formatting it? Because what would that group do with the technical standards after we're done, with what we just had?

MR. FISHER: There's some questions on what's the best way to organize the presentation of your consensus decisions. And because if you did it by the comparison document, the comparison document mixes different sections, and so there are some choices around if you're going to do it section by section or if you're going to combine sections like we did. And so I -- it would be
useful for somebody to be thinking about what's
the best way to present the recommendations in
the final report.

MR. McGHEE: Like the notes versus
substantial changes or suggested language versus
a note versus --

MR. FISHER: Right? So, anyway, that's --
as I was trying to do the work last night around
that, that's what I discovered. Think about that
and we can come back to that later on.

Okay. Any other comments or reflections
about yesterday's work that anybody wants to
share before we go back to the technical
standards?

MR. McGHEE: Do you think -- I know in the
agenda there's a spot for definitions kind of at
the end of each thing. But since today, we're
going to be done with these technical standards,
wouldn't it be more helpful to go ahead and look
at all the definitions of the technical standards
and be done with that document? There's really
no comparison document, I don't think,
summarizing the definitions. We didn't really
look at them. So before leaving technical
standards, let's maybe look at the definitions.
Because I would rather say we're done with technical standards and wipe our hands of it. If everybody is okay with that. Instead of each time, you know.

MR. FISHER: Yeah. That's --

MR. McGHEE: I don't think there's a lot of changes, but there are changes people should be aware of.

MR. FISHER: I just put that on the bottom of that list. That's the list that I was informally tracking of the things that got raised yesterday that we said we would cycle back to. So I think it's a good idea to finish off the technical standards in its entirety before we move on to the MICS. So if we want to make sure that -- we want to make sure we cover anything that anybody has on the technical standards before we finish with that and move on to the MICS. I may not have gotten this list entirely complete, but that's what I was tracking on the informal list. And there were a couple of other things, that issue around the grandfathered provisions and whether we need to make some statement about what's included or not included, be more explicit about that.
Are we ready to pick up there, anybody have anything else before we start? So is that the right place to start? Some of the things on the list, Kathi, were things that you had raised, but maybe it might make sense to start at the beginning of the regulation and just go through it, kind of section by section and see if anybody has anything in Section 1 or Section 2 and just try to do it that way? I don't know where your questions are, Dan.

MR. LITTLE: I said downloadable software. I want to talk about remote access. And there has been an issue. It is -- do the TAC folks feel that the technical standards address this issue? I mean, does anybody have any issues with it? From what I've heard, there's been some issues where tribes have not had an ability to remotely access servers, and that has become a problem in the audit.

MR. PUROHIT: I'll rephrase it. The servers -- the manufacturers, when they come in and remote access the servers located on tribal land and vice versa, when you're in a wide area network where multiple tribes are participating in -- like I'll use an example that I use
sometimes. Let's say Chickasaw Nation is hosting a network of games that has 200 terminals for a manufacturer, and then some of the other smaller tribes in the neighboring areas because they can't really have the propensity to fulfill the two player minimum, they'll go into the wide area network as well. So one of the issues that was constantly bringing up to our attention is the other tribal regulators going into this wide area network while the hosting tribe has the ability to go in and verify the software, the signature and everything else on demand like they need to on the regulatory side, the smaller tribal regulatory authorities may not have that access to go and verify the software because the main software is not located on their land. Has anyone else of the TAC experienced this? What's been your experience in general with scenarios such as these? Is this something that's echoed by the smaller tribal jurisdictions that are hooked up into these wide area networks quite frequently?

MR. MORGAN: I have a question, and it's maybe where would this conversation be appropriate. Technical standards are
capabilities of the system. Your discussion you're bringing up is does a TGR have the ability to go in and verify software which seems to be an internal control, or is that outside the realm of technical standards question? That's what -- the that's the question that comes to my head.

MR. McGHEE: To verify software signature, stuff like that, which is sometimes a requirement normally in the regulations -- I mean in the MICS. And then if what you're saying is -- and the question I would have if I'm responsible to do that, and which our tribe -- I don't think we go that far out, I'm not sure. The question is do I rely on the host tribe to tell me, hey, have you checked that, therefore I'm in compliance now too because I can't check it, or you're saying each tribe that participates should have the ability to check it?

MR. PUROHIT: It is a technical standard because the signature verification, if the software is not there for you to access, what are the requirements of doing that signature verification. That's what it is. Like does that need to be reworded for --

MR. McGHEE: What you're saying is we have
to put something in the technical standards that the systems should be capable of allowing remote; not necessarily do it, but it should be made to where it can be done?

MR. PUROHIT: How can it be done in those situations for networks.

MR. MORGAN: So but these requirements are something that's placed upon a manufacturer. So the manufacturer has to build their system in order to be capable that it has to self-verify, one; and then, two, that it provides some type of signature verification format so a TGRA can come in. And your question revolves around, you know, does Tribe B advocate ability to go in and signature verify something when everything is located on Tribe A's property? Is that not a contractual matter? I mean, before you approve a game to come in and you're looking at can I do this and your questions that you have at a local level, and if he says, you know, you're not going to be able to verify that because actually where this server is located is off your jurisdiction. It comes into question -- because I have jurisdiction over my gaming facility. What if they put that server in the tribal headquarters
building that's tribal lands and may be eligible for gaming, but I don't have jurisdiction there? It's still that question. So the question would be to me is would I allow it to be placed there. And if I'm in the position where I don't need to play the game unless I do, well, that's -- I'm in a different position other than maybe I could take it or leave it. And if I need to put it there, then either I'm doing some discussion with the manufacturer, I'm doing a discussion with the operator, and I'm probably doing a discussion with Tribe A's gaming regulatory agent how do I accomplish this. But I still don't see how this becomes a technical standards issue. Maybe this has to be a manufacturer.

MR. PUROHIT: I'll give you a common point to that. What about the fact that they're saying that just by putting it somewhere else, they don't necessarily have to abide by the capabilities. Because it's not there for the tribal regulatory to go in, should there be something in there that says we have the ability to have this actually go in and verify the signature on this. Even though it's a minimum requirement, is there something that because now
it's in a wide area network setting, does that bypass that requirement from that perspective? Is there any kind of issue for that perspective that you can only go in and verify the software in person? I don't know if that makes sense or not.

MR. FISHER: I don't know, Tom or Daniel, whichever one is first.

MR. WILSON: In the private industry, we deal with these issues in the public accounting world, anyhow, when we're doing audits of things where we're relying on somebody else, somebody else to certify that the controls are in place that we can't physically go verify. So it's called SAS 70. What that is is that I make a reliance on this other tribe somehow certifying that the system, the signature verification, whatever the issues are that the controls that we normally would test ourselves, that we're relying on a statement, you know, some form or whatever from that host tribe that they, in fact, have complied with and that, you know, the signature has been verified, whatever it is, and that that's how we would address getting assurance that that host tribe is in fact doing what
they're supposed to be doing and certifying that they're meeting the control objectives that we would normally test for, the same thing if we had that system sitting right in our shop, so to speak.

MR. MORGAN: Is that internal control or was that a technical standards?

MR. WILSON: Well, the -- the technical standard aspect -- well, that's an internal control. So the technical standard, the technical standard is that, you know, it has to have the capability to do the signature verification. The control is that, you know, I need a mechanism to rely on you as the host tribe to ensure that you are following the controls that are supposed to be in place to protect the integrity of that game. So in my mind, the component or the SAS 70, whatever you call it, that's a component you get through as a control mechanism. But there wouldn't be anything you would say in the technical standard because the expectation is that it doesn't matter who's hosting that system, it meets the technical standard. And I'm just relying on your certification that that's so. Because I can't
physically walk over there and verify that.

MR. FISHER: Let's do Leo, Matt, and then Nimish.

MR. CULLOO: I think the control standards you're talking about are contractual. I think those would be in the contract itself outline everything that they will adhere to in their compliance. So to me that's more a contractual item than it would be anything else.

MR. MORGAN: I kind of agree with Leo. And the example I would bring up is in the Class III world, your WACs, Class II world, Rocket. The server sits on her land, secondary server sits on my land. The old Megamania game where you had one ball draw that came up and people participate in it. At no time did all those tribes in there have a chance to go in and say, I want to verify the balls coming up from the ball blower. You relied on whoever is hosting it to perform that function through a contractual manner when you sign on, because some of it is how bad do you really want this. To impose that additional cost on the manufacturer to say not only do you have to let where you place it be able to signature verify it, now you're going to
have to come up with the capability to let remote
access tribes who may be participating in the
game -- because Class II, that is what it's all
about, multiple participation -- you're going to
have to come up with that component to allow
everybody else to -- it's either got to be you
set up some internal controls to address that and
you address it through a contract. I'm failing
to see where the technical component comes that
makes me feel that --

MR. PUROHIT: Well, the follow-up is also,
you know, we talked about another requirement
yesterday with the downloads. What about the
issue for -- once again, that also goes to the
MICS side as well. What about the issue of the
verification of downloads, that's something that
still needs to happen. If a manufacturer is
going in verifying that, that they do some kind
of a download, they push out all these updates,
what have you, where is the capability going to
lie there? Are they still responsible for making
sure that that one server still adheres to all
the requirements as far as the technical
standards go? And, you know, it sounds like
everyone's input so far is that's going to rely
from a MICS perspective and a contractual perspective, that only that one tribe and one tribal regulator is going to be responsible for it and that kind of extends to other tribal regulators participating in there, depending on the contract.

MR. CALLAGHAN: I do have a Class II wire contract here, and it does have all those terms. It has they have to adhere to tribal rules and regulations and applicable federal law. Agreement to regulation, supervision of game operators, which would be the Four Winds. Tribal gaming authority. So all that language as you mentioned is in here, and we do have the authority to go and verify if necessary, and we also have the option to void it as a regulator as well, void the contract. Similarly -- and there's similar language in the other -- in wide area progressive contracts as well. So I feel like the controls are there for me as a regulator. Being sympathetic and empathetic to a smaller tribe who may not have the ability to go physically and do it, it's still in the contract. And then there's that decision, not a commercial decision but a regulatory decision, that decides
whether or not I'm going to allow that game on my floor, irrespective of the environment.

MR. McGHEE: Or the host tribe you provide the information and trust them.

MR. CALLAGHAN: And I do believe with downloadable. But we've got some market things where we can verify signatures through our checks. And when they come into our system, I know I've been in touch with WMS, a little to a degree with IGT. And we have the ability to verify signatures similar to what we talked about with parity checks and things like that. So there are internal controls that will be in place for that.

MR. WHEATLEY: I could see some value in having a technical standard that allows a tribe to be able to do that, signature check on site, even though software is coming from off of their land. I mean, we're a field trial site for Rocket gaming, so essentially I'm getting new software every week. So for my Tribal Gaming Regulatory Agency to have to call another host tribe saying, hey, can you verify this signature for me, it's going to be a constant type of thing. I don't know, is it that big of a deal
for a manufacturer to be able to provide that
type of ability for a TGA to be able to verify
the signature of the software at a remote site?
I don't know.

MR. MORGAN: My question is to Nimish.
Doesn't Jeff still have the ability, though, to
verify a software at the terminal level? The
report says here's the signature. You can still
go to the terminal and look and say, Does it
match. Even though he can't physically go in and
signature it at the server level, he can still go
through it at the terminal level.

MR. WHEATLEY: As long as I can do it at
the secondary server level, I think that would be
fine. I thought that's what we're saying is not
available.

MR. PUROHIT: Exactly. The secondary
server, that will still have the critical
software, for example. But what about like the
issues where updates are being pushed out to the
software and having those updates be verified as
well? It's like a two-step thing. You're not
just verifying the critical software at one end,
but once the updates are done that the critical
software is still untouched and you can go verify
any of those updates as well.

MR. MORGAN: But when you update software, it changes the signature. The lab or the manufacturer are required by tribal law regulation to send that to every jurisdiction that has it. You get a report that says, hey, your signature went and changed. You can still go out to your terminal and look and say, yes, it did or, no, it didn't. You may have to get on the phone and call whatever tribe has that server and say, did y'all go check the server too and make sure. This almost reminds me of, I don't know, taking a shotgun approach to something that may be able to be fixed with just a phone call. That's a phone call, we're there. Tom's brought up the expectation in internal controls to solve it. I'm still failing to grasp how an additional technical standard remedies a situation that seems to be there's already solutions out there to remedy it. It may not be my sole -- I can't do it solely within my own place, but there are remedies out there.

MR. WILSON: I think, you know, me as a regulator, the risk is that the -- I'll call it the host tribe, whoever is hosting the system,
isn't doing what they're supposed to be doing and
that they have, you know, verified the signature,
they verified the download. And so it's more
important to me to want to have a mechanism to
hold them accountable for doing that, which I
think is through the MICS, probably, that defines
-- probably there's not a formalization of this
concept of a host and the host having a document
prepared that they provide to hostees that says
we are doing these things. And so for me, the
risk would be I would want the MICS to reflect
that that's a requirement if you're hosting the
system, that you have to do A, B or C. Then the
technical standard -- because the technical
standard -- the mechanism to ensure that is not
through the manufacturer. It's from tribe to
tribe through an internal control issue.

MR. McGHEE: Similar to along what you
were saying, if it were me and I knew that the
host tribe was them and my concern was whether or
not they were verifying the signatures when the
downloads happen and they're capable of doing it
because it's on their property and I'm not,
probably prior to a contract coming up, I'd want
to contact that investigatory agency and say at
least let me see your procedures; do you have
procedures in place about how you test your
signatures and updates happen, make sure I'm
comfortable with them before I would enter or
approve the operations entering into a contract
with them. And then at any point, like I was
saying with this contract, I was making sure that
I could go in if I needed to do that site because
I think there's an issue that, you know, this
regulatory agency is not comfortable with the way
you're doing things, people at my place --
whatever the issue, that I could go in and do it
myself. Which would fix the problem of what
you're saying. It doesn't make it easier, but --
am I right? If I did it that way, that would fix
the problem and what we're trying to accomplish.
Maybe not the way in which you're suggesting it
being accomplished, to make it easy.

MR. PUROHIT: I'm trying to put feelers
out there what's happening with this issue,
because we keep getting it all the time from the
smaller tribes.

MS. HAMEL: My question is, and maybe it's
because I don't understand because it's way
techier than I am, but if there's Tribe A is
hosting the server, there's an intermediate server that has the signature. I'm not aware of any system where there isn't a signature on the property that's offering the prize. So the verification -- and if I'm wrong, please correct me -- always takes place on the property that's offering the prize or the WAP or whatever. I don't think there's just a remote connection without any intermediate verification. Is that true?

MR. McGHEE: There is no remote section. That's what he's suggesting be in place.

MR. PUROHIT: The question was revolving around -- so the intermediate servers -- let me ask a follow-up question to that. I'm trying not to get techy either. Does it just host -- does it just have a signature available when the tribal regulator for the local jurisdiction wants to pull up that signature, or is it capable for them to have that intermediate server talk to the main game server and then run the signatures to whatever the local tribal regulator wants to run the signature in, as the technical standards lie right now, using whatever methodology that they want? Is it something that's saying that, oh,
yeah, the signature is done; is that what the local server is saying, or is it giving them the access and saying, here's access to the main game server content, you can do the signature however you want to do it, as one of the requirements of the tech standards?

MS. HAMEL: It's my impression if those two signatures don't match, they won't work.

MR. FISHER: Okay. I think we have --

MS. HAMEL: And it can be verified.

MR. FISHER: -- Jeff and then -- it might be easier to go around that way. Let's start with Jason.

MR. RAMOS: I guess my question, Nimish, is in the Class III world with either the IGT server-based games or wide area progressives, I don't have any server-based games, but I know with the wide area progressives, we test the machines on the floor. But IGT to my knowledge doesn't give us access to go back to their main server to test that, so I think there's a comparable world in Class III where we're testing it on the floor.

MR. PUROHIT: The wide area progressive one is not a comparable example in this case,
because like in your case, it's wide area progressives for the Class III --

   MR. RAMOS: Say it's an IGT server-based game. That is a Class III game. To my knowledge, they don't allow you to go back in their main server to verify the software.

   MR. PUROHIT: Right. It's a -- you’re talking about SBX, for example. When the content comes installed on the actual game, everything is happening at the terminal level now. In this particular case, on the game server itself, that's where all the math models and the pay tables reside. So giving -- I'm trying to give you a comparison. I'll use an older fashion model as well. In the wide area progressive setting in the Class III world, IGT, for example, they can't send a -- and I'm just really trivializing -- but they can't necessarily change something on the server side of it that it will change out the math models for all participating terminals. That control resides at the terminal itself. So that's from the risk perspective, that's where the risk resides. That's why I was asking that question.

   MR. WHEATLEY: I'm with Kathi, I don't
understand what the issue is because my impression is when we get new software, it comes with the lab certificate that says, you know, this is the signature of the software that's been tested by the lab. And even though we're not the host tribe, we have the secondary server on site. And I'm thinking that we have the ability to verify that signature that the software that they say that they're installing at the host tribe is the software that's being pushed down to our site. So I don't know if that's not the case, but it seems like it's the case to me.

MR. MORGAN: I'll agree. If you keep in mind, there are several servers running at any one time that control certain aspects, whether it's the ball draw, whether, you know, your back office system. So it's multiple servers working together. And I'm going to try to help you out. Mr. Acting Technical Training Director, is it not an educational effort that needs to happen here because people don't quite understand the setup and makeup, especially in Class II, of how these ball draws work? There is a main ball draw that comes down to a local level to a subserver before it comes out on the floor, and this is how you
would handle that. It seems like there's a misunderstanding of how the system works, and it's opposed to -- there's a problem out there that manufacturers need to go fix.

MR. PUROHIT: We'll try, Matt. It's been part of the Class II training effort.

MS. LASH: I just wanted to say I think it's valuable to have this conversation, at least for the Miami. We're a small tribe and we were just approached by a manufacturer do the wide area ball call, and the host is in Montana. So we're facing these same issues as far as what is that tribe's security parameters for that server that we probably won't ever see, and, you know, the testing and all those issues. We're looking at that. Because conceptually, it would be a good idea for our small hall to not have to sit there and wait for two people or have one person play two games so they can play that system. And there's 16 tribes right now that are linked to that host out of Montana, but we have other issues as well, you know. And I've asked, and this is just what are the complaints from management as far as the signals; do you have signal lapses and how frequently and those kind
of things. Because it will swap back over to our server when they say they'll be a temporary, so we just have a lot of questions right now.

MR. CALLAGHAN: That's ironic that you mentioned it because I'm looking at -- I'm asking the casino to have the contracts looked at as to see when we lose communications, we're in a wide area progressive, there's still going to show the last WAP on there. If that jackpot were to be hit, who's going to be responsible for it. It's a risk. So adjunct to that is how much cradle to grave do you think needs to be on technical standards. I would suggest you take a look at Nevada, numbers in Nevada as a parallel, which you're probably going to be doing. Because with Nevada numbers, it's a keno system. But the server is resonated in a business in Las Vegas. And quite frankly, if you looked at where they keep the server and who's watching over it, other than the camera, you'd be a little surprised. This is the Class III world in Nevada which you think would be pristine, not meaning to cast any spurs, but it's kind of interesting to see. So you got to take a look at it, how far do you want to drill this thing down. On the downloadable on
Class III, as I understand it, they download the
game, it's got to be through a separate server.
It can't download directly to the games. So you
download it to the server, then you verify the
signature. I think it would be helpful, and
maybe it's too late for this now, but I'm a
visual guy. I wish we had a schematic up there
and literally a schematic between Class II and
III because there's so many things as we
discussed before, the ball drop, where the server
is, where does the card draw come from, and take
a look from there.

MR. FISHER: So is that possible?

MR. LITTLE: He's probably already trained
on it.

MR. PUROHIT: I have a schematic, just not
on me right now.

MR. FISHER: If we could figure out how to
get it. Tom.

MR. WILSON: Nimish, I just want to be
clear that I understand the risk that you're
trying to describe. Is it that on the host
system, there's a download, updated software or
whatever, on the intermediate system which is
communicating with the host system; is the
concern that there's only a one-time signature verification that goes out to the intermediate system and now that's sitting static, but there could be a new signature verification on the host system? So in other words, if the two systems are in communication and if the host system any time there's a download changes signature, that automatically updates the intermediate system so that from that terminal you can verify the signature if you so choose; is that what the concern is?

MR. PUROHIT: The concern is that -- I'll put it like, you know, give you an example using Class III terminology and any other terminologies. You're asking the system, only the primary host, for example, has the ability to do signature verifications on demand. And the secondary, the smaller tribes that have the intermediate server are relying on the system to keep itself honest and pulling it that way. While they can't go in and use -- generate the signature that they want using any other tools that they might want to do as well. I don't know if that makes sense or not. It's like saying you go up to a gaming machine, you go up on it and
you go up to the menus and the gaming machine and
tell it, give me all the signatures that you have
there. So that classic idea is you're asking the
machine, are you still good. Generate your own
signature, show me what you got. That's the
idea. As opposed to pulling up the media and
then running the signature by yourself with
whatever tools and methodology that you want.
It's that -- the concern that I was trying to get
some input on in that particular area. I don't
know if that makes sense.

MR. WILSON: But cannot -- if -- I mean,
it seems to me the key issue is, is the host
system providing the signature information to the
intermediate system in realtime. And if that's
the case, how a tribe gets to that information is
a different issue. The technical standard in my
mind is that that communication protocol, you
know, that that realtime updating or that that is
happening, that's the technical standard that
that has to occur. But how a tribe actually then
verifies or chooses to come to how are we going
to verify whether we're relying on a
certification document or whether we can at the
terminal do something, that's a different issue
than the technical standard issue. I mean, my concern from a technical standard would be that that communication protocol, or that the inverse, that that intermediate machine wouldn't be updated with the current signature when there's a download on the primary host machine. To me, that's the technical standard that if the risk is that, that you would want to make sure is it current, but not how one goes about verifying.

MS. HAMEL: Well, my question is, Nimish, is there not a signature on this intermediate server? Because to the best of my knowledge, there is. That can be verified.

MR. PUROHIT: Right. There is a signature on it. But the issues that have come up as the tech standards are right now, it says that the TGRA has means to check the signature with whatever methodology they choose. And that gives some examples of the methodology. And that's what I'm trying to get a feel for, is does that choice exist for the participating smaller tribes, for example, or are they just relying on the fact that this is a signature that's being pulled up at that secondary server, and here it's a pass? Once it's actually built in after they
approve the software and everything else. And it
definitely sounds like this is moving into more
and more of an internal control arena here as
well, as far as that choice -- it might just be
whatever that they agreed to, that they can go in
and verify it later on, as opposed to presenting
a choice of using whatever methodology.

MR. FISHER: Sounds like that's the
message you're getting. We'll keep going around.
Leo.

MR. CULLOO: Again, I think there's a risk
in everything, but you mitigate it by taking
steps through your internal controls. So you
have a contract that specifies what they have to
do to be compliant. You also, in our case, our
TGRA sent a letter out to all the manufacturers
which we have area wide network, you will give us
written notice prior to doing a download or an
upgrade; you will give us 24 or whatever,
48 hours with the information on what it is and
what it's going to accomplish and their
signature, and then they get they go to the
machine and they do their signature. So I feel
we've mitigated our risk as best we can by taking
those three steps.
MR. MORGAN: I guess to conclude, what I keep hearing is there is some misunderstandings of how Class II systems work that exist in Indian Country, so that probably could be addressed. Two, you always have the ability through a contractor, if you don't like the terms of the contract, don't enter into the contract. Because when you say do you have a choice, I don't get to go in and say, you know, this is going to be verified through a CD versus a flash. I mean, it's a choice of do I want that game software and is there an independent third party verifier system in place that I can go in and check that. I don't actually get to go in or -- I don't think anybody gets to. I mean, I'm sure they take people's opinion. But it kind of goes back to how big are you. The bigger you are in the industry, the more requirements that manufacturers will bend to you, and that's just a numbers game. When you're very small, you don't have that leverage. When you're very big, you have more leverage to get things done that fit the way you want it to get done. But at the end of the day, it's always a decision of do you want that. Because if you don't want it, it just
doesn't come in your facility. And whether there's a tribal government decision or an operator decision or a regulator decision, if everybody is not happy with it, it doesn't happen. And, you know, as far as I know, I mean, Class II servers have been running well since '96, '97. And that's the reason I think a lot of it is an educational effort that may need to take place for people that don't quite understand the setup of how this works.

Back to Brian's point, maybe schematics would help make sure that people understand exactly how that information gets from the manufacturer to your game floor.


MR. PUROHIT: Just a follow-up general question, then. It's relevant to this conversation. Simply put then, you know, are the current standards for signature verification that we have, technical standards, are they sufficient enough to address wide area networks? That's pretty much what we're trying to get at here as well in general. Okay.

MR. WILSON: We could vote on that.

MR. FISHER: You could make a
recommendation that says don't change it, it's fine.

MR. MORGAN: Nimish, the one thing that may help the Class II MICS, that's one area of MICS that has gone forward from the Class III MICS, but because they've never been made effective, maybe once you get to that, maybe that will address some people's concerns. There are a lot of things that empower the regulator on the Class II MICS than on the previous Class III version.

MR. McGHEE: Is that one of those questions on your sheet that you wanted to ask?

MR. FISHER: Did you have other questions?

MR. McGHEE: I'm saying maybe if that's a specific answer they wanted, maybe it should be some kind of a formal answer.

MR. LITTLE: We're not asking for a specific answer.

MR. McGHEE: You're asking for a specific something. Whether we like it or not. Do you want it on the record that we said we didn't like it?

MR. LITTLE: No, that's not necessary. This is a good -- it's a learning process for us,
and, you know, it's important we're making our
decisions and, you know. We go through that we
can, you know, Nimish will be very helpful to the
commission and these are complex issues. And
everybody doesn't know everything, but that's why
this group is so important.

MR. PUROHIT: These are questions that
come up both in training and consultation.
That's why we wanted to ask the TAC as well,
what's been your experience with that. That's
the main reason for asking these questions.

MR. LITTLE: Like I said, we're trying to
create a regulation that encompasses the entire
industry. And you guys are diverse. And it's a
tough task, a tough task that you all have and we
all have.

MR. FISHER: Did you have other questions
you wanted to raise now?

MR. LITTLE: I think the only other ones
are basically are there other areas that need to
be addressed that weren't raised.

MR. FISHER: So maybe we should just -- I
know there are some things up there that we said
we would cycle back to, but what if we started at
547.1 and see if anybody has anything that they
want to raise or question and go through it. Or you want to start with those?

MR. McGHEE: I would say based on my experience with going that way, you start putting out things that you never would have -- I mean, it's giving the chance we shouldn't. To me, it's your job on this committee to study that and know that you have issues prior to coming. So I would just say are there issues, like Kathi has done, she has already named her issues throughout the document that she had. Going line by line is going to stretch it, and we'll be here all day.

MR. FISHER: I wasn't suggesting that.

MR. McGHEE: Section by section, either way. Just my suggestion.

MR. FISHER: This is an opportunity for people to raise anything that they have in the technical standards that hasn't been covered yet. So whatever the best way to do that is, that's how we should proceed.

MR. McGHEE: Does anyone disagree with what I'm saying?

MR. WILSON: No, I think it puts the ownership on individuals that they should have reviewed the document, and if they have an issue
with something, they need to bring it forward.

MR. FISHER: Where should we start?

MS. HAMEL: I have 547.7(c). We talked about (c) as number one.

MR. FISHER: I have the published one on here. Do you want me it pull that up?

MS. HAMEL: That's okay. Isn't it still (c)? Submission, testing and approval. 547.7.

MR. PUROHIT: That's hardware.

MS. HAMEL: 547.4(c)(1).

MR. McGHEE: Submission, testing, which is still (c). So Page 10 of that document.

MS. HAMEL: It says the Class II gaming system.

MR. FISHER: There's page -- there it is. Right. Got it.

MS. HAMEL: (c)(1).

MR. FISHER: Right there.

MS. HAMEL: The Class II gaming system cashless system, voucher payment system or modification has been submitted to a testing lab. It's my understanding that this goes all the way back to systems, Class II gaming systems that add their own ticketing, their own voucher system, their own -- that maybe was not compatible. And
does this apply today to all cashless vouchers?

MR. MORGAN: My first is just a question to you, Kathi. Are you referring to when Class II systems first kind of came into the industry, they were self-contained systems, kind of that you could do everything in there; you didn't have to have these different components and that kind of came on later with Class III, is that what you mean?

MS. HAMEL: Right. This is where it just pops up in the document. All of a sudden, we've lumped cashless system and now voucher system into submission, testing and approval. And I -- I'm thinking it's something leftover from the old days, but I don't think we submit these as part of a Class II gaming system.

MR. WHEATLEY: You're talking about if there's a third party ticketing system or cashless system used, does that have to be submitted?

MR. PUROHIT: I think it's an excellent question, because I've been asked that a few times by various, like, common, as they call it, back-of-the-house system manufacturers. For example, Bally, like, you know, if we have a
common back-of-the-house, do we require that to be tested? Because it's not necessarily having any interface with the Class II gaming system, per se, only interfaces for ticketing, player tracking, et cetera. And this, as I understand it, was put in here for exactly what Kathi pointed out, for those legacy systems that were self-contained, as Matthew pointed out as well, that had their own proprietary ticketing systems where you could get a ticket like on Cadillac Jack, print it out, you couldn't go and put it into another gaming system's manufacturer and, furthermore, you have to go to the cashier's lane that had the Cadillac Jack window on there as well. That's what this is geared towards. As far as the standards right now and the intent, I agree with you like the language is not necessarily that clear, but the intent is that if you do have that proprietary system which does interface with all these other system components, then that has to be tested as well. Anything that's a common back-of-the-house beyond whatever is outside of the self-contained system, that's left up to the Tribal Regulatory Authority and their systems' testing requirement which are
commonly known as interoperability testing. So, for example, like, you know, Daniel, in your jurisdiction, if you have like Bally 1, let's say, and you have seven different system manufacturers for Class II gaming systems, whatever your requirement to be for that common Bally 1 system manufacturer, they should submit that to an independent test lab, and that should be tested for specifically your seven systems and diverse whatever you have and whatever your TGRA requirements are. Kathi, go ahead. Oh, sorry, Tom.

MR. WILSON: I was just going to say when I pop back to the definition of Class II gaming systems, and we talk about the definition, that sounds like the definition takes into account all of these components that what you're saying is not intended in that statement. So it seems to me that I have -- these are not very clear what it doesn't include. Otherwise based on the definition of Class II gaming systems, I think what it's going to include that it includes all of those things that Kathi is speaking to.

MR. PUROHIT: Kathi.

MS. HAMEL: My recommendation would be to
take out cashless system voucher payment system.

MR. MORGAN: Because you think that's
included already within a Class II gaming system?

MS. HAMEL: Right.

MR. McGHEE: You're not really testing it
anymore. You don't think it needs to be written.

MS. HAMEL: Because it's part of the
definition.

MR. PUROHIT: Does the definition of Class
II gaming system need to be scrubbed a little bit
to make that clear that it's referring to the
proprietary accounting?

MR. WILSON: The definition says 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.

MR. PUROHIT: Is that straightforward
enough then?

MS. HAMEL: I think it is.

MR. FISHER: There's also a definition of
Class II game, which is used in the Class II
gaming system definition.
MR. WILSON: Above it is Class II game, but it refers to --

MR. CULLOO: Class II gaming system.

MR. McGHEE: Do we need to do anything about it?

MR. WILSON: We're going to recommend removing that. I think we should test it.

MR. FISHER: The proposal is -- are you removing it from one or are you removing it -- because it's also right there.

MS. HAMEL: It I think it should be removed from all references.

MR. FISHER: Okay. Do you want to state what the proposal is?

MS. HAMEL: Sure. I'm recommending that any reference to cashless or voucher systems associated with Class II gaming system be removed from the regulations. Because the definition encompasses those functions, those components.

MR. PUROHIT: And are you also recommending removing definitions for that, because there is definition for cashless system, there's a definition for elite voucher or voucher system as well, for both of them.

MS. HAMEL: Those are components. Maybe
used -- we'll have to see where it's used.

MR. McGHEE: If it's not used anywhere else in the document, then, yeah, but we don't know.

MS. HAMEL: If it's not used, I would recommend removing the definitions. And I know they reside in the MICS.

MR. WILSON: We're ready to apply it.

MR. MORGAN: While he's writing one point, if you take that out probably from y'all's perspective, I refer to that every now and then, that the inoperability testing part of that will have to become bigger in your training and technical assistance programs. Because that is that secondary component. It's important that takes place that not actually required as a technical, you know, that you want to be certified and it runs correctly based on what you submitted. Now whether it runs correctly in your facility or not, it's not what the technical standards are.

MR. McGHEE: Put part of the system as defined, so you still have to test the whole gaming system.

MR. MORGAN: I do inoperability testing at
my place because I want to make sure it runs best. I don't use an independent testing lab for inoperability. We do that ourselves. I just want them to stress that it's still important that that's probably the easier, best standard that you do that, no matter where you get that done, but I don't need that as a requirement in the technical standards that inoperability is done. You have to say does ACSC work. Yes. Does Cadillac Jack's version of this game work the way you get the signature. That doesn't say does Bally 1 work with Cadillac Jack on Poarch Creek's floor in the correct manner. That's not what the lab will certify to. Unless you bring the lab to the floor and you send them configuration, and that's additional costs and tests as opposed to what you're testing. I think that will add confusion, especially for newer people if they think I can send it to a lab and I'm good to go on my floor. That's not actually the case.

MR. McGHEE: Maybe you want to make reference to somewhere, you know, which would include?

MR. MORGAN: I think that's something for
them on training that they need to pick up on
training, not anything else.

MR. CULLOO: You left the word "gaming"
out of the Class II.

MR. PUROHIT: Does the Class II MICS have
any reference to a ten point test?

MS. HAMEL: It's not specific, but there's
reference and there's some guidance documents
that talks about testing.

MR. FISHER: Did I get that right? Did I
get that as you intended? Kathi?

MS. HAMEL: Yes.

MR. FISHER: Shall we test it? So if
everybody is -- if you support and agree with
this recommendation and yellow up on the screen,
raise your hand.

(All hands raised.)

MR. FISHER: Okay. All right. Great.

MS. HAMEL: Same section, 4(1)(b), we're
talking about submission, testing and approval.

MR. FISHER: 547.4(c).

MS. HAMEL: 4.

MR. MORGAN: (a)(1).

MS. HAMEL: Right there.

MR. FISHER: Yep. I got there.
MS. HAMEL: (b).

MR. FISHER: Page 11.

MS. HAMEL: Okay. We've struck 542. We've agreed to strike 542, and then there's reference on (b) -- let me see. The following will receive the testing report. Any applicable provisions of 543 of this chapter that are testable by the testing laboratory.

MR. FISHER: So that provision right there.

MS. HAMEL: Is that specific enough of the types of functions that need to be tested? Or does that leave an operation with TGRA left to say, okay, well, they should have tested player tracking?

MR. MORGAN: It's definitely a catch-all provision. I'll agree that is the intent. It's kind of like we don't know what's out there, so we're going to give you this broad language so you can interpret it as a catch-all.

MS. HAMEL: That's why I bring that up, because it's very, very broad and it could be left up to interpretation and there could be interpretations that important functions are not tested. So does the TGRA determine what's
testable, or does the laboratory determine what's testable, or the manufacturer?

MR. PUROHIT: I think the lead-in just says TGRA therefore shall require the hardware, software, manufacturer. Number 2, itself, the regular number 2, not the Roman numeral, is that -- I mean, is there confusion in there saying that the TGRA is going to require that whatever the following the Roman numeral 2, any hardware, software that they are putting in. And the way I would read that is if the TGRA wants any of the further tests on there, they can require the manufacturer submits something to an independent test lab.

MS. HAMEL: Okay.

MR. PUROHIT: That's the intent. Is that not clear in there?

MS. HAMEL: Well, it's vague. So I'll just throw that out there, that it's not clear. And what specifically -- even though there may be changes in technology, there are some -- some minimum requirements.

MR. MORGAN: I kind of have a thought, and I'm not for sure what the recollection was. Brian, your contract that you brought up --
because at one time when you started doing all these contracts and the MICS started requiring you to put a statement in there saying you're going to follow all the tribal rules and regulations, that that was a requirement when you signed contracts with them. They wanted to see that, whether this is development contracts or participation contracts, they wanted to see those. That's what that reminds me of, is that TGRA, now you have to say, yeah, it was tested to everything and you're telling us that it's still good. I'm not for sure where the origin comes from of that statement, but that's what that reminds me of, is that type of statement from the commission coming down that we want to make sure that you agree that it was tested to everything. Kind of who's on the hook for doing it, you know. Kind of get -- they want to look to TGRA, we want to look to operation, operation wants to look to the manufacturer, manufacturer wants to look to the lab. And that's that big catch-all provision to say, hey, you did everything you were supposed to do.

MR. WILSON: So the risk seems like -- the concern is that the TGRA would not -- I mean,
you're comfortable that there are certain things
that no matter what, all things considered, need
to be tested. And that the TGRA, if they don't
-- if they don't know that, then just by not
spelling out some minimum, I guess, that the risk
is that certain things don't get tested that in
fact always should be tested. And this is
inherent risk, I suppose, in any language where
we talk about, you know, the catch-all, the
applicables. Because then it begs the question,
well, what's applicable, and are there some
things that are absolutely applicable no matter
what versus things that jurisdictionally may or
may not be applicable.

MR. MORGAN: You worry when you start
being specific that you're going to miss
something. So the way you guard against that is
you make a catch-all provision to make sure that
whatever is applicable or whatever you deem
appropriate is caught. Because if we start going
down and listing A, B, C, D, E, and somebody made
a mistake and we missed F, G, H, now we didn't
say it. Well, this is the way that we say it.
And some of these things may be, from a lab's
perspective, when you test what does BMM test
versus what GLI tests versus Eclipse versus whatever lab you may use, because they all have their scripts that they use to run through. But I don't know what each script says for 547.

MR. WILSON: But maybe the issue is that -- I mean, what I hear Kathi is saying is that there needs to be guidance so that the interpretation of this is understood that, you know, by gosh, there are certain things that me as a regulator, that I need to make sure are tested for. And so that if there's some guidance, for example, or something along that line, I mean, that's the concern, yes?

MS. HAMEL: Absolutely.

MR. MORGAN: I would agree from the point it's -- if your concern is something that's absolutely necessary -- because, again, when we talk about technical standards from a federal level, you're really talking always about minimum. And so if it's absolutely necessary industry standards across the board, yes, we should include it. But if it's something that may be more specific localized, it may be localized in a region, it may be localized at a local level, it may not be appropriate that you
expand upon that here. Because we're talking about federal minimum testing requirements for manufacturers, and that's where I always go back to the question of who's not understanding. If that's from a regulator's view, I like to have some leeway sometimes that I don't want to have everything so black and white that this is all you have to do because then you'll get in arguments with other components, whether it's operations or manufacturers. I don't have to test to that because this is what NIGC says I have to. You can always take the additional test and add to them, but sometimes there are some political structures getting that done. So sometimes you want that ability to make an interpretation at a local level. So my question would be if we're missing something, what is it here that we're missing that is a minimum federal testing requirement? Because I don't know what it is. And you're probably seeing something I'm not seeing.

MS. HAMEL: I don't have specifics, but I would just say that it is very general and it's very broad. So if the determination then resides with the TGRA, and our TGRA contacts the
manufacturer and say we want it tested and then
the manufacturer says, well, nobody else wants
that tested, that will be the push-back. You
can't ignore that that doesn't happen.

MR. MORGAN: Which we hear a lot.

MR. CALLAGHAN: The challenge we have here
by getting into specifics is how many years in
the making has this been. Matt, you discussed
the Nevada model. The industry can get together
and say we've got something new out here, a new
widget, we want a regulation written towards
this. Unfortunately, they don't have that
option. So we may be better served having it
broad, deferring to TGRA. And I've heard of that
before, nobody else asked for that. Well, guess
what? We do. If you don't, I have the ability
to say if it goes on the floor or doesn't.
Sometimes you can be surprised what can be
tested. So I think we may be better served
instead of drilling this thing down in today's
environment to be a little more broad to
encompass computerized aided changes that the
NIGC in the beginning, they thought computer was
old. Now it's super computers.

MR. McGHEE: I think it's important that
we clear it up, because I know there's like six
references to that same line throughout this
chapter. But I like how it's done because, for
one, it says applicable provisions, and then it
says and that they're testable. The only thing
that I would consider adding, which is something
you mentioned, because you had said that they can
claim I only have to test to this. And you as
TGRA may say, yeah, but I also want to test to
this. Nowhere does it say. When it says part
543 of this chapter that are testable by the
testing laboratories, so it only refers to what's
in here. If anything, it should say, And any
other requirements by the TGRA to compound upon
that.

MR. PUROHIT: That's part 3 underneath it.

MR. McGHEE: It doesn't do part 3 -- over
here it says that you test for something
different than it says over here. So it doesn't
say in every reference. In all six references,
it isn't stated that I saw. But in here, it
doesn't mention the TGRA part that I know of.
Where she's talking about, it's just the first
one of six. Same references.

MR. WILSON: You're saying that that
reference (c) is missing from the other places where that same reference is used?

MR. McGHEE: Well, I mean, he just pointed it out that it's there. But I don't see that (c) somewhere else. If I'm looking at it, it may be further down into somewhere, but --

MR. MORGAN: Daniel, remember, we had this conversation in the Tribal Gaming Work Group, and the way we addressed it in the MICS section is we had that boiler plate language which started every section which ultimately gave decision making to the TGRA, whatever the TGRA says. That's the way we addressed it in the MICS. But we did not do that in the technical standards. Because we were worried at least at that discussion if we try to say it everywhere you want to, we're going to miss a place. So we're going to bring it up and make it a catch-all statement. But we only did it in the MICS. I don't know if we just didn't think about it in the techs or not, but that is what happened there.

MR. McGHEE: Maybe we need a preamble to the technical standards.

MR. LITTLE: Is there, like, a broader
concept that could be a recommendation that as we
go through this, the commission does ensure that
throughout the document --

MR. MORGAN: For Class II purposes, I
think that the tribe as the primary regulator
concept needs to be up front somewhere up there
because that's different from your Class III and
you're dealing with the compact with the state
and that's what governs you. In the Class II
world, you get to monitor oversight, very
specific powers set forth in IGRA, the primary
regulator in the hands-on day-to-day stuff is
left to at a local level, the TGRAs. If you want
to put a statement in somewhere, that would be my
suggestion that you put that up there because
that does empower the TGRAs to make sure that
they understand that you do have that authority
and that kind of gives notice to everybody else
that is where that authority lies, at least in my
opinion, properly lies.

MR. PUROHIT: It's in the current preamble
like in the Federal Register, it starts off with
that, and throughout leading into the technical
standards there as well, when you take a look at
the thing. Are you saying maybe put it in 547.1
or 2?

MR. MORGAN: You have to remember, the preamble, once you publish it, it goes away. So you have to go back to the day of publishing the Federal Register to read that language again.

MR. CULLOO: Maybe it goes in the definitions section, that statement?

MR. McGHEE: Where we put it in the MICS is at the beginning of each major section as a statement that says, for instance, subject to the approval and oversight of the TGRA, each gaming operation shall establish, implement and adhere to internal control policies, and then when you get into computer applications, the same blanket statement of the TGRA has that approval, and we put it at the beginning of each section as a catch-all. And maybe if we did something similar that's in the technical standards, we fix it.

MR. PUROHIT: Do you mind pulling up 547.2? It only reads right now that nothing shall be construed to extend the state jurisdiction over Class II gaming, or something along those lines. Matt, is that what you're thinking or --

MR. FISHER: You mean right here?
MR. PUROHIT: Yeah. That's not a preamble. That is actually the section itself in
the beginning of the --

MR. MORGAN: I'm thinking if I can get the
NIGC to say that in a federal regulation, I'm
very happy if they actually make that statement
in writing somewhere that recognizes that.
Because it's bantered about. You do hear that a
lot in the Senate report. You know, just like
we're talking here, when you start talking about
being specific versus why that maximum
technological flexibility. But I didn't actually
look at a part to see where that goes. That
statement currently in 2 is very important
because you want to make sure that, you know, the
Class II is different from Class III, and the
negotiated compact you have with your state don't
interfere with your right to do Class II, unless
you negotiate that away somehow in the contract.
So I don't really know where you want to put it,
but if you're willing to put a statement in
there, I am willing to look to where the proper
place is.

MR. McGHEE: Okay. I vote him go do that.

MR. LITTLE: I would I think it would be
appropriate for them to put this into a recommendation.

MR. FISHER: Okay. I started to craft it the way I heard it. It's now sitting in the -- as a part of 547.2. So how do you want to frame this and do you want to recommend where to place it or how do you want to do this?

MR. McGHEE: Could we do like we did where we ask Nimish, we three came up with here's what we want you to say and maybe ask --

MR. FISHER: Come back to the group after lunch.

MR. McGHEE: Yeah, maybe Matthew and whoever wants to come up with some language.

MR. FISHER: Okay. So actually -- so who's volunteering to do that?

MR. McGHEE: I think I volunteered.

MR. FISHER: So who wants to work with Matt on it?

MS. HAMEL: I will.

MR. McGHEE: Only because you brought up that concern.

MS. HAMEL: I'll do it.

MR. FISHER: By my clock, it's 10:15. We are scheduled to have a break around 10. Do you
want to take a break? And if we take a 15-minute break and start up again at little like after 10:30.

(Recess taken at 10:16 a.m. to 10:37 a.m.)

MR. FISHER: Okay. What's next on the list? If I go back to this list, you want to pick up right there? Or were there other things?

MS. HAMEL: No, I think 12 is good.

MR. FISHER: Let me find that in here.

MS. HAMEL: I think generally in 547.12, without being real specific, that there's many of the regulations for technical standards are really procedures, and that either it needs to be a technical standard that says the system must be able to do this or the procedure needs to be moved over or reinforced in the MICS.

MR. FISHER: 547.12.

MR. PUROHIT: Is that like generally the section as a whole seems to have more of a -- should be kind of like transported away some of the non-technical standards into the MICS?

MS. HAMEL: Right. And I think yesterday we just touched on one point that was in the TGWG document, and changed it to make that comment, to change that, but there's many references that
need either to be moved to the MICS or turned into a technical --

MR. PUROHIT: You're not saying in its entirety, only the non-technical standards aspect? For example, what we covered yesterday in the summary was 547.12(b), the verifying downloads part. And the consensus, the recommendation that was adopted is that just removing -- using any method it seems appropriate, the TGRA shall confirm the verification. Does that part remain in the MICS, but the remaining part stay in there, downloaded software on a Class II gaming system shall be verified by the Class II gaming system using a software signature verification, meeting the requirements of 547.8?

MS. HAMEL: Shall be verified by, right. That's what we changed to.

MR. PUROHIT: Right. So language like that is okay because it's requiring the technical standards and the design aspects of it.

MS. HAMEL: Yes, and anything that's procedure, we need to make sure it's addressed in the MICS. And I believe that's in the server -- the new section used to be called ID and server.
MR. McGHEE: So should we -- Kathi, do you have the specifics pointed out, or should we make a general statement recommendation that that section be looked at to be made less procedural, is that what we should do?

MS. HAMEL: That's what I think we should do.

MR. FISHER: How do you want to phrase that?

MR. McGHEE: That the Section 547.12 be reviewed by -- to be made less procedural and more technical, I guess, or made more regulatory -- or statute. I need a legal guy. I'm looking at Matthew over there, and he's like --

MR. MORGAN: I agree with your general thought. Because I think at least what I hear you say, to put it very simply, technical standards should be technical, and procedural should be internal controls. So review it to be sure that you've pared down the procedurals as minimal as possible and see if you can make those procedures transfer over to the MICS.

MR. McGHEE: Or either reword them to be technical. Because if you put them over into the MICS, it will affect us later when we try to do
the MICS and it will be there. I think most of it could probably be reworded to be -- like we did yesterday.

MR. PUROHIT: Can I ask Kathi and Mia and anyone else that had this recommendation, just like a real quick example, in addition to the one that we covered, so we kind of get a --

MS. TAHDOOAHNIPPAH: I mentioned yesterday (a)(6), the Class II gaming system or TGRA shall log each download of any --

MR. PUROHIT: Like strip the TGRA part from it? The Class II gaming system is still going to have that log, right, and that's going to be something that will be tested at the lab and designed into the standard. So from like any -- what would you -- like --

MR. McGHEE: We made a change, did we not?

MR. PUROHIT: To (6)?

MR. McGHEE: We said shall be capable of. You could probably do the same thing there. Kind of create a new procedure would be that the TGRA would --

MS. HAMEL: Number 2 is a procedure. Downloads of software games, price schedules or other download packages shall be conducted only
as authorized by the Tribal Gaming Regulatory
Authority.

MR. MORGAN: Daniel, the wording I have
there, you say "capable." What happens if a
system is not capable? Because I think the
thought process there in the group discussion was
we think it needs to be done, and if this is one
area, if you can't do it automated, then you
manually need to do it in this one instance.
Because it's important that that information get
logged. If you say has to be capable of, you've
taken away that option to manually do that.
You're saying that system has to be able to do
that, and that's a design requirement. That may
be where you want to go. I'm just pointing out
the differences in that.

MS. HAMEL: Maybe that whole section
should be in the MICS, because we've talked about
in the MICS that there are computer applications.

MR. McGHEE: But what you're going to find
in the MICS is a general statement probably that
will say regulations need to be in place that
would allow conducting of -- where's that one
about the -- that would allow the conducting of
logs to be downloaded, whatever. It's going to
say something like that. It's not going to tell you the TGRA should do it or who should do it. That's going to be up to you. So what you want here just in the technical standards is just that somehow or another, you should be able to get --

MR. MORGAN: That may be the issue with -- Leo just brought up the system may give you that information, but it doesn't contain the functionality to maintain that information, and that's the manual part that as the information comes across, you may have to log it. It does do that, but it doesn't retain that ability stored somewhere that this is what happens.

MR. FISHER: So I if go back up here, that's the way I heard the general recommendation. Let's just see if that captures it.

MS. HAMEL: So did you want to make a note in each one that what we think is procedure versus technical?

MR. FISHER: If that would be useful, yes.

MS. HAMEL: So I would say right there, (a)(1), downloads, is technical. Do you want to put it at the end of (1)?

MR. FISHER: Yep. We can do it that way.
MS. HAMEL: Number 2, I believe is -- is it procedural and it needs to be --

MR. McGHEE: 3 is technical.

MS. HAMEL: 3 is technical. 4 is procedural.

MR. PUROHIT: 4 is something that can be tested in a lab environment. It has to stay behind the scenes. It can't go directly to the terminal. So from that perspective, I see that as a technical test as well.

MR. McGHEE: Because it's something you need the manufacturer to know, not the regulator to --

MS. HAMEL: For 4?

MR. PUROHIT: Right.

MR. CULLOO: Why would they do a download without contacting operations. That's up to TGRA to define how that occurs, that download, when and where.

MR. MORGAN: But the technical aspect of it is it cannot download something onto a terminal. But it's resides there until I say make it operational. Does it have that capability to do that. Because they push the data out there, but it may not change until
internal control-wise you give proper
authorization that, yes, that now can be played
by the public. And that's a design feature that
they need to have that capability to be able to
push it, but not affect the game play as
currently.

MR. McGHEE: In other words, not be
capable of being --

MR. PUROHIT: The operational period part
makes it procedural, right?

MS. HAMEL: Yeah.

MR. PUROHIT: What I was saying is that
the manner that we want to check the game play,
that's something -- I think this is one of those
gray areas that needs to be cleaned out.

MS. HAMEL: Okay. I think 5 is technical.

6 is procedural, that whole 6.

MR. FISHER: I think I'll put it right
here. That's it.

MS. HAMEL: And then on (b) --

MR. WHEATLEY: Isn't that what we fixed?

MS. HAMEL: We changed it to be capable
of.

MR. FISHER: Yes. And then that's it for

12. All right. So let's go back up here to
this. Matt and then Daniel and then Leo.

MR. MORGAN: I just had a question on 6.
Procedural, what is your idea to change it?
Because while I do agree that the aspects of it
is procedural, some of those are designed -- at
least I see them as design requirements that
manufacturers need to go -- and hopefully I'm
trying to get to the point, I guess, you're
changing the language there, you're not actually
removing that language; is my understanding
correct?

MR. McGHEE: I think the part of the
sentence is technical. I think where you start
with each log record shall contain, and then all
those things it has to contain is the technical
portion. Because you're saying your system has
to be able to do this. It's just the first
sentence that might be procedural. Is that
your -- do you agree?

MS. HAMEL: Well, what if the system
cannot -- is it a required regulation?

MR. McGHEE: He's saying it's required
that they make sure they do that.

MS. HAMEL: We're saying it's a log, but
if your system doesn't create this log --
MR. CULLOO: Is this a manual log, is this an electronic log?

MR. PUROHIT: It's something that's kept behind the scenes that can be monitored by your IT staff.

MS. HAMEL: Matt, what you brought up is real, that it may not stay in the system forever, that it probably is --

MR. MORGAN: It could get purged at some point.

MR. FISHER: Do you want to note this one has both technical and procedural elements to it?

MS. HAMEL: Sure.

MR. FISHER: Let's go back up and look at the recommendation and see if that captures it in a way that -- get rid of this. So that's the -- does that capture it for -- I guess let me take the cards that are up and come back and check that.

MR. CULLOO: A lot of the questions we're asking NIGC to do something, so how can we expect the response to come? Are we going to get to see something sent to us and look at it and review it one last time or --

MR. LITTLE: These are recommendations.
Probably not.

MR. CULLOO: What you advise us with the recommendations that we completed it and it's available for review?

MR. FISHER: You could make the recommendation -- instead of recommending that they review it, you could recommend that they do it, right? So instead of saying review by NIGC to be more technical, it's that you would recommend that this provision be changed to be technical rather than procedural, and that you move the procedural things so you've -- it's what you have up there, but it's a direction rather than a request for a review, is what I'm trying to say.

MR. McGHEE: Maybe it would be more beneficial, if your concern is what will it end up looking like, is to actually either we fix it now or a subgroup get together and makes a suggestion and brings it back to the table for us to agree on.

MR. LITTLE: That's probably a better method.

MR. FISHER: Okay.

MS. HAMEL: I'll help however I can.
MR. FISHER: So wait. Now we got multiple things going, so now I got to track it. Who's going to -- so I can track who's going to bring back what to the group, so who's going to work on this? Mia and Kathi.

MS. HAMEL: Matt, do you want to help?

MR. MORGAN: I'll help, yeah.

MR. FISHER: Then you can do 547.2 at the same time.

MS. HAMEL: Leo, too.

MR. FISHER: I'm going take this one out because I'm tracking this by what ends up with the recommendation in yellow so I can come back to that if that's the way you decide to proceed.

Okay. Anything else on 547.12 before we move to the next one?

MR. McGHEE: How are they going to bring it back? Because he's already working at lunch on something else.

MR. FISHER: I thought maybe they could work on both of them.

MR. McGHEE: Okay. I could be added to the group and then --

MR. MORGAN: You got drafted.

MR. FISHER: So in response to Daniel's
question, when will you bring this back to the group?

MR. MORGAN: When we are finished.

(Laughter.)

MR. McGHEE: We hope to be done after lunch.

MR. FISHER: When should the group check with you on how you're doing?

MR. MORGAN: We should probably have something after lunch to report back. I would guess after lunch. We thought we got a good shot at it. Or if not, it may take a little longer, and we may need tonight.

MR. FISHER: That's good, because we are working on the goal of completing the technical standards today.

MR. MORGAN: We will work hard to finish this at lunch.

MR. FISHER: Thanks.

MR. LITTLE: I think Nimish has some free time over lunch.

MR. FISHER: You're volunteering technical assistance?

MR. LITTLE: On the second group, not the first one.
MR. McGHEE: You can sit at a table next to us.

MR. PUROHIT: I'll go in a corner in the time-out mode when you discuss the first one.

MR. FISHER: All right. So if I flip back here, 547.14(f). And let's see, trying to go there, to (f).

MR. WHEATLEY: I thought we finished that yesterday.

MS. TAHOOSAHNIPPAH: Did we finish the summary document, is that what we're on?

MR. FISHER: It was something on my list as to whether --

MR. WHEATLEY: It was the algorithm.

MS. HAMEL: I thought we finished that.

MR. FISHER: So much for my list. We actually did. So here's what I have on my list. We did (f)(4), but what I have on my list was (f)(1), this part. Is there anything we need to do with that, or is that okay?

MR. McGHEE: I don't know where that came from.

MR. FISHER: Okay. All right. So --

MR. PUROHIT: I think that was the fact that there was an example in there. That was
Kathi's question, that that's the first time that there was an example.

MR. CULLOO: But there's not an example.

MR. WHEATLEY: There's not an example.

MR. McGHEE: It was be independent and uniform over the range.

MR. PUROHIT: That's the only thing I remember from yesterday that I don't know if we resolved or not.

MR. FISHER: Okay. So then that was everything, Kathi, that you raised yesterday and that Mia raised. So, Tom, you said you had something else you wanted to raise?

MR. WILSON: Yeah, I just -- it's not a concern. I want to understand the definitions, the term "agent" is used. And, you know, that has a lot of different meanings, different places, so I'm just -- I'd like to understand first before I decide if I've got an issue or not as to the rationale for using that particular term as generic to anybody who's an employee. Basically it sounds like anybody who is assigned some functionality dealing with this is considered an agent for purposes of doing something.
MR. McGHEE: I think we used it anywhere an employee was.

MR. MORGAN: Not necessarily. It was -- it was meant as a catch-all phrase, one. And try not to unnecessarily force you to do something that is within your operation you wouldn't normally do. So we tried to not say a particular employee. We tried not to say a particular department. Our point was that somebody has to be authorized to do that. They can't do it if they're not authorized. Whoever that authorizing entity may be depending on what your subject is. You have to be authorized, one, and at least when we get into -- especially on behalf of the MICS side of it. Two, it was very important that whoever is performing the action is not the same group that's verifying that that took place; that independence is established. But we got into large discussion because, you know, for example -- and it really bleeds over to the MICS, and I apologize -- is that when you get into bingo, when you say this department shall check this, what if you don't have that department? Or what if within function, what if your internal auditors are actually contracted out and they're
not internal; you can't say the internal audit. It would just be whoever is that agent. So it is meant to use as a catch-all, and it can be various meanings depending on what section --

MR. McGHEE: It can also be computer applications, according to -- the definitions said this definition permits the use of computer applications to perform a function of an agent.

MR. MORGAN: If that function was automated and that has become, in fact, your agent, because we had several groups that participated that said basically we've automated all this function, and the only reason that we actually produced this paperwork and have that is because your requirements tell us we have to. So it's an audit function. From an efficiency standpoint, we don't need it anymore. We have an automated person or functionality that does that. But for what you tell me I have to do, I have to pay something to follow up on that now. And, again, trying to be flexible.

MR. McGHEE: We didn't want to use a person because of the computer program. It could be something else. So that's why.

MR. MORGAN: For me, at least, in those
conversations an important part was an agent has
to be authorized. If you're not authorized, you
know, you cannot do that. And that is that
lynchpin that really gets you there. Somebody
has to authorize you. And of course the people
that authorize you have to be in that position in
order to do that. But it is a catch-all phrase
that was meant to broaden the fatal options to
your -- at a local level and say how do you get
this done. And, again, it may have more
applicability on MICS than on the technical
standards, but there are places in both documents
where that -- and we tried to make that, I think,
be consistent since we used that term in both
documents. We tried to make it as consistent as
possible. It may be a very poor job explaining.

MR. WILSON: No, it makes sense now. I
just had never seen that term used in the way
that you're using it, so I wanted to understand.

MR. LITTLE: We had a lot of questions
regarding -- not a lot of questions. We did have
some -- we did wonder what was meant by that.
Could an agent include a non-employee, which
may --

MR. CULLOO: Contractor.
MR. LITTLE: Yeah.

MS. TAHDOOAHNIPPAH: Throughout the document there is the word "employee" used, so it isn't consistent. And then so it never defines an employee, but it does refer them in several parts of 547 --

MR. PUROHIT: 547.7(g). That's the one that we talked about.

MS. TAHDOOAHNIPPAH: (g). There it just uses the word "agent," but then on (f), it says a gaming operation employee or agent. And then --

MR. MORGAN: To be quite honest with you, that was probably a discussion that, as Dan said, his concern is who can it be. It could be an employee, but we probably had somebody making an argument that I want employee to stay, and you had another part of the group saying that, yeah, but we could task that out somewhere else. So the compromise of the group was, fine, we'll use employee or agent there.

MR. WILSON: Is the presumption, though, that an authorized person -- where it says that, you know, as approved by the TGRA. Approval in my mind means that that's somebody that needs to be licensed.
MR. McGHEE: Not necessarily. A list provided, which means people that can do this function and you agree as a TGRA that, yes, that his position or title of those people are -- should be authorized instead of putting every employee on the list.

MR. MORGAN: It may depend on what you deem to be licensable at your place. If you deem this group to be licensable, they may need to be licensed. But if you deem another group who maybe performs a function that is non-licensable, that doesn't necessarily trigger it has to be licensed. That is your choice on almost whether that trigger is a licensing and the issuance of that.

MR. FISHER: Mia and then Nimish.

MS. TAHDOOAHNIPPAH: I would just suggest that the definition somewhere include an employee, and if not, then take out the word "employee" throughout the document and just use "agent."

MS. HAMEL: Can you search for employee?

MR. FISHER: Yes.

MR. PUROHIT: Go to 547.7(f). That has employee and agent listed there.
MR. McGHEE: I'm curious how many places it's used. It might give us an idea as to why it was --

MR. WILSON: Looks like the original definition of agent included that it meant an employee or somebody else, and then that was struck out.

MR. FISHER: You want to go, Nimish, to 547 --

MR. PUROHIT: 7(f).

MR. FISHER: Take me a second to get down there. There you go.

MR. PUROHIT: That's got an employee or agent as Mia was saying. My concern is when you include computer applications in general or software in general, does that kind of like conflict with this definition? I mean, the storage component requirements and the financial instrument. Because in essence you're saying it's not designed to be operated under the direct control of a software, but then there's all these other requirements over there as well, if you really liberally include that software as well.

MR. FISHER: In the definition of agent, you mean?
MR. PUROHIT: Correct. Food for thought for the TAC, again, if you do include that. So in essence, like a financial instrument device is now under the control of an agent, software, that doesn't have to be locked up, according to this, if you read it loosely.

MS. HAMEL: I read it as not --

MR. PUROHIT: To include software, I think there might be unintended consequences in here as well, and I would recommend that that part might need to be cleaned up a little bit.

MR. McGHEE: You're saying that you -- any Class II gaming system components that store financial instruments that are not designed to be operated under the direct control of a gaming computer application shall be located within a secure area, you're saying that's a problem?

MR. PUROHIT: I'm looking at the converse of that.

MR. McGHEE: You're saying if agent were to be transposed with computer application, which it could be.

MR. PUROHIT: Right. The way I read it is if something is under the control of an agent, it doesn't meet the requirements of an agent. If
the agent is a software, then there's kind of a
little bit of conflict over there. To say on the
one hand if it is not under the control of a
person, then it can't be; it's not been designed
that way. So then it's immune from all the
testing requirements. But in this particular
case, that it's saying it's not only a person,
but it's also an agent, which includes software.
I'm seeing it from a testing and design issue
over here. Because it says the definition
permits -- agent definition it says, permits the
use of computer applications. So, you know, just
a real loose interpretation can say, well, the
firmware that controls the bill accepter or the
financial instrument accepter in this case is an
agent. Something I'm throwing out there.

MR. MORGAN: I understand what you're
saying there. And, again, sometimes it comes
from trying to make this fit into an electronic
game and a session bingo, some of those
difficulties that arise there. Because one of
the reasons we put that in there is if you're
playing session bingo and you have a cash drawer,
you don't necessarily need a lock on there if
that cash drawer is going to be manned because
why are you going to put a lock on there if you're at bingo and you're paying out cash after each game; that doesn't make sense. That's an internal control, is how you're going to mitigate the risk there. But I grasp what you're saying there. Because we tried to make agent as broad as we could to make sure it fit every situation. We made it overly broad in this one context.

MR. FISHER: So, Tom, you still have your card up.

MR. WILSON: Well, I was just reading the definition of financial instrument. And so if you're reading the definition of financial instrument, it's really talking about a tangible thing that is being stored somewhere. So I don't know if a -- in your interpretation, the agent could be a POS system that is storing -- an automated cash drawer, let's say, or, I mean, I'm trying to get to where you're coming from. The implication is that a piece of software or a piece of hardware that is not manned by a human being based on that could be -- not have to be otherwise secured.

MR. PUROHIT: Actually this fits the POS system in session bingo. What this doesn't now
fit into, in my opinion, is a gaming terminal that has a locked compartment, an automated financial instrument accepter, such as the bill accepter that they're saying in there as well, which is controlled by the software, the firmware that's inside the gaming terminal that acts as accepting valid currency, financial instruments, et cetera. So now that software, the definition of agent says, it's also software applications that act as that. Does that mean that now because it's being controlled by a software acting as an agent, it's exempt from the requirements of a financial instrument except for testing?

MR. WILSON: Okay.

MR. PUROHIT: See what I mean? If you take a really liberal, loose interpretation of it.

MR. McGHEE: Well, it's not saying you have to test. It's just saying that it has to be located within a secure, locked area, right? That's not talking about testing, is it?

MR. PUROHIT: I think it's F, G and H. There's other requirements in there, too.

MS. TAHDOOAHNIPPAH: I just -- why
interpret it that way? I think that I interpret it the way you do, Daniel, that if it has a lock on it, then, you know, that's designed to be. But if it doesn't have a lock on it, like, you know, a money pouch, that it's under direct control of an agent.

MR. PUROHIT: (g)(ii), for example, has that same language; any Class II gaming system component that handles financial instrument and that are not designed to be operated under the direct control of an agent shall, and then it says (ii), be able to detect the entry of valid or invalid financial instruments and provide a method to enable the Class II gaming system to interpret and act on valid and invalid input or error condition. That right there is a testable technical standard, and that's the conflict I see. Someone could say if it's not under direct control of an agent, then it has to meet the requirements in this particular case. So is it or is it not under the controlled software, which also acts as an agent? Something to consider. Maybe it needs to tighten up the definition of the application and the software, whatever else it is.
MR. MORGAN: I would worry about tightening up the definition. I would suggest if there's specific areas within the technical standards where that confusion exists, you may want to take care of it there. Because to make a global change in the definition, you have unintended consequences when that term is used that we may not be recognizing at this point. And I do agree with you, there may be some instances in here where it doesn't quite make sense. And like that language right there, I see that word "direct" pop out at me. So clearly that has some significance. But interpretation, what does that significance hold to you, I'm not for sure. But clearly use that under the direct control of an agent as a -- somehow to differentiate between indirect control, so does a computer application have direct control or is that term indirect control or something less than direct? I'm a lawyer, and words take on significance. The engineering part of it, I'm not for sure. But that clearly jumps out at me from a legal standing of direct control. And Mia's example when you look back at a -- it says employee or an agent --
MR. McGHEE: I think that was a mistake because everywhere else it doesn't say employee, but it uses the same language. I think it was a miss.

MR. MORGAN: I think that was miss there. If a person is performing that function, you shouldn't have a lock on it. But if a computer application is doing it, you probably do need it monitored somehow.

MR. FISHER: Jeff has his card up. Let's take him and figure out what we want to do with this.

MR. WHEATLEY: I was going to agree with Nimish, it does sound if it is under the operation of an agent, and the agent is software or bill validator or firmware, then the drop box doesn't have to be locked, which is what that implies. I think somebody could make that reference if it's not cleaned up somehow.

MR. FISHER: We started this with what's the definition of agent. Then we went to use of the word "employee" and "agent," and then focused on a couple of specific provisions that used the word "agent" and how the revised definition might affect those provisions. So what do you want to
do now? Do you want to go back to the definition of agent, or do you want to take a look at this off line and come back to the group?

MR. McGHEE: Could you, just for this technical section, actually do the search and find to see where "agent" is used? Maybe it's only used in a couple places and it can be fixed. I don't know how often that it's used.

MR. MORGAN: Did you find agent or employee?

MR. FISHER: Do you want me to search agent or --

MR. McGHEE: Agent. Because employee is really not supposed to be in there.

MR. MORGAN: I think employee should be in there on some parts. It's a difference between whether it's a computer application is doing it or whether it's completely manual. Because the inverse is happening and one of the reasons that we tried to make agent broad is people were trying to meet something. I did it all manually, but you're telling me, you know, it has to have a lock on it; now I'm locking my cash drawer or something.

MR. McGHEE: Do you think wherever you
find agent, you're going to see employee or agent? Let's do one at a time. Let's go to agent and see what we can.

MR. FISHER: So it says there's only two, but that's actually not correct.

MR. MORGAN: If you remember, we had lots of this conversation in the MICS. This conversation probably didn't flow over into the technical standards as that significant at the time. It may be something we just overlooked in the technical standards and we didn't think about.

MR. WILSON: It seems that even -- I mean, in my mind, based on what everybody is saying, the issue isn't where the term "agent" appears or the term "employee." It's the definition of agent including computer applications, that it's including computer applications. And therefore wherever a computer application is used, it is treated the same as a human being standing there and not having to meet the same control standard because a person really isn't standing there or in control of it. It's a piece of hardware or software that is existing. It's almost like we're giving human characteristics to an
application, when we're really talking about physical security. And to the extent that an application addresses physical security, then that's appropriate. But if the application is supposed to think about something, then, you know, I mean, that's where I see the thing coming in to what Nimish is saying. So I don't see it as an issue using the term "agent" or using the term "employee." I see it as that piece in the definition of agent that says a computer application can perform the role of a person, essentially, and therefore this standard doesn't apply when you have that person standing there in physical control of this box, let's say, this cash box or whatever it happens to be.

MR. FISHER: Did you want to respond to Tom?

MR. McGHEE: Yeah. Because there's instances where it could -- you know, like say over in drop account, where once upon a time people had to think that three people had to count it individually, and then when you got this big counter, it counted it three times for you and that was able to be substituted because it was a computer application instead of agent,
meaning a human. So maybe it should really be either something along the lines of where the computer application is applicable or whereas a TGRA, you decide that agent could be a computer application. You make that assumption. But it could be one spot. Because if we take it out, then we're going to have to look through the whole document to see wherever agent is used throughout the whole thing. Because there might have been times when it was being done when we allowed agent to be both, and it could be both.

MR. WILSON: I guess in my mind, when you talk about controls, there are automated controls and there are manual controls. So the use of a computer or an application or software, whatever, is typically an automated control. And that's perfectly recognized that it's okay to have an automated control that takes the place of what a human used to do. And that's really what the intent here is what you're saying is that you want to allow for automated controls to exist that do not have to -- or that it's already accepted that they perform the same function as a person did. So, you know, in my mind, this is more of a MICS issue than a technical standard.
MR. MORGAN: That's kind of where I was going, because the Tribal Gaming Work Group kind of made a policy decision to do it. If we defined this term in one document, we used the same definition in both documents. That was a policy decision to keep them consistent. Because some of these ideas do overflow into different documents. That may be a decision that this group wants to reevaluate and say the definition for agent in the technical standards may need to be different from what it is in the MICS. I agree with you on that. My other point is, Nimish, because you're very intelligent in this area, is this a practical real world issue or is this a law school theory-based this-could-possibly-happen?

MR. PUROHIT: Both. Because if you were a manufacturer --

MR. MORGAN: Not if. How many times have we heard about this coming up that this is an issue?

MR. PUROHIT: Not until now because there was no definition of agent to include this. But, you know, from a testing perspective, the manufacturer could come into an independent test
lab and -- I'll give you an example of other ambiguous regulations. If something uses the word advertised top award -- I'm giving you something unrelated here -- but this is an example of something that's so ambiguous, that the manufacturer says we meet this requirement. But, you know, at the end of the day, it's still their responsibility to go to the TGRA and figure out what that is. But what I'm trying to highlight here is why make it ambiguous if it is only causing that ambiguity and we know about it, as opposed to leaving it in there that can be resolved by just sharpening up the definition a little bit more that needs to.

MR. MORGAN: I don't disagree with that. I was just trying to get a sense of risk/benefit analysis. Are we talking about a subject that has some real applications that we need to spend -- what amount of time and effort does this need, or is this a theoretical argument that somebody could read it that way, but we don't see it this way, but this ambiguity does exist and as long as everybody knows it out there. It's a policy question, what the group wants to do. But I do agree with Tom's point that the -- how we use the
term "agent" in the technical standards is probably different than how we use the term "agent" in the internal controls document, which may necessitate a change to the definitions in that term.

But going back to Daniel's point, when you start changing that definition, it does have global implications and changes, and we really need to go back and see how it changes each instance it was used within the document. Otherwise you may be making another unintended consequence and create ambiguity someplace where ambiguity was not before.

MR. FISHER: According to the thing up on the screen, the word "agent" is used eight times in the technical standards.

MR. McGHEE: I think we could just look at them.

MR. FISHER: Do you want to look at them or do you want to --

MR. WILSON: I think if it's eight, we could look at them and see if contextually it's confusing or it's misleading or can be construed as --

MR. FISHER: There's two of the eight
right there.

MR. CULLOO: You have to search "employee," too, in there.

MR. PUROHIT: Also, Matt, the reason why -- the theoretical part of it here. Any time there's software introduced in the technical standards, you got to realize from your experience, too, the minute that's introduced, the independent test labs have to comb through and figure out which other tests that they need to put in there. From that perspective, the technical need to be updated for all the other sections that might not have had the consequences before from a testing perspective or software.

MR. MORGAN: My question on policy level is more -- we've had this discussion several times -- at what level do you hit on the regulation, because the more specific you get and less ambiguity you have, while in some instances is a positive for you, you know, on the flip side of that, there's also some negative things that come along that you have to accept when you make that choice when some of your interpretation goes away. Sometimes it's good, sometimes it's bad. And if you do it at a global level, you're just
accepting if we don't go back and look. I'm glad there's only eight.

MR. FISHER: Really there's only six because two of them are in the definitions. The first one is where Nimish pointed us to. The next one is in the same -- it's in the next section. So it's in -- just following it, same section we talked about.

MS. HAMEL: Can we just say in those instances where we don't want an application to meet the requirement of an agent, can we say with the exception of -- just in those two sections, right?

MR. MORGAN: My thought, too, is kind of the same way, maybe a different way to get to it. You just take out the word "or agent" in those areas because it would be clear that a person is not subject to that requirement. But from a physical standpoint, a computer application may still have to meet that. Because I agree with you, read it the way Nimish has read it. But there's confusion maybe if you're a computer application, suddenly you're exempt from that standard. Maybe a very small inconsequential concern, direct control of a gaming operation
employee. One of the reasons we used agent is we wanted to be broader than saying it has to be an employee. And why we included a computer application with a person or individual, I mean, do you want to make it so narrow that it says gaming operation, or do you want to make it -- is this defined as a human being, person, individual. Is that --

MR. WILSON: Well, I guess from my perspective, that's the issue is that it's not that either piece is right or wrong. It's that what we're trying to apply characteristics to a computer application when our intent is talking about really -- I mean, I can envision the discussion is about I don't have to have my pouch secured, you know, it's on me. I'm performing that role, versus a box that is sitting here that I need to make sure is locked and secured. So, you know, in trying to envision a computer application so the bill accepter or something has to have certain control components within his that need to be there from a manufacturing standpoint. So, to me, it's more almost like we're trying to imply physical security attributes to the whole computer thing. And I
think I know where you're all going with the
computer thing. I'm just not sure if the way it
was approached in that definition, it gets --
makes it more confusing.

MR. McGHEE: Can we just say, like you
mentioned earlier, it says gaming operation
agent. I think you say other than computer
application agents. You know, it kind of takes
that portion of it out. Meaning all of the parts
of the definition of an agent other than a
computer application.

MS. HAMEL: Well, maybe we're
over-thinking it. Would we ever test a pouch,
and why are we putting that disclaimer out? We
want to test, but if we take it out, if we take
out "that affect" -- if we stop at "affect the
game outcome," and take out "and then are not
designed," because that would never get submitted
to the lab anyway to know that it needed to be
tested, right? I mean, it's a physical --

MR. PUROHIT: The "not designed" part was
put in for session bingo.

MS. HAMEL: But that isn't --

MR. PUROHIT: That's what my understanding
is. The words --
MS. HAMEL: I understand that, but maybe because this is something that's physically tested, it's a technical standard, maybe it's not necessary at all. We probably need somebody technical to talk about it.

MR. FISHER: I just have to point out that we're at 11:30. According to our agenda, 11:30 is the time for public comment. So we need to pause here a moment and check whether we have anybody for public comment. I don't believe anybody is signed up on the sign-in sheet for public comment. So if there's anybody in the audience that wants to give public comment at this time, now would be appropriate to let us know. So there is nobody who wants to make public comment so we're able to keep moving on on the discussion of technical standards.

So on this question about the definition of agent and the use of the term agent and the use of the term employee, do you want to keep at it here, or do you want to ask some kind of smaller group to look into this and come back to the group with a suggestion for how to handle this? What's your preference?

MS. TAHDOOAHNIPPAH: I suggest we go into
a closed session and discuss it.

MR. FISHER: Is that what you want to do?

Yes. Okay. We will do that and then we will just go to lunch.

(Executive session - discussion held off the record.)

(Recess taken at 11:32 a.m. to 1:44 p.m.)