NATIONAL INDIAN GAMING COMMISSION
TRIBAL ADVISORY COMMITTEE MEETING
NOVEMBER 17, 2011
VOLUME III

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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 Stacona, 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. Tahdooahnippah, 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
(November 17, 2011, at 8:05 a.m.)

MR. FISHER: Okay. Good morning. We are going into the closed session.

(Executive session - discussion held off the record.)

MR. WILSON: So the one -- a couple things first off. The TAC really -- these executive sessions are beneficial for us. It helps us to organize our thinking to ensure that we hopefully meet the objectives of the agenda for the day and what we're trying to do. So this is really more just conversation amongst ourselves to ensure that we're all on the same page so that we can have a more effective meeting going forward. So we just wanted to make that point.

The -- we would like to -- we know that we need to revisit the technical standards. There's one item outstanding that we need to take care of. We would like to do that. We would like to table any further discussion on 543.1, 2, 3, 4, and 6 -- oh, not 3. 543.1, 3, 4, and 6 because some of the members have requested that they're not comfortable discussing that until they have the red line version of any of that document. So we'll just table that until next time. But that
will not preclude us from moving forward on starting with 543.7 in bingo.

The other thing is that we are going to be putting together a position paper on why we believe that the -- what we will call the risk-based approach to crafting regulations is critically important to the whole success of the Tribal Gaming Working Group document. In that regard, I got a brief statement that I just want to make to set a little more tone on the risk-based thing. Matthew is going to follow up with some additional conversation about some historical things of the Tribal Gaming Working Group.

I would like to refer the group to OMB, Office of Management and Budget circular A-123, which is a document put out by the White House, that discusses internal controls and management's responsibility for implementing internal controls and how that is accomplished. Yesterday I had mentioned that these are well-established principles not only in private industry, but in federal government as well. And I think it's important that NIGC, as part of their deliberations, incorporate in the direction that
has been given by both the White House and
Congress in terms of how you evaluate internal
controls and manage risk. In that regard, I will
just read a couple statements from OMB circular
A-123 just to give the flavor of this whole risk
concept. One area says that federal managers
must carefully consider the approach balanced
between controls and the risk in their programs
and operations. Too many controls can result in
inefficient and ineffective government. Agency
managers must ensure an appropriate balance
between the strength of controls and the relative
risk associated with particular programs and
operations. The benefit of controls should
outweigh the costs. Agencies should consider
both qualitative and quantitative factors when
analyzing cost against the benefits. Internal
control guarantees neither the success of an
agency or programs, nor the absence of waste,
fraud, abuse and mismanagement, but is a means of
managing the risk associated with federal
programs and operations. Managers should define
the control environment, i.e., the programs,
operational, financial reporting, and then
perform a risk assessment to identify the most
significant areas within that environment which
to place or enhance internal controls.
Appropriate internal controls should be
integrated into each system established by an
agency management to directing guidance
operations. Generally identifying and
implementing specific procedures necessary to
ensure effective internal controls and
determining how to assess the effectiveness of
these controls is left to the discretion of the
agency head.

The point here is that I view, and the
TAC, that NIGC's role is identifying the risks
that need to be mitigated as they pertain to the
integrity of gaming, safeguarding of assets. But
the entities, each individual government, should
be allowed to come up with the controls to
mitigate the identified risks. And so it's
critically important in our mind, this is
potentially a major mind shift difference from
how the agency has previously looked at creating
regulations, crafting regulations to the
opportunity that we see is before you now to take
a significant step in getting the agency kind of
up to the 21st century thinking that's being
expounded here even from the White House and the government.

MR. MORGAN: Three topics, really. First of all, Dan, thank you and your staff for providing these books. I know it was a lot of time and effort. We appreciate that very much. I just want to say thank you for that.

And, two, we have asked the TAC members, you know, we're going to use this document as our reference. And if anybody is going to bring in any other information from some other document, no matter what, that they do like Tom did and kind of tell you, this is where I'm getting it from, whether it's a 2008 or 2010 draft, wherever. The tribe has set that off so we're not getting confused on documents. This will be the document.

The second topic would be on the guidance documents. My understanding -- our understanding from our discussion is that our primary purpose here is to provide you input on the MICS itself, on this particular topic. While we believe the guidance document is important in the overall scheme and philosophy, we would prefer not to get into questions in trying to debate the guidance
documents. They are an example. We do want the NIGC to eventually adopt a guidance document as a safe harbor provision, saying if you adopt this guidance document, we believe you've met this standard in this verbatim. But to go in to debate the guidance document because it is only an example, we think, would draw out this conversation much long longer than the six months we have. Saying that, if the NIGC feels that the standard is deficient in an area and that deficiency may be accomplished from something in the guidance document, we feel that would be different. So we wanted to make sure that we at least got that out on the table, that our purpose is to provide comments on MICS.

The third topic is we've had a request that as we go into new sections, very much like we did in the technical standards, we would like to hear from the NIGC on your views of it. Maybe whoever is -- I think maybe Mr. West, in this case, his review of the sections and kind of his thoughts and positions on why they thought generally about this section before we get into discussions. Because it helps us formulate our thoughts knowing, you know, where you're coming
from and what type of comments you may have on that section, and we hope we can accomplish that as we go through these sections.

MR. LITTLE: Okay.

MR. FISHER: Is that everything? Great. Thank you. I think it might be useful, because we're on the record here, just to clarify a couple things about what you have in front of you and what the references were. So, Dan, if you could, would you explain what you handed out and what's in the binders that Matt referred to as now the set of documents.

MR. LITTLE: We took the Appendix 1 directly from the website, directly from the submission from the working group that was given to us in July and made a copy. That's the red line copy. However, I am understanding from some members that the copy that may have been submitted to us in July had some omissions in it. I don't know how you guys want to deal with it, but this was the copy that is on our website. So my personal opinion is if there are some areas that was not red lined that was submitted to us, you can make a recommendation and make those changes, like you would do anything else. I
think it's an easy way to get through that. The other three documents are the comparisons, and we cleaned them up to make them a little more user friendly. They were off the -- primarily they were viewed off the 2010 draft that's on our website. We removed the 2008 notations because it was just adding confusion. There was a couple areas where there simply was nothing in the 2010 draft, so that's the only reason to reference there. So we just removed it. For all intents and purposes, we're working off the draft from 2010.

The thing about the comparison documents, and as we go through today, if these don't work for you, let us know and we will change them. We will put them in any format that you all think will help you better understand our, you know, our thinking, our reason or our comparison. If these work, that's fine. We'll continue to move forward and we'll do the comparisons on the rest of the subject items. But it would be helpful to learn that today because Mike Hoenig and his staff are going through that. Rust has spent considerable time trying to compare, and it hasn't been easy. It wasn't as easy as the 547.
That was a proposal. We've got 2008 -- we got the 2008 proposal that's out there. It's been delayed. We got the 2010. And then actually there's a lot of new parts that the working group put together that, you know, Rust was trying to find a reference in the 542 regulations. So just to try to find some common area to make an adequate comparison. So it's been very, very difficult on our part, and our staff has spent a lot of time. That's why before we -- if there is a better way that you think you can do it, we're willing to, you know, justify and put that together for you. So please let us know if something is not clear, and we'll make that change. Otherwise we'll get those all done rather quickly and we'll get those out to you.

The other thing I will do is we will print off the entire working group document submitted to us that's on our website. We'll put it in binders. Actually this document here, we'll put it in a three-ring binder. And today, if you take your Appendix 1 to make notes on that, we won't make copies of that particular appendix, so when you get the binder you can pop that in. And then we'll get the comparison documents and we'll
try to get that mailed to you before the next meeting, hopefully in the next couple of weeks. If that's what folks think would be the most helpful. And then that way we have one clear document. Robert will put the red lines up on the board as we go through them, and I think we'll do well. We started doing that yesterday, and I thought it was a pretty good perspective. But like I said, if there's something that's not working here, please let us know and, you know, we want to provide to you whatever you need so that, you know, everybody has a clear understanding of our thinking and then if we're making an appropriate comparison.

MR. WILSON: As a point of clarification, did we not want, then, the guidance comments? Because currently they're putting both the comments about the material and then comments also about the guidance documents. Is our preference that we don't need the guidance document comments in the comparison? I know there was discussion about that, but I don't know what the consensus was.

MR. CULLOO: Doesn't matter.

MR. LITTLE: We don't need to include the
guidance in the comparison?

    MR. WILSON: Well, I'm not sure.

    MR. MORGAN: It's how we feel. What we talked about is we don't want to spend a lot of time discussing those comments.

    MR. LITTLE: And I could understand how it could cause confusion there.

    MR. MORGAN: If there is a particular deficiency that you and the general NIGC feel exists in the standards that are in that case, it may be important to have that there. If you're saying we think this language needs to be in the standard itself and not in the guidance document, in that scenario, it would be important.

    MR. WILSON: I guess the thing is, as a group, we're not going to spend a lot of time necessarily discussing guidance document comments.

    MR. LITTLE: All right. I'm sure Mike will be happy not to have to put that in there.

    MR. HOENIG: We can take them out. I think, Rest, if there were comments in our -- where it says NIGC comments, I'm not sure, but I think some of those comments may have been on the TGWG guidance document, as well as the text of
the suggested regulation itself. So we can
certainly take the guidance section out. That's
easy and not include it in the future and then
just have comments. But to the extent that any
comments may apply to the guidance versus the
text of the reg itself, I guess that's something
as you go through it, you can note or we can
discuss it at that point, however you want to do
it.

MR. WILSON: I don't think the issue is
whether they're there or not. I think there's a
benefit to them being there for us to understand
your thinking on things. I guess the point more
is that we as a group, though, don't want to --
are not planning on spending a lot of time
discussing the guidance document except in the
context of what Matt was saying.

MR. LITTLE: Thanks for the clarification.

MR. FISHER: Okay. So just to follow up
on one thing, Dan, the comparison documents in
the binders that were handed out this morning are
revised versions of what was distributed in
advance of the meeting, correct?

MR. LITTLE: Yes.

MR. FISHER: That means that the revised
versions of the comparison documents need to be posted on the NIGC website.

MR. LITTLE: Absolutely. We'll get those up.

MR. FISHER: Okay. And then of course as we go through the day, if there are other comments about the format, just let Dan and then Dan will tell Mike and Rest. Okay. So we're set on the paper documents that you have in front of you.

What Dan also said was that the version of the Appendix 1 that's in the notebook that was handed out this morning is from the PDF document that was sent to NIGC. We requested a Word version of the -- of that PDF, so I got that this morning. And then I -- because it's such a huge document, electronically, to make it workable, I took out of that Word document the Appendix 1, the Part 543. So I shortened it up to like 40 pages roughly. And in the PDF, the PDF has in that Appendix 1, Part 543. It has, you know, the page, you know, the total number of pages for Appendix 1, Part 543, plus what the page number is. So it's like 1 of 35, I think. So we'll be able to reference the pages in that smaller
document, and it will be easier for us to
maneuver around electronically using that shorter
version. But it does derive directly from the
PDF that was submitted.

The other thing that I heard was that --
and I think when I was reflecting on this after
the meeting ended, part of what we got wrapped
around yesterday was the -- what was the
comparison to and the use of the 2008
regulations, the 2010 draft. And now I think
we've solved that problem because we're going to
be referencing the 2010. Essentially it's a
comparison to the 2010 draft. And so for that
portion of the TGWG document that wasn't red
lined because there was not a comparable
provision in the 2010 draft, you just need to
make sure we don't skip over that part. So Dan
invited discussion and comments on that section,
even though it's not red lined and it won't be
red lined in the draft that will be projected on
the screen.

MS. HAMEL: Well, the question I would
have is, is the NIGC going to review those
sections and have comments?

MR. LITTLE: Absolutely. Got it written
down right here, .3, .4, .5 doesn't exist, and .6.

MS. HAMEL: Okay.

MR. FISHER: All of that, as we heard, will be deferred to the December meeting. Perfect. So I think it sounds like we solved what's the -- what documents are we using, where did those documents come from, and how we're going to move ahead. All right. So is there anything else around that before we kind of shift to a little bit of looking at how we're going to spend the rest of our day today?

All right. So I think we had a request that we take a break at roughly at a quarter to 12, even though we'll take a break before then, but a break at a quarter to 12 will allow people to check out. We are still scheduled to end at 2:00 p.m. for people to make flight arrangements, and we have a bunch of kind of housekeeping things that we're going to need to do. And so on the agenda right now, those things are at the very end, the planning for the next meeting and getting the -- checking in about the agenda planning group and a bunch of other housekeeping tasks. So we have to probably set aside about a
half hour, maybe, towards the end in order to be able to do that bunch of things to cover that.

Other than that, if I understand correctly, we're going to start -- you want to start back at the technical standards? Matt sent me the language, so I can project that up on the screen. And then once we do that, we'll then move into the bingo MICS. Okay.

MR. WILSON: I don't know if you're plugged in.

MR. FISHER: I'm not. First I have to get it going again. Okay. So what's projected on the screen is the language that -- the homework from yesterday that Matt volunteered to give back to the group. So, Matt, do you want to --

MR. MORGAN: Yes. Again, just for the returns, the group has not actually seen the verbiage yet. We talked about it conceptually yesterday. My suggestion was this language to replace what is currently in 547.2, if you want a reference of where I'm at.

So the first, you know -- I did change up the question. Before the question was purely limited, was the information now you find in (c). So the question will be what are the general
rules of application to this part? I've pulled that similar language from 543.4. And so I'm trying not to recreate language. I'm just trying to shift language. That's where I got the question, (a), minimum standards. That is verbatim 543.4 language (a). That is exactly what it says there. I pulled it over to say basically it's minimal. It's a general thing.


MR. MORGAN: 547.2(b), TGRA authority. I did use some language in 543.3, as saying recognizes that the TGRA is the primary regulator of a Class II gaming -- nothing in this part is designed to try to parallel that to what's in (c). (C), state jurisdiction, that is the same thing that makes up 543.2. That was my idea. I know y'all haven't seen it yet, but I did want to put it up there so you could see it so you could say yes, or if there's tweaks that y'all think. But that was my intent to try to get something to y'all.

MR. FISHER: Let's pause a moment and let everybody have a chance to read it.

MR. MORGAN: I know there needs to be
tweaks.

MR. FISHER: I could put one in here.

MR. MORGAN: I did tell the group this morning, one of the things that we've talked about and the reason that we were holding a TGRA definition up, was there's this general concept which we captured in the MICS but not in the technical standards which basically defers all decisions back to the TGRA for things. And I tried to capture it in (a), but I wasn't for sure I got there personally. But instead of me sitting there and drafting and playing, I thought it best to give it out to the group to see where they are at.

MR. FISHER: This might be one where -- and I'm just checking. It might be one where people really need to absorb it, test it, go back. So we might get a preliminary read on it and then let people have a chance between now and the next meeting to reflect on it.

MR. MORGAN: Are y'all comfortable with it and ready to go forward, or do y'all need to take time? And, again, that's one of the reasons I tried to use existing language and just bring it over so that we wouldn't have to recreate the
wheel; that you've seen the language before. But
if anybody is not comfortable --

MR. FISHER: Or anybody have any questions
about it?

MR. CULLOO: Pretty straightforward.

MR. FISHER: So do you want to test it?
Are you ready to do that, or still looking at it?

MR. WILSON: My head is saying do I say
this, do I not say this, do I say this.

MR. MORGAN: Please have a recommended
solution, if you say it.

MR. FISHER: That's actually in the
operating procedures.

MR. WILSON: My struggle with the wording
in (a) is the same struggle that I have in the
current Class III MICS. When we talk about
establishing additional technical standards that
are at least as stringent or more stringent, it
gets into this debate about is what you're
proposing more stringent or less stringent. And
it just seems to me the mind-set is that if I
create an additional standard, is it in conflict
with something that's already established. It's
just this idea, I've had this debate on Class III
with our state regulators and even with NIGC in
terms of if I have to create something that is more stringent, then we get into this whole discussion about, well, how is this more stringent or less stringent. So for me it's just more of a term of I want to be able to successfully argue for my tribe when we create additional regulation on top of what's there; that it's easy for me to do that and not diminish the standard, but not have to hire a group of attorneys to prove the word stringent, that this could mean that or that. So my whole issue is, I guess, that term "stringent" and is -- are we saying the same thing, or is anything lost by saying that creating additional controls that do not conflict with the standards.

MR. MORGAN: I know Robert is trying to provide an alternative solution, and I appreciate that.

MR. FISHER: I can get rid of it if it's distracting.

MR. MORGAN: I actually like that because one of the things in law is because it's minimal, it is implied, and you -- there's no way you can go below that. So just restating that it's minimal makes you in compliance with the law that
you have to have. And then I think the important part is you may establish additional technical standards. It's already implied, if you apply minimum, it's a floor. You can't go below the floor. And if Robert's language accomplishes it better in your mind --

    MR. WILSON: It absolutely does.

    MR. MORGAN: -- I am okay with you replacing what's in (a) with that language, from my chair.

    MR. WILSON: Yes.

    MR. MORGAN: If that allows you to move forward.

    MR. WILSON: Absolutely. It's a pre-acknowledge that I accept the minimums. I know I have to meet that. But I just -- if I need to do other things, then I want to be able to do that, but not have to prove --

    MS. LASH: That it's one more level up.

    MR. WILSON: Right.

    MR. MORGAN: Are we okay with replacing (a) with what's highlighted?

    MS. HAMEL: Does what's highlighted also give the TGRA the power to establish a standard that's different or only additional?
MR. WHEATLEY: I don't think you can say different.

MR. MORGAN: Different means variance, at least in my mind.

MR. McGHEE: Are you saying that allows them to do something different?

MS. HAMEL: To achieve the minimum a different way, is that strong enough to say that? Because that just says establish and implement additional.

MR. LITTLE: To me, that adopts controls that exceed the minimum, not --

MR. McGHEE: It does say that.

MR. MORGAN: At least from the way I read it, no, it does not. But I see it as two different concepts. If you want to do something different in the way that they prescribed it, that's a variance question and you need to seek a variance. If you want to do something in addition, a higher standard than that, then that does address that concept.

MR. LITTLE: That's the way I would look at it.

MS. HAMEL: I think the new -- if the new minimums don't have procedure in it, so this
should cover it.

MR. MORGAN: This is just a technical portion of it. If we're comfortable with that -- I guess that's my question to the group, if you're comfortable replacing the current language, proposed language in (a) with what's highlighted?

MS. HAMEL: Yes.

MR. MORGAN: So if we replace that, then my same question, if you're comfortable with that, are we comfortable with testing the entirety of it, or do you want to go A, B, C?

MR. WHEATLEY: I have an issue with C. It says, To extend the state's jurisdiction over Class II gaming.

MR. MORGAN: I was hoping somebody would pick that up. Again, I transferred that verbatim from what's in 543 right now.

MR. WHEATLEY: I think 543 says, Class III gaming.

MR. MORGAN: Does it? It could be a Scribner's note. Did I miss it? If it is, that's a very good catch.

MR. WHEATLEY: Just I don't want to apply it if the state has jurisdiction over Class II
gaming in any form.

MS. TAHDOOAHNIPPAH: It does say Class II.

MS. LASH: How about adding another sentence to the end of this one up here that we're looking at, just add to the end of the sentence, That do not conflict with those set out at this part? So it would say these are the minimum standards and the TGRA may establish and implement additional technical standards that do not conflict with those set out in this part.

MR. FISHER: Is that it? I might have put in an extra "standards" there.

MS. LASH: Yes.

MR. FISHER: You would either say "those" or "the standards set out in this part."

MS. LASH: Yeah.

MR. FISHER: Okay. So there's that proposed change in (a). And then we have this question here on (c).

MR. MORGAN: Jeff showed me on (c), it does say Class III. That was my fault.

MR. MCGHEE: They don't have any jurisdiction.

MR. FISHER: So that's a get rid of, or go back and put it in, say, Class III.
MR. MORGAN: Yes.

MR. FISHER: Class III.

MR. MORGAN: That was the intent to say that.

MR. FISHER: Got it. This became Class III.

MR. McGHEE: It did say Class III.

MR. WHEATLEY: We're talking about Class II technical standards.

MR. RAMOS: We just don't want them to apply to Class III, so I think that does work.

MR. FISHER: So that's the proposal.

MR. MORGAN: Are we comfortable with that to test it?

MR. McGHEE: Let's see. You'll know after you test it.

MR. FISHER: He's testing the testing. All right. Let's check it. So if you support the changes to Section 547.2 displayed on the screen as we changed them around, raise your hand.

(All hands raised.)

MR. FISHER: Voila! It's done.

MR. MORGAN: Finished my homework.

MR. FISHER: Thank you, Matt, for doing
MR. McGHEE: You think the -- I think it would go faster, if you don't mind, when we're doing like a test like that, we just ask does anyone object, raise your hand. Because it goes a lot faster because then the person that objects can get it out there, their problem. If nobody objects, that means it's good.

MR. MORGAN: I think that's fine as long as everybody is comfortable objecting.

MR. FISHER: If you're working together and have the ability to do that, then we can shift to that procedure.

MR. McGHEE: I don't see anybody here scared to say what they want.

MR. FISHER: There have been a couple times where we've tested things and where people haven't raised their hands.

MR. McGHEE: When people are still trying to look, at least they can say hold on a minute, I'm not ready.

MR. FISHER: We've also had a couple of occasions where people haven't necessarily objected, but needed some more information to it. It's up to you, whatever procedure you want to
MR. McGHEE: I think it will speed the process up. Anybody object to that idea?

MR. RAMOS: Are we going to test it?

MS. LASH: Let's do what we've been doing. We have a process set up. It's working.

MR. MORGAN: Just as a note, that language in (a) that you changed, that will come up in 543.4 for y'all's purposes. It would be the exact same language, and I assume Tom will have the exact same change there as well, as a note when we get into that section.

MR. FISHER: We can come back and check that language.

MR. LITTLE: 543.4?

MR. FISHER: Yes. So, Matt, what you're saying is they should consider that language to carry over when they do their 543.4 comparison?

MR. MORGAN: Yes.

MR. FISHER: Okay.

MR. McGHEE: Without the technical part.

MR. FISHER: Right. Without the technical standards.

MR. MORGAN: Actually, that's what it says.
MR. McGHEE: I know, but we don't want it to say that.

MR. MORGAN: That is what it says in the internal controls section. It does say technical standards.

MR. FISHER: They took it from this.

MR. McGHEE: Because they're not technical standards.

MR. MORGAN: I don't disagree.

MR. FISHER: Okay. So then it seems like we're ready to move to the --

MR. McGHEE: So technical standards are put to bed?

MR. FISHER: Yes. We should pause. I was busy looking for the next document, but we probably should pause to acknowledge completing the work on the technical standards. And that if memory serves me correctly, every single recommendation that was proposed for consideration was done unanimously. And so you reached consensus on everything with respect to section 547. So want to give each other a round of applause?

(Round of applause.)

MR. FISHER: Okay. So what I'm projecting
on the screen again is the -- it has the cover page from what was submitted. Then it has the appendix. There's a blank sheet. Then it has Appendix 1. And then it picks up with the red line version of the Part 543 that comes from the PDF version submitted to NIGC. Okay.

MR. WILSON: We're starting at 543.7?

MR. FISHER: Correct. So let me just flip down to 543.7. Of course it might have been easier if I looked up the page number.

MS. HAMEL: 8.

MR. FISHER: I'm on 6. We're rolling.

543.7. Okay. Let me just do a check here because it's 10 of 10, and we're scheduled to take a break at ten. So do you want to -- do you want to launch into this right now and then take our break later, or what's your preference?

MR. WILSON: Are we talking about a ten-minute break?

MR. FISHER: We could take a ten-minute break right now, take a stretch and we'll start up at 10 o'clock.

(Recess taken at 9:50 a.m. to 10:01 a.m.)

MR. FISHER: Okay. So we're going to start with 543.7. We have projected on the
screen the TGWG red line version, and so where are we going to start? I did hear this morning that at some point you want to hear from NIGC about their views on these various changes. So what's the -- how would you like to proceed with this?

MS. HAMEL: We'd just like to make one comment or one -- where did he go? I'll do my best to explain the document and this, quote, unquote, "red line." I think that's an internal red line from the TGWG's point of view. We were all together as a group, finalized a document, I believe in May; does that sound right?

MS. LASH: We had our last meeting in June.

MS. HAMEL: Okay. And then as a group, we put together a committee that tried to make -- tried to go through the entire document and make sure that we were consistent that if we talked about MICS and TICS and system of SICS, that we use the same language in every section, or if we talked about supervision. So these red lines you see in this document may appear very confusing because it was our communication to us as a group that the last document we all agreed upon in June
changed slightly once our style committee came
together and put together the document. It's not
a comparison document against anything in the
past. The NIGC has made a comparison document to
other versions, so --

MR. FISHER: Just to make sure I

understand, the red line in this document is red
lines to previous TGWG drafts, not to anything
from the NIGC?

MS. HAMEL: That's correct.

MR. FISHER: So would it be useful to
eliminate the red lines from this?

MS. HAMEL: It probably would. My only --

MR. FISHER: We could just accept all the
changes in the document and then go from there.

MS. HAMEL: It just won't look like what's
published on the NIGC website, so that would be
my only caution. Accepting the red lines is fine
by me.

MR. FISHER: There is a version in what
was submitted to NIGC that is the clean version,
right?

MR. LITTLE: Yeah, that's in the whole
packet, right?

MR. FISHER: Right.
MR. MORGAN: Is that explanation of the red line confusing to people if you know that going in? That the red line is internal discussions of the Tribal Gaming Work Group document only? Because if it's not confusing, then there's no really need to go in and try to change the format, only if it's confusing to the group.

MR. FISHER: I don't think it's confusing to the group. I guess I'm wondering whether just it might be easier to be working in the clean version than in the red line version.

MR. MAGEE: I think whatever you put on the screen should match what's in the books.

MR. FISHER: Okay. And what's in the books is the red line version. Good point. Okay. Thank you, Kathi.

So back to the question about where do you want to -- how do you want to kick this off and how do you want to move ahead with this discussion?

MR. MORGAN: There was a request that we at least have a brief -- and I think just by definition, it's going to be to have brief -- of what you looked at from the NIGC's perspective
and maybe a general comment on the section as a whole before we get into the discussion. I know most of your probably comments are specific to language in here, but just as an overview, general comment, the example was pointed out that in technical standards, Nimish, when he came to the table said this is what I looked at and this is how I did it. And if that is able to be done, that was our request.

MR. WEST: You mean to start with (a) and go down?

MR. LITTLE: Just overall, the whole section.

MR. FISHER: Big picture view.

MR. WILSON: What do you think of the concept?

MR. WEST: The concept or the document? The document I could probably speak to. I mean, it's similar to other MICS documents as far as the section and standards, I mean, subsections, whatever. One thing I noticed that we started on these guidance comparisons, I think from the May submission, for instance, (d), supervision, came afterwards, so we have -- I think one of our documents says that, you know -- it speaks to
that. And it might not have been updated with
the July 28th. So there's some back and forth
between -- once we got asked to start looking
into documents, we started with the May
documents, and then we got July later. And a lot
of the comments that Dan and I were looking at
are on the guidance, so I think you guys probably
don't want to spend a lot of time on comments on
guidance. That's in the shall, will, things like
that.

I do have a question about variances,
though. There's no definition for variances, and
it's real confusing because the normal thought
process for me is variances are variances from
MICS standards, and you could request them from
the commission and after the TGRA, the records
prove them. But further on in the documents,
variances are what I think probably is being
discussed is numerical variances or percentage
variances, so that's kind of confusing to me.

MR. LITTLE: Any other parts --

MR. WEST: There's another section,
543.18, that speaks to variances, so you've got
kind of a conflict of section there.

MR. LITTLE: How about any other parts of
543.7, was there any other areas --

   MR. WILSON: So it sounds like you've got this -- the term variance -- because the term variance dealing in 543.18 is dealing with creating a variance to the MICS. Whereas the term variance being used what you're referring to is about a variance, a discrepancy or, you know, in a variance amount, the dollar amount.

   MR. WEST: Correct.

   MR. LITTLE: Maybe there's a way that that could be clarified. That could be helpful for us. I'm not sure.

   MR. MORGAN: Is this overview useful or y'all just want to start going into A, B, C? It seems like we're trying to struggle to give an introductory.

   MR. LITTLE: Would it be easier to start out with (a)?

   MR. MORGAN: It could be.

   MR. FISHER: It could be. It depends on what level of the discussion you want to start with. Are we talking about concepts or talking about changes?

   MR. MORGAN: If you want to hear similar to what you did in techs, the concept on
543.7(b), though, was -- if you wanted to compare
previous versions of the MICS -- we had this
collection earlier -- just scrap that whole
thing. And that's what made it hard for the NIGC
to compare it to, is because we scrapped the
whole thing and came at it from a view of what
needs to be controlled in bingo and tried to set
it forth that way. The first A, B, C, and I
don't remember is D -- I know A, B, C are boiler
plates. You will see them at the beginning of
every section. It was just boiler plate language
of general that we set forth in every section as
you come through it. So if you have comments
about A, B, C, those are comments that need to be
globally changed as we go through sections.

MR. McGHEE: So if you approve them now,
you could almost say I can understand why this
would be at the beginning of every section and I
would be okay with it.

MR. MORGAN: But, again, we started
this -- if you're in a bingo game -- and
remember, bingo is broad, session bingo, handheld
bingo, electronic bingo, just bingo, what items
need to be controlled was the thought process.
But sometimes we struggle in the Tribal Gaming
Work Group to keep that in mind. Yes, this works
great in a player station setting, but how does
this equate back to a session game that they can
still do this. And that sometimes the concept
may be broader than what you're thinking of, just
to try to incorporate some of those concepts, and
then not even talk about the handheld games, the
session bingo games, the CardMinder technology.
But that's kind of conceptually broad of at least
how we tried to approach this subject.

MR. McGHEE: And the idea was when we were
doing the bingo section, all right, the card, not
so much the paper, which is why you'll see a
reference of scratching out paper on it, card
being the word, was the bingo card has to have
the same control whether it's sitting on a table
in front of you or whether it's in a machine.
Some people say what about the communications.
That's all going to be in a different type
section where you have risks over electronic
type, anything electronic. So when you're
looking for the electronic references, you're not
going to see them a lot in the bingo section
because this is just about how you play bingo,
whether it's on a machine or anywhere.
MR. MORGAN: For those that are familiar with Class III, you know, in Class III, you went to gaming machine section to -- that's a different concept here, because we're talking about the game of bingo, not actually the medium in which you play bingo. It is the game of bingo.

MR. McGHEE: Okay.

MR. WEST: Do you have specific parts of 543.7 that only apply to paper binger and specific parts that might apply to electronic bingo and/or both?

MS. HAMEL: Yes.

MR. McGHEE: And I think it was labeled out, though.

MS. HAMEL: But that terminology was not used in the -- in our recommendation, the word physical inventory of cards would mean something different than --

MR. McGHEE: Under the -- yeah, if there was some kind of reference made, and I'm not looking through it, it was stated. It would say, you know, this applies to, you know, physical this, that. But we really tried hard not to confuse the lines. So I think that last section
that deals with technological, when you play
bingo, addresses a lot of those kind of things
that may not be what you're used to seeing in a
paper bingo setting. And we tried to outline the
risks you may have with that. But it's really
jumping around a lot. I would agree if we take
it section by section, it will make more sense
instead of jumping around to pieces.

MR. WEST: And I know we've been working
with this issue. And when we've gone out and
done audits of gaming operations, have actually
adopted the 2008 543, so we've got these
checklists. So we have these discussions, does
this one apply to paper bingo, does it apply to
electronic bingo or both. I'm talking about
confusion in some of your gaming operations that
may not have the expertise that the people around
the table might have; avoiding confusion.

MR. MORGAN: But in the way -- at least
I'm guessing here. In the way that you currently
audit, you're using a checklist at a MICS level.
Under our conceptual shift, you would have to go
in and write a checklist, theoretically, to each
gaming operations tribal internal control level
and not at a big global level, more at a local
level, in order to truly evaluate the risk associated in that gaming operation, which is a -- it is a big shift. When people currently adopt the 2008 now, they are still adopting that and it's still a procedural-based checklist, which I agree causes confusion. We tried to do that on our floor in trying to apply a different standard to this bank which may be Class II as opposed to this bank which is Class III. Our front line people, it caused mass confusion. And one of the reasons that we -- we actually pulled it back because we tried for months in order to come up with a system to make 543 mesh with 542. We couldn't do it, to be quite honest with you. And that's one of the reasons that we shifted conceptually to, you know, we should be talking about control and the risks associated with it and then allow me to adopt and set forth the -- at a local level what the internal control is and let the operations develop what their policy procedure is on it. So when auditors come in, you have to audit to that standard to evaluate risk. But that -- you will hear us go back time and time again to that concept because if there is a concept of if there is a one checklist for
MICS, that concept goes away under this scenario.

MR. McGHEE: This, you have to look at the bingo section and say has the bingo section identified the risk involved in playing bingo, and does it address those risks and state that that tribal gaming commission or that operation will need to come up with standards, procedures, whatever you want to call them, to mitigate that risk. So one, when someone goes into an audit, they have to first say have the risks been identified in the way you play bingo, and then let me see your procedures in which you come up to mitigate those risks.

MR. WILSON: I have a comment on 543.7(a), if we're ready to move to that.


MR. WILSON: And that's the document I provided yesterday.

MR. FISHER: Yeah. Let me pull it up here, and I then I got your --

MR. WILSON: My comment on 543.7(a) is not surprisingly dealing with putting in the term "risk" so that you get over -- the current 543.7(a) talks about procedures that provide at least the level of control established by the
standards of this section. And, again, from my philosophical shift, what I think that that should be addressing is that whatever standards you come up with in your facility, that the wording be changed. I can't bring it up on my mine, and I can't see this.

MR. McGHEE: This same paragraph was earlier, and you added language or suggested language.

MR. WILSON: I did.

MR. FISHER: It's right here. I'm trying to get it up on the screen.

MR. WILSON: So the procedures that provide at least the level of control necessary to mitigate the risks established by the standards of this section. The risks being these objectives that the Tribal Gaming Working Group has identified as what needs to be mitigated. So it seems like any controls or standards that you come up with should be focused on mitigating the risks that are identified in the document.

MR. WEST: Do you do your risk assessment first before you even think about procedures and checklist and everything else?

MR. WILSON: Essentially, yes.
MR. McGHEE: So that training would recommend more or less to be because that same paragraph is at the beginning of the section. It would be throughout.

MR. WILSON: It wouldn't just be there, but it would be in the second in (b) where it talks about computer controls. It's that same wording and it would be changing that version as well.

MR. FISHER: Let's pause for one second. What's up on the screen is the original version of the comparison document because that's what Tom had put his changed language in. So it's not the version -- the new comparison version in the notebook.

MR. WILSON: But it's the same wording.

MR. LITTLE: The text hasn't changed. Cleaner for clarity.

MR. WILSON: It's on Page 8 of our written document.

MR. FISHER: Correct. Same text.

MS. TAHDOOAHNIPPAH: I can't see it. Can you read it?

MR. FISHER: Yes. So the suggestion is that the sentence would stay the same all the way
through to the word "control," and then it would
delete "established by the standards of this
section," and replace that with the language in
the box so that the whole sentence would read,
Subject to the approval and oversight of the
TGRA, each gaming operation shall establish,
implement, and adhere to internal control
policies and procedures that provide at least the
level of control -- this is the new part --
necessary to mitigate the risks established by
the standards of this section. So, in essence,
it takes out that word "established" that's in
there and replaces it with the phrase "necessary
to mitigate the risks" established by the
standards of this section.

MR. McGHEE: You don't really strike out
"established."

MR. FISHER: Correct. All you're doing is
adding right before the word "established,"
"necessary to mitigate the risks." That's the
change.

MR. WILSON: From my way of thinking, the
previous wording is a holdover from the MICS,
what I call the old way of thinking. Where this
just ensures that we're all focusing -- that risk
is what we're trying to mitigate here, and if the standards are outlining the risks, then your controls need to mitigate those risks.

MR. McGHEE: I call for a test on this section.

MR. FISHER: Test on section (a)?

MR. McGHEE: Is that how we want to do it? Yeah.

MR. WILSON: Can we -- if we're going to vote on it, can we talk about (b) as well? Because I'm proposing the same change in (b) as well. Unless of course somebody has an issue with any other parts of (b) or (a), but --

MR. McGHEE: Okay.

MR. FISHER: Go ahead. What do you say about (b), Tom?

MR. WILSON: (B) would be where "and/or procedures that provide at least the level of risk mitigation," it's putting in that same wording.

MR. FISHER: That same phrase right there.

MR. WILSON: Yep.

MR. FISHER: Yep. Okay. Everybody see? I just put in this phrase right in section (b), which is the same thing that was proposed for
section (a).

MR. McGHEE: This is also the section where you're striking out the definition of agent, the computer thing. This is a hitch off of that part. If you want to have the agent replaced by computer application, this is what allows you to do it, the TGRA approval.

MR. MORGAN: Tom, since we're kind of cracking that thing, what you're talking about and what Rust is talking about, that you're going to do a risk-based analysis first before you ever get to this to try to identify --

MR. WEST: That's what I understand from the two days ago, that was the committee's focus.

MR. MORGAN: Instead of saying risks established in both, could we say risks identified? Because you're identifying the risks.

MR. CALLAGHAN: Makes it sound like you're establishing, and this document is weak.

MR. MORGAN: Identified the risks.

MR. CALLAGHAN: I feel better about that.

MR. FISHER: Were you finished? Okay. Is there any other discussion about -- did you want to do all three, (a), (b), and (c), or did you
MR. McGHEE: I think (c), to address Rust's concern, we need a little more conversation about what variance is.

MR. FISHER: Okay. Want to check on (a) and (b)? I don't remember which way I'm supposed to do it.

MR. McGHEE: If you had an objection, we'll do the raise your hand.

MR. FISHER: If you support the 543.7(a) and (b) as projected on the screen and changed as part of this discussion, raise your hand.

(All hands raised.)

MR. FISHER: Okay. That got everybody.

Okay.

MR. McGHEE: I have a question. Is that agreed as far as will we reapprove that at every section? Because it's the same language.

MR. FISHER: That's exactly what I was going to ask.

MR. McGHEE: It's a blanket statement at the beginning of every section. Can we just say, hey, we're good with that being at the beginning of every section?

MR. FISHER: If it's the same in every
section, maybe you could have it as a general section at the beginning of things. Did you consider that?

MR. LITTLE: That's the question that I have.

MR. MORGAN: We actually had that discussion. The reason we did not do that is because we felt like if you're on the floor in some areas and you're looking for a reference, if you're only working the bingo, you're only pulling the bingo section and we didn't have to pull bingo in this section. And one of our ideas was we're trying to make subject matters flow into a section, and that's one of the reasons we placed it in each section.

MR. FISHER: It's the difference between regulatory regulation simplicity and on-the-floor use of the regulation.

MR. WHEATLEY: Right. Practical use.

MR. LITTLE: I know we're not comparing the guidance, or you don't want us to, but is the guidance then generally the same in each of the sections?

MR. McGHEE: The guidance to these three things?
MR. LITTLE: Yes. Because that could cause some confusion. So in that case then when we do do comparisons, can we not have to re-compare those three things?

MR. FISHER: You mean, not repeating the comparisons?

MR. LITTLE: Would that be okay? Mike, I'm saving you some work back there. Got that?

MR. FISHER: So there was nodding heads yes around the table. So do you want to check that?

MR. McGHEE: I would say we vote that (a) and (b) language as provided be the standard language for each section throughout the MICS beginning with this .7.

MR. FISHER: So we don't have to do this multiple times, unless somebody has -- raises a concern, the request is to say that (a) and (b), as we just did in the bingo section, would apply to the other sections as well, right? To the other sections where it appears. Why don't we do it as where it appears. Or you can list them, if you want to. Are you guys making a list for us?

MR. McGHEE: He's just doing a quick check to make sure so everybody is educated. These two
sections or these two (a) and (b) appear in every section except variance because it doesn't apply. When you're applying for a variance, there's not a computer application, there's not an internal control. It's different.

MR. LITTLE: From .7 on, with the exception of variance, it applies.

MR. McGHEE: Yes.

MR. LITTLE: Does that make sense?

MR. FISHER: Okay. So everybody ready to -- everybody see what we're doing? Everybody ready to say what you think? Okay. So if you support this change to flow through to all the other sections in the MICS other than the variance section, raise your hand.

(All hand raised.)

MR. FISHER: Okay. That got everybody. So I'm still marking what we agree on in yellow. So that's the same way you can track that, too. Okay.

So now do you want to talk about the variance section -- or the variance reference here, not the variance section, but the variance reference in (c)?

MR. MORGAN: My understanding of what the
confusion that could possibly exist is that the
variance section of this applies -- the term
"variance" is used to mean you want to do
something different than what is required in the
MICS. But in this particular subsection (c) that
we're talking about, we're talking about
statistical variances, what is that range, that
specific range on the subject matter that is
allowable, and when it exceeds that allowable
range, when you need to go in and do something
else, I guess, in essence. I'm just trying to
make sure I understand the concern. Is that
the --

MS. THOMAS: Can't you just call it
statistical variances?

MS. TAHDOOAHNIPPAH: I was thinking
numerical.

MR. WHEATLEY: It could be a number of
different things, or do we try to -- I think you
could try in the definitions section to give a
two-part definition to variance and add on the
fact that it could also be the application to
NIGC's variance to these proposed regs, or do we
change what a variance is titled or called that
you apply to the NIGC? Could it be called an
exception, an exception from the standards? Just throwing that out there.

MR. FISHER: So there is no -- if I got this right, there is no -- in the definitions section, 543.2, no definition for variance?

MR. WHEATLEY: There is.

MR. FISHER: I don't see it then.

MR. WHEATLEY: I thought --

MR. FISHER: Goes from TICS to vault.

MR. WHEATLEY: You're right.

MR. FISHER: That is one way to handle it, is to put a --

MR. WHEATLEY: Two-part definition.

MR. FISHER: -- two-part definition in variance, depending on the usage, right?

MR. WHEATLEY: Uh-huh.

MR. WILSON: It would seem a two-part definition of the same word, it might get confusing as to ensuring that you're using the right definition for when the word appears in a section, that it might be a better approach to change the definition of variance as far as applying for a variance, to applying for, you know, something else.

MR. McGHEE: Exception.
MR. WILSON: Yeah. And then the variance --

MR. McGHEE: Instead of variance, the variance section from when you apply to NIGC, we change that name to be something else alternative. Procedure. Request for alternative regulation. I don't know about that. And then it gets rid of the idea of confusing that kind of variance. It would be harder to stick a word on the other variance to catch everything. It's much easier to change the applying for a variance to the NIGC.

MS. STACONA: In the section under the bingo, we have the variance there, but in none of these sections on there do you list variance or talk about variance in anywhere, so are you assuming you're going to have variance all over this place in your draw, your payouts, your bingo cards or your inventory. I guess you have a word in there up above, but nothing really down below that talks about it.

MR. McGHEE: In my opinion, if you were to try to go through and identify where there would always be a variance at everyone's site, it would be too hard because you may have a certain thing
you do that could result in a variance that I don't. And that would get back to that cookie cutter thing. So more or less it's just saying variance, whatever you identify within your place, a variance could happen. You don't want to go through it and, say, decide what variances are. You want that blanket statement. I think somewhere in here, it will say you have to have a -- and I'm not sure, I'm just saying, you would have to have a procedure that would tell you that risk of variance and what to do. You don't want to get into what I do when I have a variance. It should be your decision as a TGRA. You should know that the variance exists. You should decide what the threshold is and you should take action.

MR. MORGAN: I do understand Michele's point. If I restate it wrong, please correct me. It's that you don't think it should be in bingo because we don't really reference that term anywhere that's not contemplated?

MS. STACONA: Right. If you're not going to talk about it, don't put it in there.

MR. MORGAN: The reason it is there, it was just one of those global boiler plate things we put in every section except for variance just
to be applicable in there. And at least from my recollection, at the Tribal Gaming Working Group level, our thought process may be what your concern and maybe we did something there that we can go back to, but our thought process was more relevant to the fact of instead of listing at a federal level certain thresholds that predetermined thresholds, that we need to determine the risk associated with those thresholds at a local level. And as long as your regulatory body was okay with those thresholds, then you should do it and not require -- you know, for example, if it's more than three percent and you know, Leo wants to say five percent is fine with me, I don't have to take that necessary step of asking the federal government, is it okay if I go from three to five. I already have that authority at the local level to do it. That was, I think, the subject of discussions where I'm from. Your point, I think, may be a point that we really didn't discuss intently there, which may be valid.

MR. McGHEE: Variances can occur in any of these sections, correct? So it's a risk. So you have to state it. What you have to do as a TGRA
is decide at what threshold that you would
determine this is a true variance and then at
what level you're going to review it as a TGRA to
see what happened. I mean, there's your risk and
what you need to do when you find a variance is
to review and see what happened. And first
identify what is a variance, and then review it
to see what happened. But you don't want to get
into the procedure of how you review it; it just
has to be done and reviewed. That's why it's its
own little thing.

MS. STACONA: Maybe we should put,
Establish the threshold level at which a variance
in these subsections should be reviewed, so you
know you're doing these underneath there.

MR. FISHER: So, Leo, do you want to go
and then --

MR. CULLOO: The whole thing with variance
is set by a percentage or a numerical dollar
amount. It's so different from property to
property. The impact it has from a small
property to a large property, one percent is a
lot of money, could be, so I definitely want to
stay away from that type of scenario where we try
to establish something where we set a percentage
or dollar amount because it's not conducive to a lot of properties.

MR. MORGAN: I think your point was what our concern was, that if this determination needs to be made, it's more appropriate it's determined at a local level and not a federal level.

MR. CULLOO: There's a lot of work to respond in a variance. Particularly when it comes to table games, the work to have to go through it, it ties operations up a lot and it's not -- every property is different.

MR. MORGAN: What's significant to you.

MR. CULLOO: Right.

MR. McGHEE: Obviously if variance is listed under bingo, then this particular reference only applies to variances in bingo. That's why it's listed again in -- it's the one section on variances and what to do with them. Now, you can expand upon that or whatever, but it's implied that it means everything to do with bingo.

MR. LITTLE: Should you clarify it and add something like "within this section"?

MS. STACONA: Let's put that.

MR. McGHEE: It's under the section
already. It doesn't hurt. It doesn't hurt.

MR. MORGAN: Doesn't help, but doesn't hurt.

MR. McGHEE: You can just put it in every section, too. So I don't have a problem if you want to do that.

MR. MORGAN: You had suggested what?

MS. STACONA: The TGRA shall establish a threshold level at which a variance shall be reviewed -- I can't remember what I said -- which a variance in these subsections shall be reviewed --

MR. McGHEE: In this section.

MS. STACONA: Yeah, you want to do the variance on these subtopics below.

MR. McGHEE: E is not a subsection, it's just another section. Isn't it -- are we calling like A a section? Or would you call A a subsection? Just so I'm clear on what it's -- because if A is a subsection, then I agree with that language. But if it's just a section of this part, then the language needs to say section. You understand what I'm saying? It sounds elementary, but it's kind of important when you're referring to something. I look at
the A, B, and C's as sections and anything below
that is subsections when it breaks off.

MR. FISHER: So I don't know whether this
language, the addition of this language works.
So if you look at the language in 543.18, it
starts -- which is the variance section. It
starts with should a TGRA grant a variance to any
provision of these MICS. So if you mirror that,
a variance to any provision in this section shall
be reviewed, right? So it mirrors the language
that's in 18. So did you sort that out, section,
subsection?

MR. McGHEE: It's really a federal
definition, because when they start putting this
stuff into code in the Federal Register, it's
rearranged and put into all these sections,
subsections, and parts. So when you refer to it
in the document, you need to refer to it legally.

MR. MORGAN: That's OMB. That's what OMB
does, to make sure that you've referenced it
correctly, whether it's a part, subpart, chapter,
section, that whole --

MR. McGHEE: They'll go through it
individually and wherever you meant to say
section, will they put that in?
MR. MORGAN: The agency is supposed to do it, but anything they've missed that doesn't make sense -- because when you publish a regulation, it goes from your agency over to OMB to be vetted and approved. That's when they make those type of --

MR. LITTLE: OMB has got -- I don't know, they lock people in a room and all they do is review these things. And I don't know how it works, but they just review these things and just -- and, I mean, they'll send it back to us and say this is out of line, just for format, and make sure it all complies. Mike is at OMB.

MR. FISHER: He's shaking his head.

MS. HAMEL: Why don't we just say 547.7?

MR. FISHER: You could do that.

MR. McGHEE: I think the whole thing is a part. This is a part after small and charitable, they're referring to this whole document as a section. So I would call these Sections 543.14 is a section. It's not a part. Because this whole thing is a part, the way they reference it.

MR. MORGAN: In my mind, if there is confusion over the word, this section and part doesn't really clarify for it for me. The
conversation and suggestions that Jeff made to either change what you call a variance to the MICS and/or put in some reference to numerical, or whatever words you use, helps me at least clarify. But in this unit, section or in this part, that doesn't really help me add clarity to my confusion. It tells me where to focus on, but it doesn't really help me clarify.

MR. McGHEE: Kathi said just reference to section number 542 point -- whatever bingo is, and then do that in each one.

MR. MORGAN: I keep going back to not where this variance applies to. I keep going back to what is the purpose of this variance language. The purpose is what Leo discussed on numerical variances within the property, not large variances in an alternative way to meet this standard.

MR. McGHEE: We were trying to satisfy Michele's.

MR. MORGAN: No, I understand.

MS. STACONA: You still got to put what a variance really means to people out there. And we're talking whether it's a dollar or an amount or, you know, whatever, because I could just --
if I gave this to somebody on my floor, they
would totally not pay attention to A, B, C, and
they'll just be going like this, and forget about
one of the main things in here is a variance.
And what do you do with it?

MR. McGHEE: Why would they ignore it?
They're not supposed to. I'm just saying, it's
there. But you're just going to be re-vetting.
You're not going to be giving them this.

MR. MORGAN: I agree with you. Under this
new scenario, you would have to come up with more
documentation, and reading the MICS really
doesn't suffice anymore because there's really
not anything in the MICS. You have to adopt
something in addition to.

MR. FISHER: Are you borrowing
Christinia's card?

MR. WILSON: I am. I am a/k/a Tom. If I
understand what you're saying, is that variances
could be any number of things. And if the intent
of the risk is the variance that we're trying to
mitigate dollars, meaning is it a dollar
variance, is it an inventory variance, is it a --

MR. CULLOO: Could be any of them.

MR. WILSON: But that's where I think --
MR. McGHEE: Your risk analysis would identify where a variance could occur and then you have to address that.

MR. WILSON: But that is where, then, like a guidance document has to somehow state that variances can be in many forms. You can have inventory variance --

MS. HAMEL: It does.

MR. WILSON: This is where I'm saying to help through the process. What Michele is asking for is she's asking, if I understand correctly, that you want more guidance on what variances the TGRA needs to address.

MS. STACONA: Right.

MR. WILSON: If the guidance document does that, she's not seeing that, so this may be an instance where it's helpful to bring up a sample of the guidance document that she can get the flavor of where that answer can be gained that she has.

MR. McGHEE: Okay.

MR. FISHER: So while they're doing that, Dan.

MR. LITTLE: This is a clarification as to the whole section. I talked to Mike, and we
believe if you just reference section, that
refers to point 7, Section point 8. So if you
just leave section off. If you refer to part, it
would be the entire 543. That would probably be
fine.

MR. McGHEE: Okay.

MR. WILSON: Christinia has brought in a
comparison document. There was a section in
there about comments on the guidance for
variance, so that might --

MR. McGHEE: Where it says TGRA guidance,
that's a sample guidance that TGRA --

MR. WILSON: Yeah, it does a good job of
defining the different types of variances. If we
could pop that up, I think Michele can see that
connection.

MR. McGHEE: She's got it.

MS. STACONA: I've got it. But I don't
think I was the only one that was confused.
Because you don't want to confuse with the
variance that you could ask for if you want to be
a little bit different, too.

MR. McGHEE: Yeah, which is for the last
section at least.

MR. MORGAN: That is the difficulty
sometimes when you read just the MICS by itself. And the confusion that we actually came into, I think, the first time the group offered a suggestion to the NIGC, if this is what we're thinking, until you complete that thought and look at those examples, it really doesn't solidify in your mind, okay, yes, I grasp that's what that means. I agree, it's helpful.

MR. McGHEE: And I think we just have to remember when we get to the variance section, that we change that instead of doing it now. Right? Their actual variance section at the end.

MR. FISHER: So -- go ahead, Matt.

MR. MORGAN: I'm not disagreeing with that. The only thing that I have, and this is why I think it's going to start -- some of my thoughts bleed into Class III, Class II. If I have a Class III MICS that says I got to apply for a variance and I have a Class II MICS that says I have to apply for, for example, an exception, does that create some undue influence? And until they say we're going to change both of them, or we need to recommend that -- --

MR. McGHEE: You can't let Class III hold us back.
MR. MORGAN: In addition to putting that on there -- that's the reason I say I don't think over time we can talk about Class II MICS as a closed -- as we talk about Class II MICS, there's no way really to talk about a Class II MICS, especially if you're talking about from a front line perspective or operational perspective. You're not going to have a one cent per drop in count when I hit a Class II bank versus when I hit a Class III bank. That's when we do have to keep that in mind that some of these concepts are going to bleed over, and that's not our job to look at that. That may be at least a recommendation to the NIGC to say, hey, you guys really need to be consistent in whatever you do on that concept because that's a global concept that affects the gaming floor. It's not a Class II, it's not Class III concept; it's a global concept.

MR. McGHEE: I do know on the agenda sometime in the future, there's supposed to be a discussion about Class III.

MR. FISHER: Where there's overlap.

MR. McGHEE: So definitely would be the time to say that.
MR. LITTLE: Jess is not in the room?

Okay. Good.

MS. STACONA: Would maybe "discrepancy" be a better word?

MR. FISHER: So Tom has got his hand up. And Michele just suggested perhaps using the word "discrepancy" there.

MR. McGHEE: No. I think discrepancy is a lot broader.

MR. FISHER: It could be that we need to actually put this aside because this flows through every section. There's a whole section on variances. There's a whole conceptual approach to variances and changes to the -- in the standards versus what happens on the floor. And you're trying to solve both a regulatory problem and a practical on-the-floor problem at the same time. And so it could be that we just need to kind of get out what the concerns are and then figure out a way to revisit this. Or we can keep going, whatever the preference is. So Tom, then Jeff, then Leo.

MR. WILSON: I'm okay because it's a global thing to -- we know that we've got to address this before we're all done-done. But I
just wanted to make a conceptual comment about
this term "variance," that it seems to me that in
the section that you're calling -- when you apply
for a variance, that there's almost negative
connotations to that. What you're really asking
for is the approval of alternative procedures.

MS. HAMEL: Yes. It's a true variance.

MR. MORGAN: No, you're not asking our
concept of an alternative procedure because
you're now allowed to have alternative
procedures. You're asking for an alternative
objective, which --

MR. McGHEE: I don't know how many
requests you're going to have once you take away
all the procedure.

MR. WILSON: That's what I'm wondering,
when you're talking about applying for a
variance, a variance from what? A risk?

MR. MORGAN: Good question.

MR. McGHEE: You're applying for a
variance to the regulation.

MR. WILSON: I'm not sure that that whole
variance thing is a real thing anymore. I mean,
because under the old MICS, you applied for a
variance or a something, but that's different in
this context. What are you going to apply for a variance for?

MR. MORGAN: I don't know. I'm almost in agreement with you. I can't think of a thing -- how do you argue that this objective is not a risk, you know, once it's identified through a separate -- that this is a risk. You can argue about how I mitigated the risk, but how do you actually argue about the risk in the things, such things need to be controlled? I don't know the answer to that.

MR. WILSON: I suppose if you could make a case that risk does not apply to your operation, that you would be applying for a variance or whatever to say that I don't need to create a control over this particular risk because I don't have that risk.

MS. HAMEL: You don't have to do anything.

MR. CALLAGHAN: If it doesn't apply, it doesn't apply.

MR. FISHER: Okay. What you just said questions whether you have a provision that does this at all. It may be that we need to figure out a way to revisit this section. So Jeff and then Leo, and then we'll figure out what to do.
MR. WHEATLEY: To Thomas's point, while we here can't envision a situation where that might occur, there's plenty of other operations around the country that may come up with that situation, so I don't think that we can foresee that enough in the future to say that we need to strike that section. As far as the variance as it applies here, I think maybe if we just added a definition of what this type of variance is in the definitions, that would help to clarify, you know, whether it be a financial, statistical, inventory, but not limited to these examples for a variance. That would help, I think, provide a lot of insight to what this section is actually referencing.

MR. CULLOO: My comment had to do about looking at the potential to possibly change the word "variance." It's such a universally-accepted terminology in gaming that if you change it, it could cause tremendous amount of confusion to people. So I would recommend we don't change the word.

MR. CALLAGHAN: When we're looking at these MICS conceptually, are we looking at it because we're going to present financial
statements that need to be audited and certified? And when you look at risk, that -- to an external auditor, risk means material statement of financial statements. Are we looking from an internal audit standpoint where we're looking at risk, how much do we think is -- applies to factors that's in there like from the Class III world in slot machines, any variance over X percent. And then or are we doing this with an NIGC focus, one, to mitigate -- one, to allow the TGRA to have more authority and not be specifically driven by a set process, or is -- because my -- you mentioned, Rest, audits that you do, going with the internal audit. There's compliance audits, financial audits, functional audits. It would appear to me that you're going in and doing the compliance and financial audits?

MR. WEST: No. Just compliance.

MR. CALLAGHAN: Strictly compliance. So when we look at this, you know, again, that's what I'm trying to see. I'm looking at this a lot from a financial standpoint, realizing that you're going to try to come in and do a compliance to see if we're in compliance with this. So you, in essence, will have zero
tolerance to any -- there's no variance. If you find something that they're not in compliance with, it's a plus or -- it's an on or off switch. So I guess my point is our focus on this is financial statement driven and controlling the environment and less so on being concerned about the compliance factor.

MR. McGHEE: In this one little (c) here?

MR. CALLAGHAN: This fits into that when we talk about variance. Again, what's a variance to an external auditor opposed to an internal auditor.

MR. McGHEE: I mean, wouldn't that be determined by the TGRA? Not in here, though.

MR. FISHER: Leo then Jeff.

MR. CULLOO: The question is for Matt and the work group. So you establish -- the TGRA establishes the MICS and they come in, NIGC, and they audit the MICS, and you haven't set or met a standard that mitigates risk, that's their finding. Does that create a variance, or what happens there at that point?

MR. MORGAN: I don't know if they're allowed to audit the MICS anymore, I guess is my misunderstanding from that. Because what they
need to audit is their system of internal controls.

MR. CULLOO: Your internal controls. You establish and they come in and test them based on locally, and the test fails their -- they don't agree that your controls are sufficient to mitigate risk. Then what happens?

MR. McGHEE: The same thing that would have happened if they come in and said that your MICS -- you weren't meeting your MICS. You're going to do this, and you're going to argue it.

MR. MORGAN: Why did we get into it, kind of those foundational questions. What we set forth there is if they disagree, you give notice to the tribe you disagree, give a reason why. You sit down and craft a solution before you ever get to -- eventually you're going to get to enforcement, if we're all on the same page.

MR. WHEATLEY: To Brian's point, I think that it's both. They are coming in and auditing from a compliance standpoint. We've identified that there's a risk of variances. We all know they happen. Human error in any number of these sections. I think they're not necessarily worried at what level that we handle those
variances, but that we are handling them through our TICS. So basically the compliance checklist is going to be -- they're going to be investigating and looking for variances and did we handle them in accordance with our approved TICS. That would be my thought.

MR. CALLAGHAN: Great.

MR. McGHEE: The language that's here --

MR. FISHER: Tom.

MR. WILSON: Oh, I'm good.

MR. MORGAN: It hasn't gone on the floor yet.

MR. McGHEE: So the language that's here, assuming we added section or whatever it was they said to that, the only thing I hear right now on the table outstanding might be that a definition, you know. And then making sure the definition is vague enough, because are you willing to throw out there as examples. Really at the end of the day, it will be a difference in so and so such as blanketyblank, blank, blank.

MR. WHEATLEY: But not limited to 3 or 4.

MR. McGHEE: It is in the guidance documents that would be produced. Here is a -- you know, here is an example on variance and
these are the kinds of variances that could occur; here is examples of what you should do if you find a variance. I guess I would like to know with the language suggested of adding section or whatever, is there any problems with this, not the other section that's at the end of the part, that's at the end of the book?

MR. FISHER: You mean this? And then add the definition?

MR. WHEATLEY: I don't like "provision." Sorry. To me, when I hear "provision," it sounds like a variance from the actual regulations.

MR. FISHER: Okay.

MR. McGHEE: A variance within the section, right?

MR. FISHER: So you want to, like, think about the definition. So John?

MR. MAGEE: What I kind of agree with Jeff, his statement earlier, we need some kind of definition. I'd like to have it in there. This all started because of Rest saying he didn't understand or didn't see a provision or definition what variances was. So it's kind of circling back. If we could get back to that and then draft a language that they're comfortable
with as well as us. I think maybe that's what
you were working on.

    MR. FISHER: I started. Now I just --

    MS. LASH: How about within the context of
this section?

    MR. FISHER: Who's got an idea for the
definition, what definition?

    MS. THOMAS: In the actual guidance
document, they already have a for example on what
variances are. That's actually pretty good
language. It reads, Exceptions against controls,
inconsistencies with established policies and
procedures or deviations from the expected
outcomes.

    MR. WHEATLEY: To that point, really
quick, though, if you look at the comparison
document, I think the NIGC felt that was too
vague that definition of variance.

    MR. WILSON: Let's talk about that.

    MR. McGHEE: They were initially talking
about it should be a number.

    MR. CULLOO: Percentage or number.

    Numerical.

    MS. TAHDOOAHNIPPAH: We're not just
talking about numbers.
MR. FISHER: If you turn in the comparison document to the -- to Page 4, that's where the -- I'm in the bingo comparison document, Page 4. It lays out the guidance and the NIGC comments. Maybe we can use that as a basis for what to do.

MR. McGHEE: Use the definition in NIGC's comments that says a variance will have at least two sets of records originating from different sources that produce results that are inconsistent. That was y'all's definition more or less. So you have -- such as provide the two on the variance comparison document. The bottom paragraph is the effect the TGWG proposed amendment.

MR. FISHER: Page 4?

MR. McGHEE: Yes. And then the third sentence says variance results from at least two, blah, blah. If you buy into that, and then say such as exception to controls and use the i.e. if you wanted a control.

MR. WHEATLEY: Such as, but not limited to.

MR. McGHEE: Merge both worlds.

MR. WILSON: The term that NIGC uses, deviation from expected outcomes, is appropriate
in a risk-based environment because you're not defining the -- the entity is defining the expected outcome. But you're just identifying that a variance -- when it deviates from whatever your expected outcome is, that's a variance and hence you need to put parameters around that of whatever you're going to do about that. So from a risk standpoint, that deviation from expected outcomes fits that model in my perspective.

MR. McGHEE: That's up here in the example?

MR. WILSON: Yeah, it's in the NIGC comments. Well, it's up there, too.

MR. WHEATLEY: They're quoting what was in the guidance documents.

MR. McGHEE: They're just quoting what was up here. What about do you -- read this one here in blue. Does that make sense to you?

MR. WILSON: The TGWG comment?

MR. FISHER: Yeah, the -- Kathi, go ahead.

MS. HAMEL: I just had a question. If we only zero in on two sets of records and two different sources, I will consider a missing document a variance.

MR. McGHEE: From a comparison --
MS. HAMEL: There may not be two sources. Or if a signature is missing from a document, there's -- it's not two sets of records. It's not -- but it's still a variance to the prescribed --

MR. McGHEE: Results from the comparison documents originating from different sources.

MS. HAMEL: It may not be a comparison. It may be something just missing.

MR. CULLOO: Missing document.

MS. HAMEL: Or incomplete or --

MR. WHEATLEY: Isn't that going back to kind of the other definition of variance? Because you're talking about a missing signature, you're saying, on a document --

MS. HAMEL: It's an exception against a control. But that language about two different documents, two different records, it doesn't --

MR. FISHER: It's not comprehensive enough. So this brings up -- for me, back to the question of what problem are we trying to solve? Because what's not -- we have a bunch of different pulls and pushes going on here, but it depends on which part of the variance and what kind of variance and which part of the section
you're focused on, you potentially get a
different either definition or result. So a
variance in what context?

MR. McGHEE: A variance -- in the context
of this document. We're going to change the name
variance later, so right now variance only refers
to all the sections other than the variance
section. It sounds funny, but true. I mean,
it's true.

MR. FISHER: We're using the word to
define the word.

MR. WILSON: Just ignore the other --
MR. McGHEE: Ignore it.
MR. WILSON: Just ignore the other future
section called variance. We're not concerned
about that. What we're concerned about is the
definition of variance as used in these sections.

MR. FISHER: Okay. And so that gets you
to a definition of variance that encompasses --
how do you encompass the provision that Daniel
referred to in the NIGC comments and the kind of
variance that Kathi was explaining in terms of
incomplete or missing information?

MR. McGHEE: Assigning it to somebody at
lunch to do.
MR. LITTLE: We're not going to lunch.

MR. McGHEE: Assign it at break.

Obviously it's not happening here.

MR. FISHER: It may be worthwhile to continue to talk about it as a full group, whether that's worthwhile. Leo and Jeff.

MR. CULLOO: I never heard a response from down here in regards to your original question, what is your objection that it's not clear that they feel this is not -- what's the word they use here? You want it elaborated upon. Can you give an example? You say things like who investigates and what. Does that include things like statistical set numbers or percentages; what is your objection in that proposal?

MR. WEST: This just covers the guidance document. So it didn't really speak to the definition of variance.

MR. WILSON: Well, if I read the last section of the guidance document comment by NIGC, allowing variance thresholds to be determined by the TGRA without minimum guidance may lead to thresholds so high as to technically circumvent the standard. That's the rationale piece that I'm trying to understand. In my mind, the
implication of that statement is that without a definitive threshold, that the TGRAs may -- the concern seems to be that without a threshold, let's say, a percentage or whatever, but for sake of argument, a percentage, that a local TGRA or the operation might come up with a threshold that's much higher than that before they would react. And I guess my response to that would be I don't know any operators that -- I mean, there is a common business rationale about this game and what happens. And variances are something that maybe can occur, but some variances are definitely more significant than others, risky. And so the only thing setting a threshold would do is set this standard. But the fact of the matter is, the variance that is risky for you is -- could very well be a different threshold level than what is appropriate for my property. So I guess that's where I have the issue when you set thresholds as the measurement to -- in which somebody takes action. I think that that can only be measured at the local level and not something that can be dictated up at this level.

MR. WEST: I don't think we're doing that. It's just speaking to the guidance documents.
That would be normally what's in your standard operating procedures for revenue audit, at what point do they look at a cash shortage or percentage deviation on a gaming machine or something like that. So, I mean, I'm not -- again, it's just a comment that whoever reviewed this probably -- I didn't do this one -- the guidance part. So I think you're drilling down too deep and getting away from the standards.

MR. WILSON: So it --

MR. WEST: This would be something that the TGRA would decide in conjunction with gaming operations; bingo paper shortage, shortage on bill validators, electronic bingo.

MR. WILSON: So it sounds like -- and I understand that maybe you can't say this officially in your capacity, but the concept of a TGRA establishing the thresholds at which something happens, you as an individual don't seem -- as an auditor, seem to be comfortable with that concept?

MR. WEST: Yeah. I mean, if someone went out -- especially your financial auditor, they came out and they thought the threshold was too high because you might have an impact on -- the
internal controls and financial reporting are what they're looking at. So maybe there is a situation that they would object. The same with us, it's not reasonable. But I think a TGRA is going to set a reasonable threshold. Or hopefully they will.

MR. FISHER: Jeff then Mia.

MR. WHEATLEY: I think to the point of the guidance documents, and I'm just inferring to why maybe there's no threshold in the guidance documents. I'm assuming maybe the TGWG didn't put it in there because it's going to be different for every property so they didn't want to be too specific. But the understanding being that the TICS that are developed by each TGRA are going to be more specific to their property. It just gives examples of how you would frame a variance, what a variance is, and then you are at that discretion to set that level. I'm fine with the existing language that was in there. If we change what the -- applying for a variance still over all regulations, if you change that, I don't think there's that much of an issue. I don't think you would need a definition of what a variance is. Well, if you change the name of the
other one, I don't think you have to. But it's -- we certainly can attempt to do that to give some level of comfort to others.

MS. TAHDOOAHNIPPAH: Well, I'm fine with that. But if we are going to come up with a definition of variance, I think that we should do it in a small group and work on it and think about it.

MR. McGHEE: I just threw a suggestion up to start from if we were going to have a definition.

MR. WILSON: I mean, the question then, I think, becomes can we vote on (c) or not?

MR. FISHER: Right.

MR. WILSON: Right.

MR. FISHER: Correct. Or do you need to do more work on it. If you need to do more work, you should send it into a small group.

MR. WILSON: We've talked about it legitimately that this has a meaning. But I guess the question is in order to move forward, have we beat it to death for purposes of this, and either we can vote on it or we can't. And if we can't, then we should --

MR. WHEATLEY: I say we vote and if it
doesn't pass, then we have to form a small group to work on it.

MR. FISHER: What are you going to vote on, this change or the way that you just proposed dealing with it?

MR. McGHEE: What did you propose?

MR. CULLOO: There's been a few words changed up there.

MR. WHEATLEY: With the section part in there without the definition, is how I would vote on it to see if that satisfies the group. If not, then we know we need to work in a small group to come up with perhaps a definition.

MR. FISHER: You'd vote on this.

MR. McGHEE: You can just say later let's add a definition when you get to the definitions.

MR. FISHER: Let's do it in a two-part thing, and we can also see what people think of the definition and if you want to add it or make more work. All right. So everybody ready?

So --

MS. STACONA: Wait.

MS. TAHDOOAHNIPPAH: We added what?

MR. FISHER: We added within the context of this section here.
MS. STACONA: Question. I like where Jeff was going, that he liked this, but wanted to change the wording on the other variance at the end.

MR. WHEATLEY: Yes.

MS. STACONA: That's what we need -- is that what we're going to vote on, just that?

MR. FISHER: No. On the change to the next section.

MS. STACONA: But on the conception that we're going to change the variance?

MR. FISHER: Right.

MS. STACONA: To another name or something?

MR. FISHER: Right.

MS. STACONA: Okay.

MR. FISHER: I think everybody has agreed that you got to figure out a different way to call that there. Okay. So if you're -- in other words, if your acceptance of this language is contingent upon a change to that later section, you can say that, if you wish. Or we could make that as an understanding we're going to go back to that section.

MR. WHEATLEY: I think that will be the
understanding.

MR. FISHER: We're going to visit that section, which is 543.18, if I'm remembering correctly, and change the language in there, the names and the terms. All right. So let's check it. So if you support the version recommended in section (c) there, variances as we changed it up on the screen, raise your hand.

(All hands raised.)

MR. FISHER: Okey-doke. That worked.

MR. McGHEE: Can you ask now the question to be if you think a definition is needed, raise your hand.

MR. WHEATLEY: Well, I think --

MR. McGHEE: A definition needed. If everybody says yes, then we'll come up with one. I'm just saying do we even want one anymore?

MR. FISHER: You want to check. Let's just try this without asking for consensus yet. Raise your hand if you think we still need a definition of variance based on what we just did above. Raise your hand if you think we need a definition.

(No hands raised.)

MR. WHEATLEY: Nice.
MR. FISHER: All right. So we have two stops coming up. One is, by my clock it says it's 11:20. At 11:30 we're scheduled to do public comment, so we have to pause to check. And then we did get requested to break around 11:45 in order to allow people to check out. And do we know what time the lunch is going to show up? I think the lunch is going to show up at noon. So given that we just spent all this time talking about variance, maybe it's an appropriate time to take a short break right now. And then we'll come back and check on the public comment and then that will swing us into lunch and we'll move down into the section.

MS. HAMEL: Did they get lunch charged to the room, or are we checking out before it's charged?

MR. LITTLE: That would be nice.

MR. FISHER: We'll take a 15-minute break.

(Recess taken at 11:21 a.m. to 11:48 a.m.)

MR. FISHER: So when we paused for our break, we were at the point where we said we would come back and pick up with public comment. So we're schedule-wise, we're a little off from where we're scheduled to do public comment. So I
checked, and there is nobody that has signed up for public comment. So if there's anybody in the audience that wishes to provide public comment to the TAC, now would be the time. And there's only one public comment section today, given that we're going to adjourn at 2:00 p.m. Okay. No public comment today.

Okay. So we are at about 10 of 12. We need to be switching to housekeeping things around 1:30. That means we have a little over an hour and a half to see if we can get through the bingo MICS section. And so we could just pick up where we left off, move through the rest of the sections. So Daniel?

MR. McGHEE: (d) is not one of those ones that would be considered a blanket statement. The title of supervision is in each section, but it reads differently for each section. So you do have to consider section (d) by itself alone for each section.

MR. FISHER: Whereas (a), (b), and (c) were repeated in all the sections, this section (d), even though it appears in the other sections is tailored for each section. Okay. All right.

So let's see if there's questions or
comments or anything you want to pick up on from what NIGC commented on in the comparison document. So we're talking about section (d), supervision.

MR. McGHEE: What I see, NIGC comments, the guidance appears to be relevant, so I agree with it. If you look at the TGWG guide, you just expound upon why do you have to have that statement there without getting into detail about who it should be and those kinds of things. So that might help you understand the concept on that.

MR. FISHER: Anybody have any questions? Is there anything to discuss there?

MS. TAHDOOAHNIPPAH: I want to bring up the agent, or agent, and we kind of talked about it yesterday.

MR. FISHER: Do you just want to raise that and then --

MS. TAHDOOAHNIPPAH: (Nodding head up and down.)

MR. FISHER: Did you want to talk about the agent provision in that sentence?

MS. TAHDOOAHNIPPAH: Yeah, can we -- or employee.
MR. FISHER: This goes back to what we were talking about yesterday.

MR. WHEATLEY: Technical standards.

MR. FISHER: Definition of agent.

MR. McGHEE: It could be from a contracted employee to whatever your operation deemed it is.

MR. FISHER: So in the MICS, the definition of agent is the same as what the TGWG proposed for the technical standards, right? So we never really did --

MR. McGHEE: We took out the computer application part.

MR. WHEATLEY: In the technical standards, but not in this part.

MR. FISHER: We also eliminated the word "employee" out of the -- and I think that's in the technical standards.

MR. MORGAN: In the technical standards we eliminated references of employee.

MR. McGHEE: We didn't take it out of the definitions.

MR. FISHER: So, Mia?

MS. TAHDODAOHNIPPAH: I will withdraw my comment and then just it can be specified in the guidance document.
MR. MORGAN: If it's concern for agents because it is a global term and we tried to be broad. It's almost -- I know comfort level, especially traditionally, it helps to name especially an employee or a department, because it's very clear. Under this conceptual change of trying to make sure you can point out, you know, or designate whoever you may fit your operation, it's different. And then the other stretch, is where appropriate, you can read it as a computer application. But if it's not appropriate in that context, then you really can't. But it's hard to, I don't know, capture that within the definitions.

MR. McGHEE: We call our people team members. We don't call them employees.

MR. CULLOO: Teamsters?

MR. McGHEE: Leaders. Well, they call them other things, too. But so that's why we -- agent was picked as one word for all.

MR. FISHER: Any other questions or comments about this one? Would you like to -- you want to check whether this is acceptable to everybody?

MR. WILSON: Are we voting on the
acceptability of item (d)?

MR. FISHER: Yes. If you're ready.

MR. McGHEE: Only in this section, too, because it's different in every section.

MR. FISHER: If you're ready. Ready? So if you support the proposed change to section (d) as put on the screen, raise your hand.

(All hands raised.)

MR. FISHER: Took care of that one. Okay. The next section is bingo cards. So, Daniel, did you want to talk to us about bingo cards?

MR. McGHEE: Well, like I said, it's almost best to look at it as a new section. Everything that was once bingo was deleted in the TGWG's version. You see some red things going on here. And I think Kathi explained earlier what has happened.

MS. HAMEL: Well, what really happened is the NIGC received a draft of this document in May that they obviously started work on, and the TGWG made a final submission through the Poarch Creek document, and those red changes are the difference between the May document and the Poarch Creek July document.

MR. McGHEE: So basically the final
changes in here represent the TGWG's final thoughts on the matter.

   MS. HAMEL: Right.

   MR. FISHER: Right. So the -- essentially what we've been doing is to check whether the group is -- supports the TGWG -- recommends the TGWG approach and language or whether there are changes to be made.

   MR. McGHEE: Then what this does, as you go through the document, is -- let me get to the page where it's at first. What we did is tried to identify the areas of bingo that could pose a risk. And so you identify bingo cards, the draw, the payouts, the cash equivalent that goes over that, and then the technological age to that. And then we took those as the primary subjects of bingo that need to be looked at. Underneath each section, it will break down to what part of bingo cards is important and where is the risk in that. And we identified it to be physical inventory, the sales, and that was it. The inventory of bingo cards and the sale of -- you know. So if you look at it from that concept, break it down, and you would need to agree where it says, bingo cards, physical inventory. And then the bingo
card inventory must be controlled in a manner
designed to prevent unauthorized access,
misappropriation, forgery, theft, or fraud. Such
controls shall address bingo cards exchanged
between agents, increases and decreases to
inventory and inventory reconciliation. We tried
to think of what could happen with bingo cards,
the topics, so you would know you need to write a
control to alleviate that. So you might identify
this is if you see anything else that might be to
add to that list.

MR. FISHER: So to a certain extent, the
way you might outline is going from section (e),
bingo cards, to the technologic aids section,
they kind of work together because they're
identifying different aspects of the risks
associated with bingo.

MR. McGHEE: So first off, you could say
let's talk about bingo cards specifically, and
then let's break it down and say physical
inventory of bingo cards, let's see if this
covers it, this paragraph. Is it -- how you read
it to see if this met all the areas where the
physical inventory of bingo cards could be
compromised.
MR. FISHER: Another way we could do it is kind of go to the end and say -- have the -- has the TGWG recognized and addressed appropriately the risks associated with bingo, and do these parts work together, right? So you could just try to say as a whole, does it work? And then if it doesn't, then what pieces do you have to focus on.

MR. McGHEE: You mean identify if bingo cards, the draw, payouts, cash and cash equivalent controls that are on -- and technologic aids, are there six only main risks identified with bingo?

MR. FISHER: Right.

MR. McGHEE: And if there are additional ones, we could each put them up and then go back to the details.

MR. LITTLE: That was exactly our idea; are there any other areas that the committee might think need to be addressed.

MR. McGHEE: Maybe you just want to type those out so they can see them all. I mean, I don't know.

MR. FISHER: Let's stay with the question for a second. Are there any other risks that are
not identified in these sections that people believe need to be addressed? So do you need a few minutes to look this through to figure out how it fits together or -- because nobody is saying anything. So do you need some time to look at it? Yes. Okay. Let's pause for a few minutes and give people a chance to take a look at it. You're just -- I put those five risks so they can see them all, just the topics, which would be bingo cards, draw, payouts, cash and cash equivalent, technologic aids to the play of bingo. Those are the primary risks outlined, and then there's sub-risks. That's kind of the overview, right?

MR. MORGAN: Shouldn't we add sales to that list?

MR. WHEATLEY: It's there.

MR. FISHER: Sales is a subset of the bingo cards, right?

MR. McGHEE: Sales of the bingo cards would be a sub-risk to -- everything involved in bingo cards. So bingo cards, if you want to label that out, you can do a physical inventory, and sales are the risks associated with bingo cards. And then for the next one, it doesn't
have a subset. The only other one that has subsets are technological aids.

MR. FISHER: Does anybody have any questions?

MR. RAMOS: I got one comment. I know we do it with playing cards, and I don't really see it here. How about the destruction of old inventory, are we worried about that?

MR. McGHEE: Let's see if it's addressed. I'd have to look.

MS. HAMEL: Jason, that would be part of the decreases of the inventory, and I think we addressed that in the guidance document.

MR. RAMOS: Decrease of inventory is use.

MS. HAMEL: It could be use or destruction.

MR. McGHEE: See, for example, like if you would feel more comfortable saying increases, decreases, and destruction of the inventory, it perfectly makes sense to put it if you want it. Because what you're saying is there's -- you're making sure there's a risk that mitigates it.

MS. LASH: I think it makes sense to add it in there.

MR. CULLOO: I do, too.
MR. McGHEE: Especially if one person has a thought whether or not decreasing meant that. Might as well add it.

MR. FISHER: How should I put it in here?

MR. McGHEE: Increases, decreases, and destruction to inventory. Put "of" instead of "to inventory."

MR. FISHER: Okay. Any other comments or -- so this was a question about any risks were missing or anything that -- so I don't see anything.

MR. WILSON: I just have two clarification items. Not necessarily an issue, just in my own mind. When we talk about technologic aids to the play of bingo, what is that referencing? Because I don't see a definition for it. So I'm just --

MR. MORGAN: CardMinder. The terminal to control, to control the terminal, that isn't electronic gaming; CardMinder, that would be the physical and technological aid to the play of bingo.

MR. WILSON: Does the guidance document talk about what technologic aids are, just like you said, in other words, does the guidance document --
MR. McGHEE: You need to check it.

MR. MORGAN: Set forth, like, examples of it? Because one of the worries is if you start listing, you're going to exclude something, especially future things that may come into existence. You kind of have a general idea grasp of what those things are. I don't know if you want a for example.

MR. WILSON: In my mind, it was just I'm always looking for definitions for things, so when I saw the term "technological aids," and I have to create controls around whatever those aids are, it's just clarity that -- and this probably more has to do with my unfamiliarity of certain aids surrounding bingo -- that this may not be something -- for anybody else, it's obvious what the aids are.

MR. MORGAN: In a session game, like Jeff said, the blower, the blower of the balls. That aids you in your play. You know, when we start getting get into handheld, the CardMinder that reads it, that's an aid. At a gaming clearing station terminal, that box is an aid to play, to displays. Because if that difference of bingo -- the bingo game itself is not a part of that
equipment, but it aids you in your play of the
game.

MR. WILSON: Okay. The other question I
had is just --

MR. FISHER: Wait one second, Tom.

MS. LASH: I was going to respond to the
technologic aid, that it's defined in the statute
and it's already been interpreted by the courts,
so we don't need to go there.

MR. WILSON: Got you. And when we talked
about access, there's a term in here used that --
unauthorized access. And, again, I didn't see a
definition of what -- not who is authorized or
not authorized, but in other words, is the
presumption that each TGRA will establish who's
authorized or not authorized to something from
that standpoint, and that there's some criteria
that's applied to that? So, for example, in the
Class III world, you have to have a Class III
license to have access to certain areas of the
casino, but you don't have to have a Class III
license to have access to other areas of the
casino, so I'm just trying to understand in a
Class II world is --

MR. MORGAN: That general idea still
applies. Because you always have to consider what IGRA or who IGRA says needs to be licensed and what areas they go to or functions that they perform. I know you'll have that latest amendment where you can throw in the word "agent" or you can identify certain functions. But it does allow the TGRA to develop who they feel like is authorized for this subject matter. Because who's authorized in a session bingo game is different than who's authorized maybe at a player's station. Trying to create an overarching standard of what that list is would depend on what type of game you're using, maybe even depend upon your operation or significance you place on that risk.

MR. McGHEE: Authorized list, if you can do it is not based on the license, it's just based on what they're going to do. And TGRA has to approve that list.

MR. WILSON: And in cases -- do all people that are on that list, for whatever purposes that they're serving, do they also happen to be licensed?

MR. McGHEE: We license everybody.

MR. WILSON: Everybody. And I guess
that's the fundamental question in my mind, is if somebody isn't licensed, are they automatically an unauthorized person for purposes of this, or no?

MR. McGHEE: That would be up to you.

MR. CULLOO: I don't think so. We also have put in the job descriptions, explain that level of authority or access to various parts of the building. So through either your control or you write up or through that access the job descriptions that we authorize people to be where they can and can't be.

MR. MORGAN: Remember on licensing the individuals, it's always in the context of that job. It's either 556 or 559. So as a minimum, your gaming ordinance, you have to bring over that group of people because the statute says at least this. But in your gaming ordinance, you can add to this. And in certain states and compacts, you license people that are non-employees, depending on what their function is. So a lot of that depends on what your situation is, your level. So therefore we give that ability at a local level to make that decision who falls in that group.
MR. WILSON: The only clarification that you provided was just that, again, in the Class III world because of compacts and things, that it's very specific and what people have to be licensed. So I just didn't know in the world of Class II that there's such a -- the same kind of existence that all people have to be -- regardless of anything else, if you're not licensed, you can't participate in the process, I guess, is the best way to put it.

MR. FISHER: Kathi and Daniel. And then in case you didn't notice, our lunch has showed up. And after those two comments, we can pause momentarily to get lunch.

MS. HAMEL: Tom, maybe to help answer your question, in the guidance document, we tried to give some examples of authorization levels and potential titles that may help explain unauthorized access.

MR. WILSON: Okay.

MS. HAMEL: That you would establish what is authorized, and everything outside of that scope would be unauthorized.

MR. McGHEE: So as I'm listening, I believe we're doing some good comments and a lot
of it comes from getting what I now call the
details of the primary risks. And I haven't
heard if there was any other primary risks --

MR. FISHER: I haven't heard any.

MR. McGHEE: -- identified. Because then
we can take each one and start getting the
details of different things.

MR. FISHER: Why don't we pause for --

MR. McGHEE: I don't know if anyone right
now has one. Nobody has thought of another one
yet?

MR. FISHER: Nobody has mentioned
anything.

MR. McGHEE: Then if we start with each
one, we may then identify something to add to it.

MR. FISHER: So let's pause for lunch.

When we come back, we're going to review the
section on bingo cards.

(Recess taken at 12:17 p.m. to 12:27 p.m.)

MR. FISHER: What would you like to do
here, you want to ask people --

MR. McGHEE: I don't think they can vote
on it if they're okay with it because something
might develop. But since there's none to add to
it now, let's start with physical inventory and
the details of it.

MR. FISHER: Okay. But that formulation that's in the physical inventory, that's also repeated in various ways throughout the comments?

MR. McGHEE: Not really.

MR. CULLOO: Some of it is.

MR. McGHEE: Depends on what you're talking about.

MR. FISHER: Let's check to see if people have comments or questions about the physical inventory section or the approach to physical inventory.

MS. TAHDOOAHNIPPAH: I just want to make a comment that just adding the destruction of inventory, I did already interpret it included in the definition -- or the increase in the decrease, that it was included as a decrease.

MR. RAMOS: I'll say that while I respect that opinion, this is a basic standard. So if you leave it the original way, you're leaving -- you're allowing for unused bingo paper to either end up in another facility, sold by other employees. It's like if we're not going to use it, then it's worthless. There should be some consideration if it's not going to be used.
MS. TAHDOOAHNIPPAH: And I agree, but there's also, like, a cancellation, a void. There's all sorts of other -- that now we're saying that this is more important than those others.

MR. McGHEE: Do you think it weakens it by adding it?

MS. TAHDOOAHNIPPAH: I just thought it was already covered.

MR. FISHER: For that phrase increases or -- increases and decreases of inventory covered that, and it covered the other things you mentioned?

MS. TAHDOOAHNIPPAH: It does.

MR. FISHER: Okay. What should we do with that?

MR. McGHEE: I don't think adding hurts it. I mean, depending on interpretation, some people would say decreases takes care of the destruction. But in the case where some don't, it doesn't hurt to have it. Because it doesn't weaken it necessarily. So from my point of view, I could take it or leave it. I'm not opposed one way or the other. Because if it weren't there, I would assume that decreases meant that, but since
it's there, it just kind of cements it.

MS. HAMEL: How about "including but not limited to"?

MR. FISHER: Right.

MS. HAMEL: So that you don't forget all the other types of decreases.

MR. FISHER: Like that? Is that what you're -- does that get at what you were saying?

MR. RAMOS: I think so.

MR. FISHER: Michele?

MS. STACONA: Refresh my memory, but are guidance documents going to go out with these?

MR. McGHEE: Uh-huh.

MS. STACONA: Because I know all this is really vague. And just making sure if the guidance documents that talks about all this other stuff that can come up that's not addressed here is going to be kind of out there, too, then I don't see problems arising if you get it to this vague level, if you issue guidance documents.

MR. FISHER: That's a very interesting question about partly the -- well, the status of the guidance documents and whether you're talking about the concept of guidance documents or the
specific guidance documents that were proceed by
the TGWG.

MS. STACONA: I don't care whether who
does it, but I believe -- we're getting into a
lot of issues out there that even the TGWG
guidance had examples of things in here that
address each of these, and I think some type of
document out there needs to be available because
this is -- it's gone down to a general idea now.
And you're going to miss people out there, I
guarantee it. I'm an auditor, an accountant just
by nature, and I get where this is going, but
you're going to have a lot of people that aren't
like that, that are going to miss this whole
concept of what else do I look for like at the
detail level. But if you have something like
that out there where they can refer to, I think
that will help.

MR. McGHEE: The guidance document will be
driven by what's here, so if you could think of
something, say, that you're thinking, well, I
don't see it up there, but it for sure should be
in that guidance document, it needs to be able to
at least -- whatever you're thinking of has to at
least tie to one of those words.
MS. STACONA: And it did. What I was thinking of from the moment you order the documents to make sure that nobody can -- outside your operation can get on your phone and call your vendor and say, I want bingo cards delivered to so and so, and do you have policies and procedures to stop that. But when I look in the guidance documents, it talks a little about that kind of stuff.

MR. McGHEE: But that would be misappropriation. Would that fall under what you're thinking could happen?

MS. STACONA: Yeah.

MR. McGHEE: Would that fall under one of those forgery, theft, or fraud?

MS. STACONA: Yeah, I tried to fit it in all of those, but I kind of refer to the guidance document going through my mind, okay, what if this happened, what if this happened, what if this happened, would it catch all that. But if you don't think of all that like you do an auditor or an accountant, you're going to miss some of this stuff.

MR. McGHEE: Yeah, like the -- whichever the -- if they go this way and NIGC provides
guidance documents, the people should be able to look at that guidance document and say if I at least do all of this in the guidance document, I will have satisfied that risk, at least at a minimum level. So it -- if it's a TGRA who doesn't have a lot of experience in the area, then they would want to rely on the NIGC guidance, advice, technical assistance in trying to say are my controls strong enough, you know what I mean?

MR. MAGEE: To kind of pick up where Michele left off or add to, part of the concerns, listening to Matthew, is that, you know, you're streamlining these regulations from 300 pages to 100 pages, however you put that. Which brings my mind, you know -- prior life I sat on the council for a number of years and we're always concerned about protecting the tribe, protecting the image of the tribe, integrity of the gaming. And if it's not spelled out, and a lot of the regulations are left up for interpretation and/or left up to another tribe to insert, what begs the question in my mind is the integrity of the gaming, you know. Again, you want to leave it up to the TGRA, but on the other hand, that just
leaves us a lot of room for interpretation. And I can see that this in some respects weakens the industry. And I'm not trying to be a hindrance here, but I also need to think long term for the industry and for my tribe and other tribes yet to get into gaming, what are the possible downfalls or the side effects of streamlining the regulations. That's just a general comment that I wanted to make and something that's been bugging me for a couple of days.

MR. FISHER: Let's go to Tom and then Matt.

MR. WILSON: The -- I think the difficulty in -- and I won't even say this concept because it's not a really a concept as it is just a --

MS. HAMEL: A proposal.

MR. WILSON: -- of this proposal is it puts the responsibility on the tribes that they have not had before. And so inherent with this methodology is the empowerment that a tribe through whatever mechanism, be it internally or through -- you know, however they would come to say we've got to give up the controls around these risks. And on one hand, that is a very -- allows a great amount of what could be perceived
as freedom to a tribe, but I'm of -- myself and
my tribe are of the opinion that we are -- we are
perfectly capable of reaching the appropriate
controls to mitigate the risks. But more
importantly, if the NIGC did not exist, if the
MICS did not exist, we would still be controlling
our operation the same way. And that it's not --
what drives us is not having MICS. What drives
us is protecting the integrity of the game and
protecting the assets of the tribe. So if all of
this didn't even exist, we would still be taking
the same approach to how do we achieve this.

MR. MORGAN: I guess a global -- I don't
know if it's global. Going back to, John, your
comment. I do understand your concern. I mean,
that's something that we contemplated a lot, how
far is too far. Especially given public
perception of gaming, Indian gaming that exists.
And we want to make sure that you protect the
integrity. You want to make sure you protect the
reputation. If you don't have those two things,
you don't have players, you don't have an
operation. And something that's came out today,
which quite honestly I wasn't sure how it was
going to work out, but it seems this is the way
it keeps going back to is that when you read the standards, when there's questions, it's almost like we're agreeing that now that I've read the guidance document, I can agree with that because I understand it. So it's almost a question comes back to do we somehow need to quote, unquote, "bless" that guidance document. And if so, how do we do that?

MR. LITTLE: Maybe you need to address a general overriding, you know, point that --

MR. MORGAN: My suggestion is -- because my worry is that if we get into a line-by-line section, we're not going to get done. And I do think it's incumbent upon us that we do need to read those to help our understanding. But basically if you don't have an objection to something within the guidance document and you can't agree that this is but one way to accomplish that objective, that that is provided as a recommendation to the NIGC that we do recommend that you adopt this guidance document to go along with this standard, you know. And I'll say, I am going back to what I thought the way it would work, because I was worried about bogging down. But that seems to be helpful for
folks to do, if I read those, because the -- it's kind of a total package. You can't read one side without reading the other and get a good grasp of it and would that be helpful to do that. And maybe that goes to your comment, John. And I was thinking, if it's pared down too much, we're just not only talking about the standards. We're now talking about the guidance document in support of that standard, in a sense.

MR. MAGEE: Yeah, and I agree with you, Matthew, but I'm just concerned long term for the industry and for the tribe's reputation and that if it's -- if we don't fill in those holes or gaps with something, somebody is going to take advantages that may not be in the best interests of the industry at all in total. And I can think of a number of examples. I think we all can. But I'm not going to go down that road. I think maybe you're right. You make a reference to the guidance documents and someplace, somehow, maybe, you know, NIGC says we can accept those as guiding principles, I'm not sure. But at some point, yeah.

MR. WILSON: The -- I don't think that this can be successful without a guidance
document. If NIGC were to, let's just say, adopt the MICS as they stand, but for whatever reason decide we don't need to -- it's not our worry to have to come up with a guidance document or whatnot, I mean, it's clear that the fundamental risk in this whole process is that somebody is going to get it wrong. And that's the fear that I hear you saying, that you know what, this is all great conceptually, and for people that get it, they get it and it makes sense. But for people who might not get it, or more importantly, who have designs to do something other than what the right integrity thing to do is, could they take advantage of this or claim, you know, something that, well, gosh, I interpreted it this way. I will say that one of the safeguards to that is through the auditing. I mean, that is part of the process. That is part of the control that's inherent in having any process. But I think that if we don't make a statement that guidance has to be a part of this -- and from my perspective, I view it as two separate things. And maybe developing the guidance is another process because, you know, here we're talking about approving the risks that we're trying
mitigate. The guidance really helps to determine the kinds of controls and things that you need to consider and think about to get there. And so, I mean, I'm just wondering if it's sufficient for us to say that at the end of the day, there has to be a strong guidance document that goes part and parcel with the MICS in this type of mix, otherwise you can't really adopt this type of MICS and expect to have the success that you'd like to have.

MS. LASH: I would just like to reinforce Tom's point. I think it is very important that we have guidance documents that go with these MICS just for that clarification. And I think it's also important that this group approve the guidance documents. And this is kind of in response to the question Matt put out there, how do we do it. And I thought we would probably address it more in detail at our next closed session, but I'll throw it out there now. I think a good way to do that would be to have each person, as we go through these parts, each TAC member review the guidance documents. And if you have an issue or concern with something in the guidance document, bring that forward and we can
discuss issues. And if there aren't issues or we can make the changes, then we would approve the guidance document and present that as a recommendation for the NIGC, along with the MICS as we're working on them. But I do think it's important that we review the guidance documents and we also approve those and for those.

MR. FISHER: I as well need to figure out how we're going to do that. So Daniel, then Leo.

MR. McGHEE: I would disagree with trying to approve the guidance document that came with this to be the one used or going to be used. They're longer and they're more detailed. And experience has shown, even with such a small statement as this, there's a difference of opinion. When you get into this, several difference of opinions on how exactly that should go, it would take a really long time to settle on one document. What I think we might want to consider is that if we're going further with this alternative procedure, that we don't recommend this procedure, period, unless guidance documents -- it's accompanied by guidance documents from, you know, the NIGC. You know, they may use this document. They may be -- at the end of the day,
right now, from what I was hearing is, yeah, it's the tribe's responsibility to make sure their operation has integrity and this kind of thing. But what I was kind of maybe hearing, and maybe wrong, is sometimes it's helpful to be able to say we also have the federal government, you know, just doing this, but it adds to the integrity. Maybe or maybe not. But at least we can say if the NIGC issues this guidance document and it says if I at least follow these, I will be hitting the minimum, it's really no different than the minimum approach than you had before. So you would be no further away from a position of integrity to the federal government than you were before, you know what I mean? It's not -- the difference is it's not mandated as it once was. Nothing wrong with having those controls and then providing them. Because if I were new, inexperienced, I would welcome it and say, okay, I feel comfortable knowing I'm the first year administrator of this mission; that if I at least make sure these are all followed, I'm safe. And then as I go along, I can strengthen them. So I think we need to buy on we don't support this document unless it is accompanied by guidance
documents. And then knowing that means there will be guidance documents with this. Instead of saying if there's a guidance document, it will be a matter of yeah. I don't want to prove the guidance document. We did guidance documents, but even TGWG doesn't spend a lot of time as a big group on them. It was just here's how we do it, here's a good way of doing it. We've never had a finding. You know what I mean? So I don't -- a recommendation, we agree with recommendations, but I don't review them as a group. I do agree with reviewing them prior to coming to the meeting as a supplement to you coming to the big decision, but not --

MR. LITTLE: I would add on that, you know, you may want to think about a recommendation, overarching recommendation, like both Dan and Matt and Tom and others have talked about, that does provide some gravity to this issue that this process that you're going down -- and once again, I'll say, the commission has made a decision; we can support it or not. If you are going to go down this, you should probably -- or think about doing an overarching recommendation that these guidance documents are imperative to
the entire process here, and without them, I'm not sure if it works. And then also, maybe amongst yourselves, you should talk about how, with that in mind, that you're going to be using guidance documents that the specific regulations may not necessarily need to be as specific as they were without a guidance document. So just something to think about as you move forward here. It is important to the commission that these recommendations that you make will have, you know, gravity, larger gravity or heavier gravity than notes that I'll be taking or we'll be reading off the transcript.

MR. CULLOO: I agree with the importance of the guidance documents. On example, a way to comply. And if we start trying to approve them, just on that one thing about the destruction of the card, and then you heard some other, I don't know how we'd come to a consensus on that. It would seem to me that one example and then who determines what that example is. And is that example the clearest example we could give to the group, to anyone looking at it. So fundamentally I think it's great to have, but I don't know how we get there and not get involved in minutia,
whose example is the better example to use.

MR. MAGEE: Not to get too bogged down on this, because I think we should get moving on. I just made my comments along with Michele's as to kind of, I don't know, just to give background from where I'm coming from. But, you know, I kind of agree in protecting the tribe's sovereignty, tribal self-governments, you know. I'll support that 100 percent. But, you know, Tom has raised several times in the last couple times is the risk, identify the risk. Well, the risk of taking out some of these procedures and putting them into a guidance document and not having them included as part of the overall regulations does create the risk. It creates a risk of having somebody else interpret and creates a guideline for -- create a situation that might not be in the industry's best interests, which overall affects the tribes, in general, in our integrity to provide gaming. So having said that, I mean, we could debate this issue forever on the philosophy of putting it in. But I wanted to pick up on what Tom was talking about earlier, risk and, you know, he has the ability, they would do this no matter what. But
not all tribes have that sophisticated -- and I
guess there are some people who probably would
not follow industry best practices. But I am --
I am supportive of moving forward, though.

MR. FISHER: It actually raised a really
important question, because people have been
referring to the guidance or this issue I can
take care of in the guidance. So how we and how
you decided to handle the guidance and the
relationship of the guidance to the
recommendations is a really important question to
figure out. Matt and Jeff.

MR. MORGAN: Just really quickly. One of
the things I try to keep in mind is that when you
devise internal controls, you can design the best
internal control, but you could never account for
human nature. I mean, if a person -- and that
could be multiple persons are going to do what
they're going to do no matter how well the system
is designed. That's when enforcement becomes
very important, unfortunately. That's the way
you have to turn to. And, you know, to try to
strive to do your best to design a workable,
flexible document that fits more people, more
situations, I think that it is true, you have to
keep in mind -- there are going to be people out there, in my opinion right now, that are not following what they put down as very procedural. That's just the truth. There are probably groups out there that do that. And that's always going to have an element out there and a risk.

MR. MAGEE: Somebody in our casino is stealing from us right now. We just don't know who it is.

MR. WHEATLEY: And I understand where John is coming from, but I think there's still that level of oversight there. And I just see from your independent auditors to ensure that the tribe has developed strong enough controls to be able to comply with the new regulations. And, you know, if the audit comes back from either NIGC or your independent auditors that those controls aren't large enough or strong enough, they're going to report that and they're going to make recommendations that will be strengthening those areas. That's all I got.

MR. FISHER: Okay. So where does that leave us? We've got a couple of different suggestions, one of which was an overarching recommendation that this -- the way that the, I
guess, the structure of the -- of what has
developed here by the TGWG and what's proposed is
based on having guidance documents so that you
have an overarching recommendation of that.
We've had some people say maybe we should be
looking at the guidance documents, and other
people saying use them for reference purposes but
not go as far as to try to approve or recommend
specific guidance documents. So what's your --
how would you like to proceed here?

MR. MAGEE: Procedural issue. We don't
have guidance documents on the agenda for
approval. It seems to me that we should have at
the next agenda maybe a conclusion of this and to
stay on track with today's agenda, have that
discussion for later.

MR. FISHER: Later. Okay.

MR. WILSON: Are you comfortable with that
discussion later, that it doesn't preclude voting
on this?

MR. MAGEE: Absolutely.

MR. McGHEE: I'm just curious. I think
the part about saying that we support this
document only when it's accompanied by guidance
documents is important to do now. Because you
don't really want to talk about the bingo section without that. As far as the details of how you want to deal with those guidance documents, look at them closely, whatever, that should be later. But we have to at least all agree that if these -- if the way this is written were adopted tomorrow by NIGC, we would only be comfortable with that if it was accompanied by guidance documents. That needs to be something we all understand and say -- otherwise I don't even want to look at this anymore if you're not going to do guidance documents. At least as a recommendation. That's all we can really do. But that's got to be decided before we go any further because why look at the small section, because if they didn't produce a guidance document with it, I wouldn't be in favor of approving the bingo section.

MR. MAGEE: I think at this point the guidance document is only a reference to the sections, which is fine.

MR. McGHEE: I don't want this to be put out there by NIGC without guidance documents.

MR. FISHER: Let's go to Steve and then back to Dan.
MR. GARVIN: I'm only comfortable voting on some of these based on the guidance documents. So could that possibly be part of your position paper or the cover letter that we discussed where you hit on the importance of it? That way I'll know it's built in there and we all understood that was going to be part of the -- part of our discussion, part of our agreement.

MR. WILSON: I can do better than that. I think we should just recommend right now exactly what is being said, that the overarching principle is if there's not guidance documents associated with that document that we're discussing, then it's a show-stopper, I guess. Because we're all agreeing that without guidance -- I mean, we all have different reasons for wanting the guidance, but it seems like we're in agreement, there's got to be guidance. And maybe the issue isn't -- I'm not so concerned right now about the technical look, feel, words of the guidance, as I am about the concept that there has to be guidance documents with this part and parcel.

MR. McGHEE: We could still put it in that paper. I just want to make sure everybody is in
agreement with that.

    MR. WILSON: I would kind of like to leave here today knowing that we all as a TAC believe that principle. And I don't have any problem speaking for my tribe going on record to that fact.

    MR. LITTLE: Can I raise a procedural issue? The process to how it would play out is that we would receive your recommendations and then we would go into a notice of proposed rule making. It would not include guidance documents, to tell you right now. We'll publish it. We will then open a comment period, and then we will go and consult with tribes. Once that's concluded, then we'll go for final rule making, and if there's no major objection, only after the rule became final is when we would then work on guidance documents. If that was the path the commission decided they wanted to go down. So you should maybe think about that.

    MR. McGHEE: That doesn't stop us from recommending that.

    MR. LITTLE: Am I correct, Mike?

    MR. McGHEE: We're not asking it to be published, guidance documents be published.
MR. LITTLE: Am I correct in that?

MR. HOENIG: Yes, you're correct. And then depending -- but, yeah, there's nothing to stop them from suggesting the -- stop the group from suggesting the guidance, but it won't be a part of the rule-making process.

MR. WILSON: One quick point, though. Could not the regulations state the NIGC has to create appropriate guidance to support the regulation, the implementation of the regulation? And then that way, you are directed that you have to create these guidance documents or something in order for the effective implementation of the regulation.

MR. LITTLE: That's a good point. I will ask them. It depends on how we write the rules.

MR. HOENIG: It depends on how you write the rule. And it depends on -- I mean, you could probably reference them. I haven't done any research on this exact situation, this exact scenario. But you could reference guidance documents. You know, I think -- I can't give a definitive answer right now. I don't know. I haven't looked at this particular situation. But, yeah, I think that -- I don't see any reason
why the regs themselves couldn't reference a
general guidance document. You wouldn't want to
be too specific because -- and if certain
documents change, you don't want to have to go
back and amend the regulation again.

MR. McGHEE: For instance, like 543.5,
5(c), could technically be a section that somehow
it did that?

MR. HOENIG: I'm sorry, can you repeat
that?

MR. McGHEE: You're talking about
including it in here. You'd have to put it in
here at 543.5, blah, blah, blah, whatever we
decide to come up with the language here. It
could be in there and that would be -- the
guidance documents would be accompanied by, you
know --

MR. HOENIG: Yeah, you could.

MR. McGHEE: To be provided as needed,
whatever.

MR. HOENIG: Guidance documents or see
NIGC guidance documents or however it is. But
until -- I mean, just to raise another point,
until those guidance -- you want to have
everything ready at the same time because you
don't want a rule going out that's referencing
guidance documents that don't exist, that are
then being talked over. Because then you have
some giant gap where what's being pointed to
doesn't exist.

MR. FISHER: That also might create a time
delay.

MR. HOENIG: Yes. Okay.

MR. FISHER: I started to write it down.
I don't know if this captures it or not. Jeff?

MR. WHEATLEY: So as a part of -- when
this new rule comes out, whatever the
commission's set of regulations is, there's going
to be a time frame in which tribes would have to
comply, correct, where they would have to -- each
TGRA would have to submit what their tribal
controls are that shows they're complying with
this new regulation. At that point, that's going
to give --

MR. LITTLE: No.

MR. WHEATLEY: Just have to have them?

MR. McGHEE: Have them in place.

MR. WHEATLEY: I'm not saying approve
them, but I'm saying they have to be on hand for
the NIGC to review to look at and be able to
audit against.

MR. LITTLE: Right.

MR. WHEATLEY: At that point is when -- if there are any deficiencies within that particular operation and within their internal control standards, that's when the work and guidance documents can be provided to that operation to assist them in strengthening their controls, is my thought process behind that. So I don't know that -- I mean, most operations already have these in place. They already have their internal controls in place, and they're pretty much going to be complying immediately for the most part, is my impression. So I don't see it -- if it's that large of an issue, other than making the general statement that obviously internal control policies have to make this possible. They have to be strong enough to comply with this regulation.

MR. FISHER: Matt.

MR. MORGAN: This is to pick up an earlier point in the day from Kathi. It's one of the reasons that doing this in order was so important, because 543.3 talks about a lot of this stuff and how you set up this overarching,
and I'll say system of internal controls of how you take care of a lot of these things. It's 543(b) says, one, that the TGRA must, in accordance with the tribal gaming ordinance, determine whether and to what extent their TICS require revision to ensure compliance with this part; that's (b)(1). Now, (b)(2) says how long do you have to come in compliance. (c) says SICS. You know, SICS internal controls and the gaming operation must develop and implement a SICS that, at a minimum, complies with the TICS. And if you go read the definition of what that SICS is is an overall operational framework for a gaming operation incorporating principles of independence and segregation of function comprised of written policies, procedures, and standard practices based on overarching regulatory standards specifically designed to create a system of checks and balances in order to safeguard the integrity of a gaming operation and protect its assets. So you would go into it knowing you have to kind of have all of this in place in order to meet that. And so I do understand your concern of how we do that. I agree with the attorney. There are several ways
you could do that. And, hopefully, there will be several guiding documents out there floating around that could achieve that. But when you adopt this rule, it already calls for that. And that was one of the reasons that Kathi brought up this morning that it's so important that you kind of move in order there, because it does set the framework of how all of this works together.

MR. FISHER: One thing we could do to move ahead, given the time, is to go back to the bingo section, see if there's anything in the bingo section that on its face is a problem or needs to be changed, and then kind of say tentatively, we like it, but we have to make sure we're okay with the beginning parts of the regulation first. And then pick that up at the next meeting. So we might be able to conclude the bingo section, conditioned upon the other things happening. Or we may have to figure out if we can do any more work on bingo right now before we switch to our housekeeping tasks.

MS. LASH: I just wanted to kind of touch on the important aspects here. So we have the MICS, and the MICS identify risks and set a minimum standard of mitigating risks. So that's
the MICS. Secondly, then, we have the guidance
documents, and they provide a way to address the
risks. Thirdly, we have compliance with the
guidance documents, and that provides a safe
harbor of satisfying the MICS. And lastly, the
existence of guidance documents still allows
other ways of compliance. And I think that's
just kind of the framework to keep in mind as
we're discussing these points. We're dealing
with MICS right now.

MS. TAHDOOAHNIPPAH: Repeat number four.

MS. LASH: The existence of guidance
documents still allows other ways of compliance.

MR. FISHER: What do you want to focus on,
the overarching recommendation, or back to the
bingo provisions?

MR. WILSON: I'd like to call for a vote
for the overarching statement up there. You
know, we recommend that. Because I don't sense
from the group until we do that, that we can
really move on.

MR. FISHER: Okay. People want to take a
look at this language. I was just jotting down
things that I heard, so this may or may not
capture what you have in mind.
MR. MORGAN: Last line, NIGC will create the appropriate guidance; last line.

MR. WILSON: Create or adopt.

MS. LASH: Create or adopt appropriate guidance.

MR. CULLOO: Shouldn't we add "needed"?

MR. WILSON: Appropriate guidance.

MR. McGHEE: My comment was only that as I was thinking about it, it's not uncommon because even in the current regs that are out there, it says a minimum bank roll formula is available upon request. They can call you and they can provide you with guidance on what a minimum bank roll formula looks like. Checklists are available by request. All we're doing is saying, please have guidelines, guidance documents available upon request that someone could say, Hey, I'm not comfortable, do you have something I can go by that will put me in compliance? Yes, here you go. So it's not uncommon.

MR. MAGEE: They also issue bulletins for clarification as well.

MR. McGHEE: Yeah.

MR. FISHER: All right.

MR. WILSON: Let's test it.
MR. FISHER: Okay. Let's test it. If you support the recommendation that's up on the screen, raise your hand.

(All hands raised.)

MR. FISHER: You switched hands. Just checking to see if there was any significance to that. Okay. That's good, everybody. It's good. So I'll mark this one. Okay. So now you want to go back to bingo?

MR. WILSON: My challenge to my fellow TAC-ians is that we complete bingo.

MR. FISHER: Don't forget, we have some housekeeping things to do, and we're scheduled to adjourn at 2.

So here is the bingo card section. So Daniel suggested we do these sections, the risk categories category by category. So this is the bingo card section.

MR. McGHEE: Physical inventory.

MR. FISHER: Physical inventory first.

MR. McGHEE: Period. Just that.

MR. FISHER: So you want to change this?

MR. McGHEE: I don't understand why it's in parens, is all. It decreases --

MR. FISHER: Is that what you're saying?
MR. McGHEE: That's not what I'm saying.

MR. FISHER: No?

MR. WILSON: Inventory reconciliations is a control. Can somebody help me to understand? Because I know we added that.

MR. FISHER: Can you wait. I didn't understand.

MR. McGHEE: More or less like you had it. It was decreases, comma, included but not limited to destruction of inventory, comma. No parens.

MR. FISHER: You want it to say this?

MR. McGHEE: That's basically what was suggested.

MR. FISHER: Okay. Tom?

MR. WILSON: Jason, I think what you -- I'm trying to understand.

MR. RAMOS: Mine wasn't reconciliations. Mine was destruction.

MR. McGHEE: The only thing added was what's in between the commas.

MR. WILSON: I just want to point out the inventory reconciliations is a control you use to determine if you have variances, I guess. I'm just trying to understand the context of that inventory reconciliations in there.
MS. THOMAS: I would read it you have to have controls for inventory reconciliation.

MR. FISHER: That’s what it is. Such controls shall address inventory reconciliation. This is a long string.

MR. WILSON: Okay. That makes perfect sense.

MR. FISHER: Anything else in the physical inventory section?

MS. TAHOONAIHINAPA: Leo was pointing out that increases and decreases, and then you put a comma, and when you took it out of parentheses, you’re talking about destruction. Now you’re talking about destruction as increases and decreases, where destruction is only to decrease. But now you just changed it to refer to increase.

MR. FISHER: Do you understand what she’s saying?

MR. McGHEE: Yeah, I do.

MR. WHEATLEY: You could say increases and decreases of inventory, destruction of inventory, and inventory reconciliation.

MR. FISHER: All right. That would be cleaner. Give me a second to get there, okay? So anything more on the physical inventory?
Ready to move on to sales?

MR. McGHEE: We're going by section, right?

MR. FISHER: You wanted to vote on each individual section? Okay. If you support this, given the overarching recommendation that we did immediately preceding this, raise your hand.

(All hands raised.)

MR. FISHER: Okay. Done.

Bingo sales. Okay. Anybody have questions, comments, concerns, suggestions?

MR. McGHEE: I mean, could anyone think of when sales involved -- is there any other thing to consider besides recording the sales that happen, tracking them, and reconciling them at the end of the day, basically, that needs to be mitigated? Because the part I remember including voids was something that was added by -- we added to it as what do we want to do when we want to void something. It's not necessarily -- someone thought of it later, so we had a concern. So it may be something. We may be missing something. Y'all need to look at it and make sure.

MR. FISHER: Anybody identify anything that's missing in response to Daniel's request?
MR. McGHEE: We tried to track out when we had a session.

MR. FISHER: All right. So anybody have a comment? No. Okay. So shall we test it? So if you agree with --

MR. McGHEE: There's (ii) and (iii) to that section of bingo sales.

MR. FISHER: That's what I forgot. Jeff?

MR. WHEATLEY: Can someone help explain (ii) to me? Maybe it's my ignorance of session bingo. But when a sale of -- the sale of bingo cards is recorded manually, such sales must be verified by an independent agent. So the sale has to be watched by somebody else? I don't understand.

MS. HAMEL: It's the recording has to be -- when they're recorded manually, they have to be verified by somebody independent of the person that performs the sale.

MR. WHEATLEY: For each sale?

MS. HAMEL: No, it's the recording the whole of those sales.

MR. WHEATLEY: For the day, like an audit?

MS. HAMEL: Yes, the sale of bingo cards.

MR. WHEATLEY: So in other words, an audit
of the manual -- the record of sales?

   MS. HAMEL: It could be that it's -- it could be a cashier; smaller operations it could be a security officer; it could be helping you guys, someone independent from the person that sold the cards.

   MR. WHEATLEY: Okay.

   MR. FISHER: Did that answer your question?

   MR. WHEATLEY: I believe so.

   MR. FISHER: I think that's the purpose of saying "such sales," if I had to guess. Okay. Any other questions of comments, bingo sales, (i), (ii) or (iii)? So you ready to test it? Okay. So if you support this recommendation raise your hand.

   (All hands raised.)

   MR. FISHER: Okay. All right. Next section is on subsection -- I guess I should say is on the draw. Any questions or comments or suggestions? People need another minute to read it?

   MR. McGHEE: I think people are still reading.

   MR. FISHER: Okay. Take a minute to read
it.

Okay. Ready to test it? Yeah, I didn't hear anything. Okay. So if you support the recommendation for the draw, the draw language on the screen, raise your hand.

(All hands raised.)

MR. FISHER: Okay. Done.

Next section is on what used to be manual, now it's payouts. Okay. Any comments? Questions about this section? Everybody ready to test it?

MR. WILSON: Point of clarification. Where it says the controls established in subpart, and then Class II gaming systems, that's all crossed out. But the new subpart is the technologic aids in play of bingo, there's a subpart called that; is that correct?

MR. WHEATLEY: Are you in cash or --

MR. McGHEE: We're in payouts.

MR. WILSON: Oh, I'm sorry. I'm anxiously moving ahead.

MR. FISHER: Some of us are ready to move ahead. Plus, time-wise, we need to pick up the pace. Because we want to accomplish bingo before we're done and we still have a couple of
housekeeping things to do. So ready to test it?
So if you support changed -- or the language to
payouts listed on the screen, raise your hand.

(All hands raised.)

MR. FISHER: Okay. That's everybody in
the room.

Next is cash and cash equivalent. So Tom.

MR. WILSON: So at the bottom of Page 9
where it says equivalent controls established in
subpart, I just want to be clear there is a
subpart called technological aids?

MR. FISHER: You're asking if that's the
right reference?


MR. WHEATLEY: It's referencing to the
cage section.

MR. FISHER: 543.14 is what are the
minimum internal control standards for the cage,
vault, cash and cash equivalent.

MR. WILSON: Oh, so 543.14 is technologic
aids?

MR. FISHER: It's cash equivalent, vault,
cage.

MR. WILSON: Okay. I got it. I have no
question.
MR. FISHER: Okay. So this is a short one. Let's test it. If you support this recommendation, raise your hand.

(All hands raised.)

MR. FISHER: All right. That was a fast one.

Okay. Here we are. Technologic aids.

MR. WHEATLEY: I don't see anything on repair and maintenance. Does anyone have any comments on that? To me, I feel it's a risk if we don't list it as something that procedures need to be established for, specifically maintenance.

MS. HAMEL: That's operations, right?

MR. McGHEE: I mean, it can happen in a lot of different places, but during a malfunction, you're going to have to come and repair. During the -- if you're doing a modification. I'm not opposed to adding it for clarification.

MR. MORGAN: You want it in the list?

MR. WHEATLEY: I'm thinking it's important enough to make the list. I know the list says not limited to, but I'm thinking, like, cleaning bingo balls. Obviously the TICS are going to
address how you do that and why you do that and what interval you do that, but --

MR. McGHEE: You're saying malfunction and repairs?

MR. WHEATLEY: No. I'm saying repairs and maintenance specifically.

MR. McGHEE: You don't want to say repairs? You want to say maintenance.

MR. WHEATLEY: I am more concerned with maintenance, but I associate the two together commonly.

MR. McGHEE: Just add maintenance.

MR. FISHER: Did you want to say repair and maintenance, or just maintenance? It's your proposal.

MR. WHEATLEY: I initially said both.

MR. McGHEE: Repair is different. One is cleaning.

MR. FISHER: Okay. So we added a new (10) there. I moved the "and" down. So you want to go back to the whole test now, the whole subsection?

MR. WEST: What did you say was covered by technological aids, CardMinders and --

MR. MORGAN: Yeah, and bingo blowers, the
balls themselves, the bingo balls.

MR. McGHEE: Player interfaces.

MR. MORGAN: Player interfaces. That's what jumps out to me. Those are just examples of things.

MR. FISHER: Okay. So should we -- ready to test it? Okay. So if you support this recommended subsection, raise your hand. (All hands raised.)

MR. FISHER: That got everybody. And that is the end of the bingo. It's the end of the bingo language, not the end of the bingo discussion.

You have a question?

MR. WEST: There was some information in the 2010 -- there was a question in the 2010 MICS about voucher systems. Was that moved somewhere, or was that totally deleted?

MR. McGHEE: Included under cash or cash equivalent. Because a voucher is cash or cash equivalent.


MR. WHEATLEY: Vouchers themselves or voucher systems?

MR. WEST: Voucher systems.
MR. McGHEE: A voucher system is a component, right?

MR. WHEATLEY: I think it's 543.16, standards for security and management of server, server software and data associated with Class II gaming systems. Because we considered the voucher system to be a part of the Class II gaming system unless it was third party, and then we didn't worry about it. Actually it says in here, control of physical and logical access including voucher and cashless.

MR. FISHER: Does that answer your question?

MR. WEST: Kind of, but that's more on the IT side as far as access controls and stuff. I don't know if that covers what was in the original 2010 proposed, but I just wanted to bring that up, see if the committee, TGWG, their thoughts on that.

MR. MORGAN: Specific language.

MR. FISHER: Can you find the place in the --


MR. FISHER: It's all that red.
MR. McGHEE: Payment of a voucher, it still talks about cash and cash equivalent. I mean, it's the way it's here. Where appropriate it would probably be in the section he's talking about. Otherwise it would be in the cash and cash equivalent section.

MS. HAMEL: And it's in the technical standards.

MR. WHEATLEY: So my impression is these would be answered in the guidance documents under the cash and cash equivalent section because they're very procedural.

MR. WEST: That's what I was thinking. Yep.

MR. FISHER: Did you have other questions?

MR. WEST: No.

MR. LITTLE: We're good.

MR. FISHER: Anything else on the bingo section? Well, in that case, we just had another accomplishment. Round of applause.

(Round of applause.)

MR. FISHER: So we -- actually, that's like a two-fer, that accomplishment, because it means that we just completed our -- the first part of the MICS and we actually completed all
the primary topics on our agenda except for the housekeeping stuff we're about to move into, because card games was a -- was the next topic if we had time. So we don't have time for that. So we accomplished the primary objective of the agenda as well. And we incorporated into the agenda time the time for the closed session and for a couple of other things, and so we're tracking. Okay.

Everybody ready to shift to some of housekeeping things we need to do before we adjourn? So one housekeeping thing is I want to confirm that the agenda planning group that was previously constituted with the addition of Mia is now the -- is going to continue to keep working and will work on the December agenda; is that right? That's everybody's understanding? Yes. Okay. Good. And so I'd like that group to meet -- try to get that group to meet quickly because we don't have a whole lot of time between now and the December meeting, and we also had have a holiday, federal holiday next week. Some people will be taking part of the week off, so could that group meet by conference call at 1:30 p.m. eastern time on Monday?
MR. LITTLE: We'll get the conference call information.

MR. FISHER: I think I checked with everybody on schedules. I think that time should work for everybody.

So then the second thing is you may remember that -- well, on the meeting summary, so we need to talk about two things on the meeting summary. One is when people be going to get comments on the October summary to us and when we'll turn that document around.

And then secondly, in terms of what is your expectation for the summary from this meeting? What would you like us to do? We could do -- we could not do the same format that we did last time and we could do instead just a compilation of the consensus recommendations that shows, you know, the basic stuff, who attended and a compilation of the recommendations. So I need some feedback about what you'd like to see in the November summary.

MR. WILSON: For me, as long as I'm getting the notes or, you know, as we already talked about --

MR. FISHER: Transcript, you mean?
MR. WILSON: Well, I don't know, because that's her thing and the -- the notes. Then for me a compilation of just here's what we have recommended works as well because then I'm able to focus on that document. But if I have any questions, I can look back on the minutes or whatever we're talking, the notes.

MR. FISHER: Again, so that does present a little bit of a problem. So because those notes aren't being taken from the perspective of being distributed, they were being taken for the purposes of preparing a summary. So I didn't realize you wanted that set of notes to accompany you. You have a transcript, so I'm a little confused.

MR. WILSON: We don't have the transcript.

MR. FISHER: Eventually you're going to get a transcript.

MR. WILSON: But the notes, you already sent those to us from the last meeting.

MS. HAMEL: That was a summary.

MR. FISHER: Yes, I did, because you requested them. And so to facilitate moving ahead, I sent those notes. I'm hoping there's nothing embarrassing in those notes.
MR. WILSON: If there is or isn't doesn't matter to us. But I thought we had established that you were going to provide us with those notes.

MR. FISHER: That was not my understanding.

MS. LASH: I think that was our intent.

MR. McGHEE: From now on. Not just from the notes from the meeting, because I think the request was could we have the notes from the meeting. So we can say we want the notes from all the meetings, if that's what we want to do.

MS. LASH: Do we have a consensus vote on that?

MR. McGHEE: If you need to vote, raise your hands.

MR. FISHER: We might need a different process for creating the notes. If you want to test your consensus, do that. But that might mean we might have to have a different process for creating the notes.

MS. LASH: So does --

MR. MAGEE: What's your justification?

MR. FISHER: Well, because it's not a verbatim transcript of what's being said. And so
-- and I looked over a couple times, and Kim hasn't been typing, so I don't know how much is recorded in there versus what was said. And so there's no guarantee that that's a complete set of everything that happened.

MR. WILSON: We understand that it's not a -- we understand what that -- what her notes are designed for. I don't believe that we're using them to say, oh, well, you didn't include this in the notes or you didn't include that. It is merely a reference point to jog things in your mind as you're looking at this summary document or whatnot. I mean, at least for me. I can't speak for everyone else. But I'm not using it to opine on her thoroughness or not thoroughness in taking the notes.

MR. LITTLE: My only concern would be that perhaps she had shorthanded some things to go back eventually or different ways of, you know, keeping track. And from the outside observer, her comments may not be understood. And we all know that once things go out, they become public everywhere and that the outside observer could confuse these notes as being an official transcript, which we have over here. That's my
only concern. What you guys do with it or not, it's just we know for a fact that once these are distributed, they're all to everybody, not just for this group.

MS. LASH: They're going to be sent to us as a reference point for us to use, and I don't see any of us broadcasting them or putting them on websites or anything. And I think it's a reference point. And there's some of us that would like to see the notes and I don't --

MR. CULLOO: Can't you put a disclaimer on there?

MR. McGHEE: Can't we do it upon request?

MR. GARVIN: Couldn't we ask Kim if she objects to it?

MR. FISHER: She was listening intently to what was being said to the committee.

MR. WILSON: What is the turnaround time on the transcript?

COURT REPORTER: It will be three weeks. You're looking at approximately 700 pages.

MR. FISHER: So I understand the question is from the committee to get copies of notes that are being taken from the meeting, and we'll figure out what's the best way to produce those
notes that works and we have an official note
taker who understands that the notes are to be
distributed beyond just internal reference.

MS. LASH: Do you agree, for those of you
that wants the notes, that we have a consensus
that we can get the notes from our group?

MS. CHINO: I like the idea upon request.
We're having all the discussion, and I feel
confident that that's what their role is and that
we remember because of the stuff we're putting
together here. A request is fine. I certainly
wouldn't have time to read all of it, but some of
you probably do.

MS. TAHOODAaNIPPAH: Is there going to be
a summary, or what?

MR. FISHER: That's where we started. I
asked what did you want in the summary; what
would be useful? And that's how we got around to
is it the summary plus the notes, or the summary,
a compilation of the consensus recommendations,
plus the notes?

MS. STACONA: Is it -- the yellow stuff
and we voted on and the big concepts, is what I'd
like to see in the summary.

MS. LASH: And what we need to do the next
meeting. Because I've got bullet points of things that we need to do.

        MR. FISHER: We can create an action item list for what's, you know, in the summary, like I did from the last meeting. And so we can do that. Okay.

        MR. MAGEE: What's the purpose of having a note taker come, is it to provide like a minute format of the action items, or is it just merely a summary for the meeting? Because there is an official, like, way of taking minutes and approving minutes, but if it's just a summary of the meeting according to someone's perception --

        MR. FISHER: Right. So what is it that you want? Because the way that we set out is to just provide a summary, a summary of the key things that were raised or needed to be raised, plus the consensus.

        MR. MAGEE: And that works for me.

        MR. LITTLE: I got to ask if we could change off topic for one second. Mike has got to get to the airport, and he needs talk about -- quickly clarify an issue.

        MR. FISHER: Let's put this on hold and turn to Mike on --
MR. HOENIG: I'm going to be really brief and I do have to run. But I gave Nimish a stack of my cards, so if anybody has any questions, please call me. But basically I just wanted to clarify, I know there's some questions that came out after the meeting in Connecticut, and about FACA and how it may apply to experts that come up to the table. And it's kind of simple. The exception that this group is operating under FACA basically provides an exception for meetings between federal officials and tribal elected officials or their designated employees that are authorized to act on their behalf. So if an employee from one of the facilities wants to come up as an expert, that's great. It's just that employee needs to be designated by the tribal leadership to act on their behalf and has to be authorized to speak on their behalf. Because if not, then they run into problems that there may be a possible violation of FACA and who was participating in the meetings. And based on the two cases that are out there, the result of that is a court could easily say we're not allowed to use anything that you guys bring up here in determining how we're going to move forward on
our regulations, so this would basically go
straight out the window. And I think everybody
here would hate to see that happen. So I think
the easiest thing to do is since everybody, it
sounds like, was already planning on saying
beforehand who was going to be coming to speak as
experts at the table, if you could submit a
letter with that from tribal leadership basically
saying they're designated and they're authorized
to speak for them. I think that would save -- I
think that would be more than sufficient, and it
would save any risk of all this falling apart
again.

MR. MAGEE: So would that mean that a
particular tribe could have more than one
representative at the table, then?

MR. HOENIG: Well, I mean, it's the
experts coming up. And the exception talks about
employees participating in meetings with the
commission, so -- I mean, I would think that if
you want your experts to come up and speak, that
that's what they have to do. Now, what level of
participation they take, I think it seems like
that was already decided.

MR. WHEATLEY: So quick question on that
point. It was asked in Connecticut to see if we had a pull tab expert available while in Washington. So I have contacted somebody, and they said tentatively they had agreed. They are not a member or employee of a tribe that is represented on the TAC, but are an employee of a tribal member.

MR. HOENIG: That does bring up another point in that bringing in other tribal employees could also be seen as the TAC being opened up to other tribes that weren't initially chosen by the commission to participate in the TAC. So it creates kind of a -- it could give the appearance that the TAC is being opened up to other tribes.

MR. McGHEE: The person who used to do our pull tabs still works here. We haven't -- don't pull tabs in two or three years, but I could check.

MR. FISHER: Is there more that you need to tell us?

MR. HOENIG: No, that's about it. If there are any other questions?

MR. FISHER: Any other questions?

MR. WHEATLEY: I just need to know how TAC and NIGC wants me to handle that situation, if we
still want that person to come in and if they do, how we handle that.

MR. MORGAN: How many tribal councils does he have to go before and get written authorization?

MR. HOENIG: We can suggest some language. If you want a form to use, I'm happy to do that. Another possibility is if that's a situation you want, the commissioners and the NIGC can do a break-out session with that person to get the input we need to come back, and we'd just step out and not participate in the --

MR. FISHER: You can do it in the closed session.

MR. WHEATLEY: That seems like the easiest way to do that. It's --

MR. HOENIG: It's just the participation with the commission.

MR. MORGAN: Who is the commission?

MR. LITTLE: (Pointing at himself.)

MR. HOENIG: Also Nimish, any of our employees.

MR. FISHER: It does not include us.

MR. LITTLE: If you'd like us to put together a form letter where you can take it and
get it signed, that would be the easiest, but
that would be an option.

MR. MORGAN: I think it's easiest to go
into closed session.

MR. LITTLE: That's for your expert.

MR. FISHER: Okay. Maybe we can take that
up in the agenda planning group on how to handle
those things. Okay. I'm trying to keep this on
track and get back --

MS. LASH: We're still on the notes.

MS. TAHDAAHAHNIPPAH: I think that tribes
that aren't here, too, would like to know what
kind of took place and --

MR. WILSON: Isn't that what the purpose
of the transcript is?

MS. LASH: That's where they'll get their
information, is from the transcript when it's
posted. This is for us. This is for the ones
who are here who were participating in the group
who would like a copy of the notes. It's not
difficult.

MR. FISHER: It's fine. We'll distribute
a copy of the notes. But for the next meeting,
we need to sort out an official note-taker and
what that official note-taker is going to do.
MR. McGHEE: Or at least the person doing this must be aware that the people seeing this is going to be attached to a lot of work. It puts the reputation out there, if they don't know who did it, why they did it, and, you know.

MR. WILSON: Are these notes that Kim takes from the NIGC standpoint archived or kept part of a permanent record?

MR. LITTLE: No.

MR. FISHER: They're not part of NIGC's records at all. At all. They're not -- well, now they are because they got distributed to NIGC. But up to that point, they had not been distributed to in NIGC. They were just internal to us.

MR. WILSON: So the note-taker is just your resource to help you facilitate?

MR. FISHER: Correct, and to create the summary. That was what was here for initially.

MR. LITTLE: Just look at the point, that this is a cost for DOI. The commission is going to be paying for a transcriptionist, which will run probably close to $10,000. Not that much? Well, we better use your company. Just to be cognizant of costs.
MS. LASH: Notes are free. Giving them to us is free.

MR. LITTLE: We need to decide if we want to have a note taker versus a transcriptionist.

MS. LASH: What she's doing is fine. That's all I'm requesting.

MR. FISHER: Okay. So what does that mean in terms of what's in the summary?

MR. McGHEE: What's the question? Notes as needed or notes to everybody?

MR. FISHER: I heard notes on request to those who want them.

MS. LASH: So we agree? Can we have a vote, please? Notes for those who request them?

(Indicating.)

MR. MAGEE: Back to the summary, does the summary go out to everybody?

MR. FISHER: The summary goes out to everybody on the TAC, and then it was intended that the summaries would be -- once final, would be published on the NIGC website.

MR. WILSON: I just want to say that we're not -- we're not requesting by this request that you have to get a different person or something. That's strictly a decision that you would make in
terms of your comfort level with how those notes are presented, I guess. I mean, I don't want you to think that you have to hire additional resources to meet the requests. That's not the intent of the requests.

MR. FISHER: I hear that. But we are going to have to figure out what the official note-taker is doing now that there is a need for an official note-taker.

MS. LASH: We're not asking for that. Just like what I said, what was provided was fine. That's fine.

MR. McGHEE: If y'all want to incur additional costs, but basically they're fine with the way you've been doing it with the costs you have.

MR. FISHER: Okay. I understand what you're saying.

MS. STACONA: Question. Did NIGC figure out what was going on with Oklahoma and their note-taker, did they get that straightened out, iron all that out?

MR. LITTLE: It made it sound like -- I mean, folks want an official transcript, so we're going to provide that from the next meeting on
out. This time it's being funded by OIGA, and we're hoping they're going to provide us a copy to put on our website. But moving forward, we will have a transcriptionist at every event.

MS. STACONA: So if we're going to do transcripts, then are we still going to get a summary?

MR. LITTLE: I think the idea is she's here to help Robert develop a summary. And it was kind of like if I take notes, do you guys also want copies of my notes? That was kind of the whole purpose of it, you know.

MR. McGHEE: She's working for him.

MR. LITTLE: Do you want Rust's notes?

MR. WILSON: From my perspective initially, this was a concern for me from the last meeting because I viewed that person as the official scribe that was describing the things. And so this -- the reporter thing, transcriber/stenographer is something new that came about. So for the reasons that I would have wanted the notes for myself is less mitigated by the fact that there are transcripts. But I don't want to preclude somebody who thinks that they need the notes for whatever.
MR. FISHER: Okay. In terms of preparing the -- you may remember I said yesterday that I'd like a couple of volunteers to work with me about how to present the consensus recommendations that are developing with an eye towards how that would become a final -- in the final report. Because it's not that easy to -- there are a couple of different ways to do it, and so I just want to bounce that off of somebody on the TAC before I create that and send it out.

MR. McGHEE: I'm volunteering.

MR. FISHER: How about one other person to volunteer so we can bounce this off of two people?

MS. HAMEL: Are you volunteering me?

MR. WHEATLEY: Not to volunteer somebody, but I was thinking Thomas, since he's writing the point paper that's going to go with the recommendations.

MR. WILSON: I'd be happy to.

MR. FISHER: You're spared.

MS. HAMEL: No, that's fine.

MR. FISHER: So by my look on the calendar, we have less than two weeks between now and the next meeting. And so this -- if my
calendar is correct, this is the 17th and we meet again on the 6th. And so that's two weeks from this past Tuesday. No, three weeks. Two and a half weeks. All right. So what -- in terms of turning around the documents and things, we're probably not going to be a two-week schedule to turn around documents. It's likely that any summary from the November meeting will not come until right before the December meeting. If you get the comments -- comments on the October summary should be sent to me.

MS. LASH: I'll have mine in by Tuesday.

MR. FISHER: Anybody who has comments by the end of the day on Tuesday, and then we'll circulate a revised draft of the October summary the week of the 28th, sometime the 28th. And then I don't know how long it's going to take the commission to do the comparison documents for the next meeting, but they're likely to come right pretty close to the meeting.

MR. LITTLE: Yeah, now that we got a pretty good idea of what we're working off of. This is a very helpful process because I think we can churn them out pretty fast. It will be a matter of getting them formatted, getting them
reviewed by Rust and Mike. And we'll get a copy
of the hard copy of the working group's document
to everyone.

MS. HAMEL: Are we going to look at 543.3
and 4?

MR. LITTLE: Yes.

MR. FISHER: That's where the agenda
committee will pick up.

MS. HAMEL: If they need to do something.

MR. FISHER: That's partly why the agenda
planning committee is meeting on Monday, so they
can begin the preparation of the comparison
document. Okay. Any other housekeeping things
that we need to take care of?

MR. LITTLE: I have a couple.

MR. CULLOO: I was just going to give
information on transportation on the airport.

MR. LITTLE: And this is -- well, I can
wait until we conclude. Everyone, I'm sure, has
a room blocked for Clearwater, but if you don't,
the deadline to get the block is tomorrow.

MR. WHEATLEY: We're covered.

MR. LITTLE: Everyone here, staff, just
the public.

MR. FISHER: Anything else?
MR. LITTLE: I'll wait until the closing.

MR. CULLOO: I was going to tell everyone it's about a 70-mile drive from the airport to Clearwater, but it's 15 miles north of the airport in downtown Seattle to take a passenger ferry. It's a 35-minute cross, and then you're 7 miles away from the casino. The ferry schedules are on the website. I'll send it to you if you want.

(Discussion held off the record.)

MR. FISHER: Okay. Thank you for that. And you'll circulate it.

MR. CULLOO: I'll send it out.

MR. FISHER: All right. Anybody else have any housekeeping things? So if not, then let's move into kind of closing round to see if anybody has anything they want to say in closing.

MR. RAMOS: Sure. I just want to thank my other TAC members. I know that sometimes this things gets laborious and we're at each other here and there, but I think this process as a whole has been productive. And I think that at the end of the day, we reach our objectives. And I know it's been a real pleasure for me to participate in the situation. So thank you all
and thanks to NIGC again for being an active participant in this process.

MR. WHEATLEY: Nice work. Good job.

Thanks.

MS. TAHDOOAHNIPPAH: I'm happy, I think it's -- this time it went a lot better.

Everybody seems to get along with each other a lot better, and it went well.

MR. MORGAN: I echo Jeff's sentiments.

MS. TAHDOOAHNIPPAH: I want to thank Nimish for all his help for the technical standards.

MR. GARVIN: Yeah, thanks. In particular I want to thank Tom for introducing the executive session idea and us making use of that. And I hope that's not viewed as a slight to NIGC or to the facilitator. And I also don't want to view it as an opportunity to avoid the transcript. Because that wasn't -- that didn't have to do with it at all. And I'm glad it became a non-issue for us.

MS. STACONA: Ditto all that they said.

MR. MAGEE: You know, for me, it was enlightening to see the level of expertise coming out at this session. Truly broad-based knowledge
here and experience. And for me, that was enlightening. I think it was overall great.

MR. CALLAGHAN: Again, good to be here. Good to be leaving. And I, too, recommend the ferry. That's a beautiful way to see that area. That is gorgeous.

MS. LASH: I think we had a great meeting. I really enjoyed the executive session and just the, you know, the closeness that we have and how well we're working together. And I really appreciate everyone's assistance and the comments and thank you for your help with the documents, the NIGC, and it was a very positive meeting.

MR. WILSON: Ditto.

MS. THOMAS: I could do the same thing, I would agree. I am really excited we got through the technical items.

MS. CHINO: For me it was interesting. I've learned a little more than I knew. I particularly appreciate everybody that was part of giving the expertise and the information behind some of the documents that are real helpful to me. Am specifically because Navaho Nation only has 120 machines, it was interesting to hear all of this information that applies to
that. And particularly probably for the appreciation for our attorney, you know, who is sitting back there and learning all this, and she'll carry it forward when I'm relieved of my duties. Other than that, thank you.

MS. HAMEL: I would ditto everyone's sentiments. The only thing I can say is I wish I could remember more of why we made decisions the way we did on the TGWG to offer more assistance. I'm glad to be here and able to participate. Thank you.

MR. CULLOO: I appreciate everyone's participation. I learned something every day from this group, a wealth of knowledge here in areas I'm not as knowledgeable on, and I certainly appreciate that. And I appreciate the way the team is coming together and the way we get through this stuff. So for Tom, I'll give you up top.

MR. McGHEE: Thank you for being here and I look forward to the next meeting. I'm glad I'm getting to know each and every one of you a little bit better.

MR. LITTLE: I got a lot to say. Thoroughly, I just want to thank everybody for
the extra effort you put all in here. I remember
the very first day when we met, we talked about
difficult situations and, you know, working
through these respecting everybody.
Understanding that mistakes are going to be made
and that, you know, we're in a safe zone here and
work through them. And I want to thank everybody
for, you know, not giving up and continuing to
work through these difficult subject matters. On
behalf of the commission, you know, even
contacting the commission, I'd like to say
Stephanie and Tracie are very grateful for the
sacrifices you all made to be out there in this
lovely warm weather. If they could be here, they
would. We've got a lot of things up in the air
right now. They're testifying before the Senate
Affairs Committee today, among other things.

I want to make a special thank you to our
staff. Obviously Nimish, he goes above and
beyond every day helping here with the training.
You know, he's on the clock 24/7. Nimish, thank
you for your help. Mike Hoenig, who left, he's
one of the hardest working attorneys who I've
ever met. One thing Mike will tell you, his dad
had a confirmation before the U.S. Senate this
morning to be the vice chair of the FDIC. I thought that was really cool. So he was in the back watching his dad at the hearing before the Senate Banking Committee, so it was cool. Rust, another hard working staff member here on the commission, you know, he's doing this stuff 24/7. He's been sick as a dog, but he's here. And he's been on the road all last week. And then there's the other folks back in the back. You all know Rita, she busts her hump all the time. Tom Bowman from our local office was here this morning, and you might know him. And then just the other folks in D.C. and the regions that really work hard on behalf the commission putting stuff on the internet and making copies, I want to thank all of them. And, finally, I just want to wish you all really safe travels home. I really appreciate the dedication and sacrifice that's you all make.

MR. FISHER: Okay. See you in December.

(The National Indian Gaming Commission Tribal Advisory Committee Meeting was concluded at 2:13 p.m., November 17, 2011.)
CERTIFICATE

STATE OF SOUTH DAKOTA )
COUNTY OF PENNINGTON )

I, Amy L. Zoller, Registered Merit Reporter, Certified Realtime Reporter, and Tina Pruss, Shorthand Reporter, do hereby certify that said proceedings were taken by us stenographically and thereafter reduced to typewriting under my supervision; that the foregoing transcript is a true and accurate record of the testimony given to the best of our understanding and ability.

We further certify that we are neither counsel for, related to, nor employed by any of the parties to this case and have no interest, financial or otherwise, in its' outcome.

IN WITNESS WHEREOF, we have hereunto set my hand and affixed my notarial seal this _______day of __________, 2011.

____________________ _______________________
TINA R. PRUSS AMY L. ZOLLER, RMR, CRR
Notary Public Notary Public
My Commission expires: My Commission expires:
7/12/2012