



**Participant Workbook**  
**Sacramento Regional Training Conference**  
**April 10-12, 2018**  
**Track 1**



Dear Training Course Participant,

Over twenty five years ago Congress adopted the Indian Gaming Regulatory Act (IGRA) to provide statutory support for gaming by Indian tribes. The National Indian Gaming Commission (NIGC) was created by IGRA to partner with tribal regulators to regulate gaming activities conducted by sovereign Indian tribes on Indian lands. The mission of the NIGC is to fully realize IGRA's goals of: (1) promoting tribal economic development, self-sufficiency and strong tribal governments; (2) maintaining the integrity of the Indian gaming industry; and (3) ensuring that tribes are the primary beneficiaries of their gaming activities.

One of the primary ways the NIGC does this is by providing training and technical assistance to Indian tribes and their gaming regulators.

A properly trained and informed workforce is the most successful key to regulation and the assurance of compliance. Focused, targeted and responsive training and technical assistance programs provide a foundation that maintains the integrity and success of Indian gaming.

Through dedication and hard work, Indian gaming has experienced notable and successful growth thanks to the partnership of dedicated employee's, regulators and tribal governments and the NIGC. Our continued success depends on grabbing the growing momentum and "*Work Together for Success*", now and into the coming future.

With this backdrop in mind, we encourage you to take advantage of the NIGC training opportunities highlighted by this course. The Commission recognizes your work is essential to the success of Indian gaming and encourages you to use the tools you will receive and knowledge you will gain from this course to further regulatory excellence in Indian gaming.



**Jonodev Osceola Chaudhuri**  
**NIGC Chairman**



**Kathryn Isom-Clause**  
**Associate Commissioner**



**E. Sequoyah Simermeyer**  
**Associate Commissioner**

## Course Rationale

The National Indian Gaming Commission (NIGC) RGTCourse is designed to provide a common foundation of knowledge and skills to prepare Tribes to work together to effectively understand and meet requirements to ensure compliance and provide a successful basis for economic development.

NIGC Training is built around adult learning principles, with knowledge delivery for understanding and everywhere possible, application level exercises, workshops and opportunities to collaborate in or for each attendee to have an opportunity to achieve understanding, doing and getting feedback on results – and doing again! Working together and using the skills and knowledge applicable to improve processes as soon as they return to work.

### **The 6 key benefits to the NIGC Training Model:**

1. Provides real focus on issues and concerns important to attendees for meeting compliance.
2. Builds a sense of shared experience and language around the tools and methodologies.
3. Develops an understanding of the trends and concerns impacting Tribes and Indian Country in gaming.
4. Provides a safe environment for query, experimentation and failure.
5. Encourages application and testing in a true problem solving focus.
6. Provides a venue to develop relationships that improve communication, commitment and productivity.

# Course Descriptions

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The Regional Training Course is designed around information and knowledge sharing dealing with current and ongoing issues and concerns in Indian Gaming, critical learning areas for compliance, and new and trending changes in regulation. Infused with real time information, current opportunities and ground breaking tools, the course provides all attendees flexible and relevant learning options. The course is designed for novice and veteran staff. The course will offer instruction in the following content areas:

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## *Day 1 – All Participants*

### **Regional Compliance Issues: How to Achieve Compliance**

This course is designed to look at regionally specific issues in the areas of compliance, audit and tribal. We will discuss specific regional issues as noted by NIGC. Attendees will learn practical solutions to issues of non-compliance by using intent and testing criteria through the use of the NIGC Minimum Internal Control Standards and industry best practices.

### **Human Trafficking “The Next Step”**

No course description available at time of print.

## *Day 2 – Track 1 General Session*

### **AUD-122 Internal Audit 2.0**

This course is designed to build upon the AUD-120 Internal Audit: A to Z twelve hour workshop. The objective of this workshop is to create an interactive environment in which Internal Auditors will have the opportunity to learn from and exchange ideas with their peers about the responsibilities and challenges that Internal Auditors encounter in conducting the audit. Targeted training and instruction will be provided in completing and performing audit steps, documenting work performed, and writing the determination of compliance of a finding. Upon completion of this course the Internal Auditor will obtain techniques that can be immediately applied in conducting internal audits.

### **Active Shooter**

No course description available at time of print.

### **AUD-121 Game Performance “When, Why and How”**

This course is designed to assist participants gain an understanding of game statistics. The objective is to create an interactive environment where attendees will learn how statistics serve as a benefit to identifying issues on the gaming floor. Topics will focus on the analysis of gaming machine, table game, bingo and card game statistics. Attendees will gain an enhanced understanding of the inherent risks associated with the gaming statistics and how the MICS are intended to mitigate those risks.

### **AUD-114 “New” Minimum Bankroll Worksheet**

This course is designed to address the requirements of gaming operations to maintain a minimum bankroll. The worksheet available on the NIGC website includes a breakout of Class II and Class III revenues including best practices. We will discuss the changes in the worksheet and attendees will complete a worksheet by calculating a minimum bankroll requirement.



# Course Descriptions



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## *Day 2 – Track 2 Gaming Commission Track*

### **Commissioner Workshop**

This course is designed to provide an understanding of the Tribal Gaming Regulatory Authorities (TRGAs) authority and responsibilities. Group activities and discussions will result in the development of specific duties that TGRAs can perform to assist in the regulation of their gaming operations. We will take a look at the Indian Gaming Regulatory Act (IGRA) and Tribal gaming ordinances to establish TGRA authority and identify submission requirements. We will also analyze associated laws and regulations to determine specific duties TGRA's can perform to achieve their regulatory responsibilities. This course is based on real world scenarios, and will include handouts, discussions, and online polling.

## How to Get the Most Out of This Course

- ❖ **Take the right approach to learning.** To meet each attendee's needs, we provide a number of different learning tools. These include well-researched and professionally prepared materials and presentations by skilled and experienced subject matter experts. Although you'll have a preferred style of learning, we hope you'll take advantage of *all* the tools we offer.
- ❖ **Make a note of this.** This workbook and related materials will enable you to take notes, and have access to needed information. Instead of trying to take notes word-for-word, it is recommended that you list key points for later memory jogging. We will try and ensure you have as much information as you need to lessen the need for lengthy notes.
- ❖ **Don't hesitate, participate.** The course will be more interesting and productive when everyone participates. If you don't understand something, there is a good chance someone else does not either, so do everyone a favor and ask questions. Additionally, don't hesitate to answer our questions and share your relevant knowledge and experience with all of us.
- ❖ **Take a break.** Everyone has a limit to how much they can sit still and absorb. So use the break, network, share ideas, and get some fresh air. You can help keep us running smoothly by coming back on time.
- ❖ **Join in with the group.** Stay enthusiastic and involved.
- ❖ **Attendance.** You must fully attend the course, and where applicable, pass a final exam for full credit and to receive a training certificate. Please do your best to be on time for class and try to be here for the entire course.
- ❖ **Cell phones, PDA's and iPad's.** In an effort to minimize disruptions to class, please turn off all cell phones and PDA's. If they are your only emergency contact, please set them to vibrate. iPad's may be used, but should be for note taking.

**Please note:** This course is conducted in English with instruction facilitated by verbal and written communications.

## **Course Structure**

The Regional Training Course is a 3 day course developed to provide an encompassing event surrounding current, trending and critical knowledge areas in Indian gaming. Providing full staff learning opportunities, as well as focus area learning tracks, the course is designed to give tribal gaming regulators and operations personnel, commissions and staff a wide variety of subject needs to meet concerns and relevant areas of interest in Indian gaming.

Each instruction topic is focused around identified concern areas, new content and regulations and a variety of mechanisms for change, improvement and compliance for success. Each block focuses on various staff roles and responsibilities, focusing on similarities, differences, and opportunities for collaboration and sharing of practices and improvements. Most topic areas will pair an equal amount of time to facilitated lecture and action based learning.

The primary training methodologies will be interactive lecture, small group discussion, and case study. Action based learning will be facilitated through small groups and case study. Final learning will be measured through exercise completion and observation.

# Regional Training Course Agenda



|                                  |              | <b>SACRAMENTO REGIONAL TRAINING COURSE</b>  |   |
|----------------------------------|--------------|---|---|
|                                  |              | <b>April 10-12, 2018</b><br><b>Pechanga Resort &amp; Hotel</b><br><b>45000 Pechanga Pkwy</b><br><b>Temecula, CA 92592</b> |   |
| <b>Day One</b>                   | <b>09:00</b> | Course Opening/Welcome  |   |
|                                  | <b>09:15</b> | Regional Compliance Issues; How to Achieve Compliance   |   |
|                                  | <b>12:00</b> | <i>Lunch (On Your Own)</i>  |   |
|                                  | <b>1:00</b>  | Regional Compliance Issues; How to Achieve Compliance   |   |
|                                  | <b>2:30</b>  | Human Trafficking "The Next Step"   |   |
|                                  | <b>4:00</b>  | <b>End of Day 1 courses</b>   |   |
| <b>DAY TWO- TRACKS</b>           |              |   |   |
| <b>Day Two</b>                   |              | <b>General Track</b>  | <b>Understanding the Roles of the Gaming Commission</b> |
|                                  | <b>09:00</b> | AUD-122 Internal Audit 2.0  | Understanding your Authority                            |
|                                  | <b>12:00</b> | <i>Lunch (On Your Own)</i>  |   |
|                                  | <b>1:00</b>  | AIUD-122 Internal Audit 2.0   | Tools of the Commission                                 |
|                                  | <b>4:00</b>  | <b>End of Day 2 courses</b>   |   |
| <b>DAY THREE- TRACKS</b>         |              |   |   |
| <b>Day Three</b>                 |              | <b>General Track</b>  | <b>Understanding the Roles of the Gaming Commission</b> |
|                                  | <b>09:00</b> | Active Shooter  | Tools of the Commission                                 |
|                                  | <b>11:00</b> | AUD-121 Game Performance<br>"When, Why and How"   |   |
|                                  | <b>12:00</b> | <i>Lunch (On Your Own)</i>  |   |
|                                  | <b>1:00</b>  | AUD-121 Game Performance<br>"When, Why and How"   | Gamesmanship 3.0  |
|                                  | <b>2:30</b>  | AUD-114 "New"<br>Minimum Bankroll   |   |
|                                  | <b>4:00</b>  | <b>End of Regional Training Course</b>  |   |
| <b>Thank you for Attending!!</b> |              |   |   |

# Sacramento Regional Guidance - How to Achieve Compliance

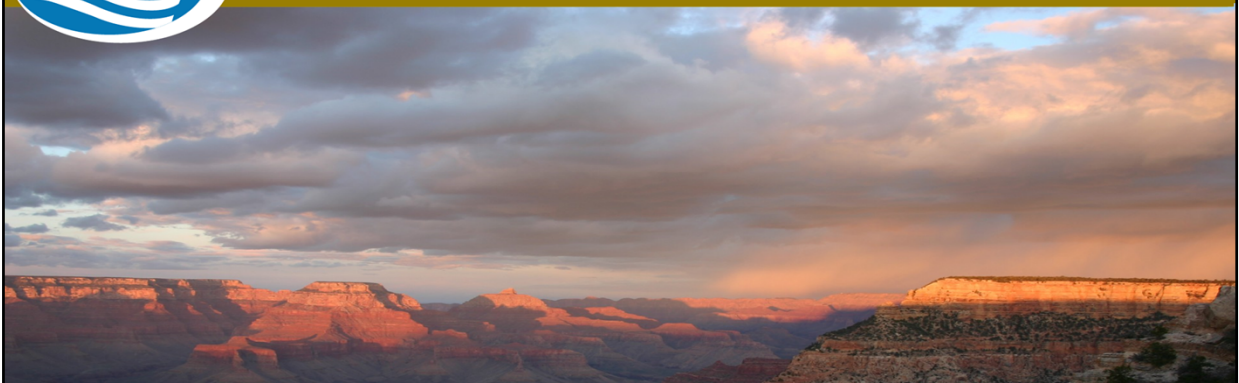




# Sacramento Regional Guidance – How to Achieve Compliance Participant Guide



## National Indian Gaming Commission



### Sacramento Regional Guidance – How to Achieve Compliance

NIGC Regional Staff

#### KEY POINTS

##### Introduction of Region Staff:

Eric Schalansky, Region Director

KeriAnne Delabra, Senior Compliance Officer

Angela Eutsler, Administrative Specialist

Michelle Gomez, Auditor, Temecula

Francisco Hernandez, Senior Compliance Officer, Temecula

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## Course Outline

- National/Regional Statistics
- Audit
- Compliance
- Tribal

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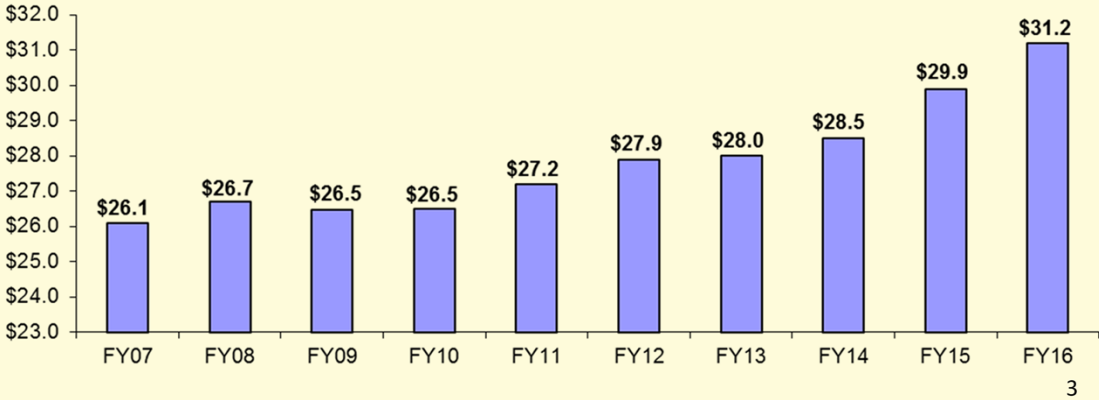
KEY POINTS

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## GGR Trending

**GGR broke the \$30 billion mark for the first time and hit a record high of \$31.2 billion in FY2016.**



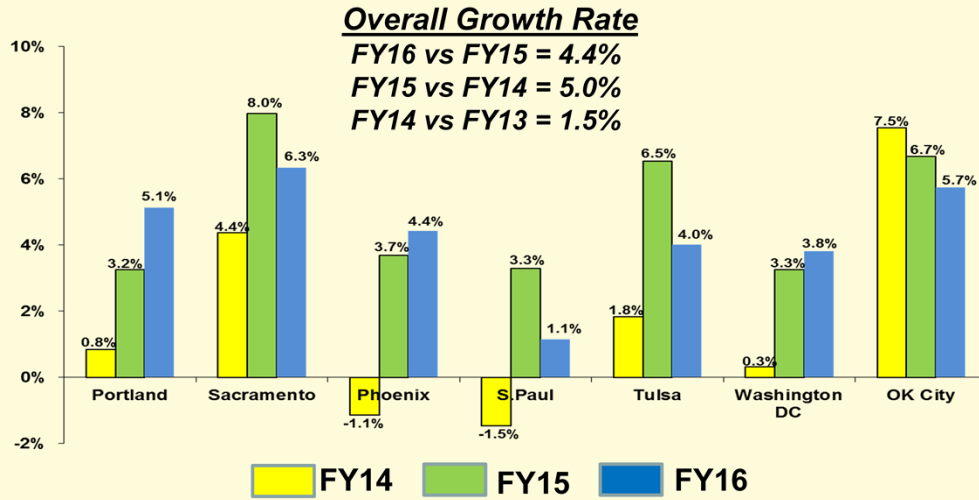
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### KEY POINTS

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## GGR Growth Rate By Region



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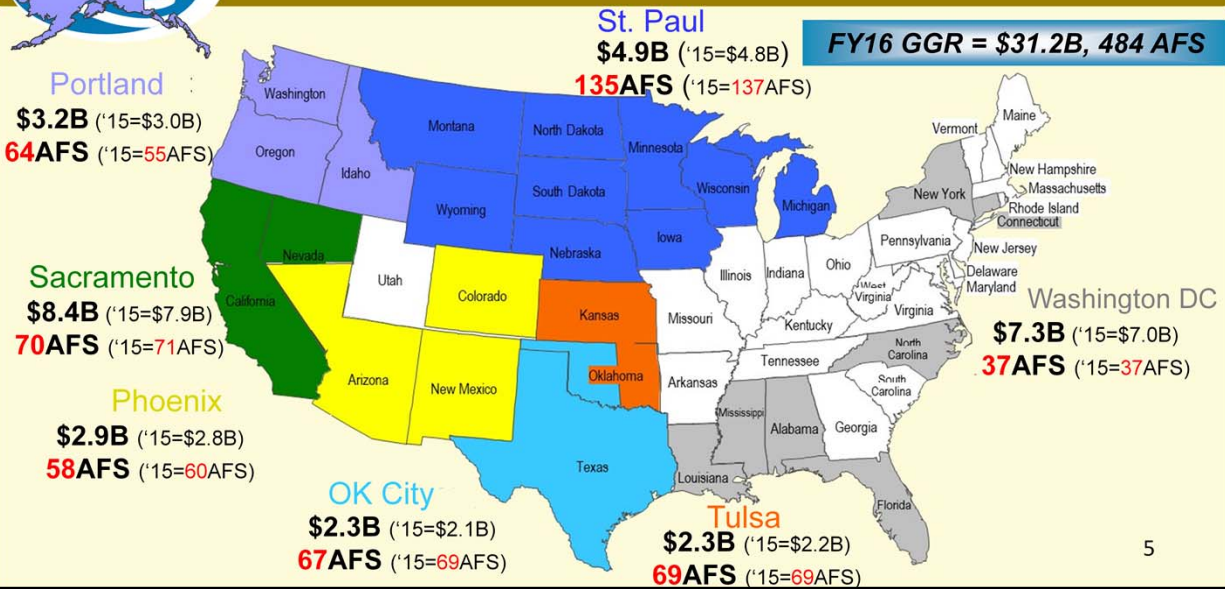
### KEY POINTS

Sacramento Region has seen its third year of positive growth.... at 8.0%5.7% from 2.1 billion in 2015 to 2.3 billion in 2016.

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## NIGC FY16 GGR Distribution Map



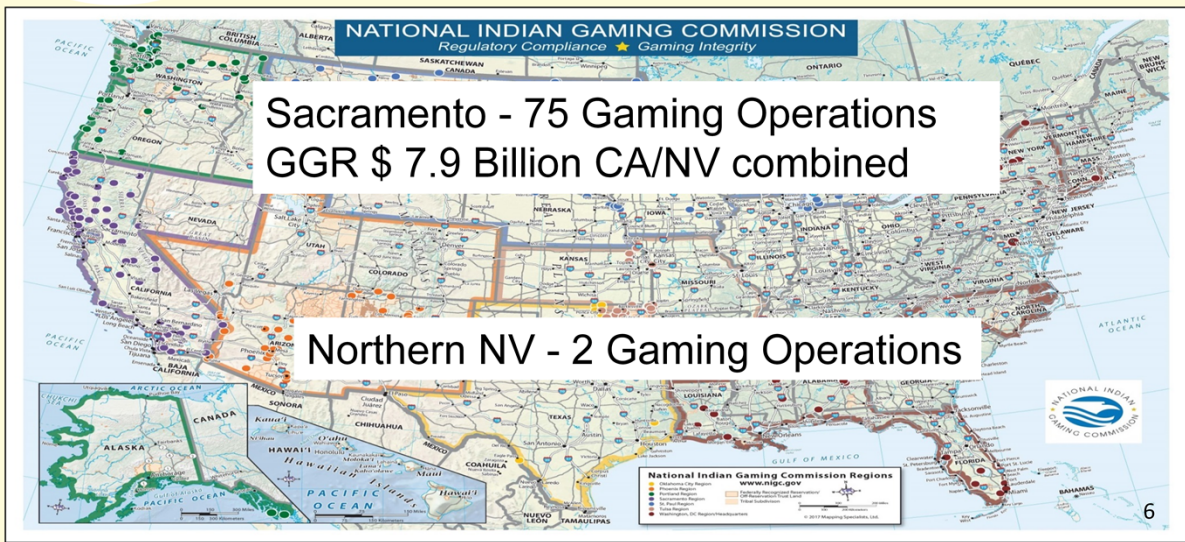
### KEY POINTS



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## Regional Statistics



### KEY POINTS



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## Financial Statistics

### Industry

- GGR \$31.2
- P/M 38%
- D/E 83%
- Current Ratio 1.21
- ROA .42

### SAC Region

- 26.9% of total
- 40%
- 147%
- 0.95
- .45



### KEY POINTS

Comparison of the financial ratios for the industry compared to the region. Define and Discuss each ratio and show what the industry average is compared to the regional average. SAC accounts for 26.9% of total industry GGR Profit Margin (PM) Debt to Equity (D/E) remind audience that this is just averages and doesn't speak to any one facility additionally this taken as whole can just show how you compare to the industry.

- Profit Margin (P/M) = Net income / Total Revenue
- Debt-to-Equity Ratio (D/E) = Total debt / Total Equity
- Current Ratio = Current Assets / Current Liabilities
  - Another way to look at it: Working Capital = Current Assets – Current Liabilities
  - Average Working Capital = (92,351,329)/70 = (\$1,319,305) Negative!
- Return on Assets (ROA) = Net income / Total Assets

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## Licensing Summary

- FY2017 Summary:
- A very busy year for Sacramento Region  
67,953 Background and licensing actions  
taken.



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### KEY POINTS

- The Sacramento Region Office has daily communication with the TGRA regarding licensing due to the tremendous number of licensing actions being initiated by the Region tribes and NIGC each day.
- The Region Office values the cooperation we receive from the tribes.

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## Licensing Actions Taken

- Of the 67,953:
- 24,371 Fingerprints disseminated to TGRA
- 14,022 NORs received from TGRA
- 17,852 IOLs received from TGRA

4/4/2018

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KEY POINTS

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## Licensing Summary (con't)

- 192 Deficiency Letters sent to TGRA
- 99 Revocations received from TGRA
- 11,417 individuals received a No Objection from NIGC

4/4/2018

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### KEY POINTS

- Once in awhile the TGRA will receive a Deficiency Letter describing the exact reason a NOR was returned for further work.
- The most common reasons include:
  - Missing information
  - Missing date of hire
  - Incomplete
  - Decisions not indicated

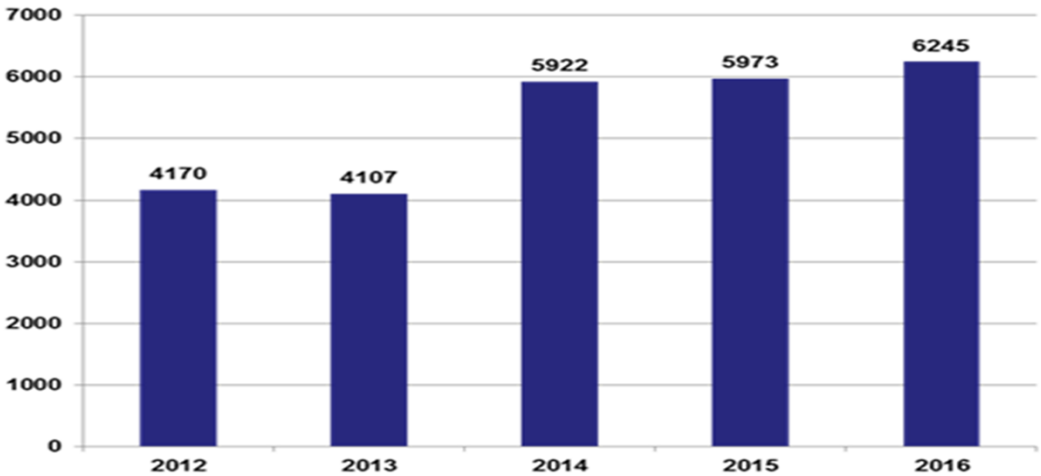


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## Overall MICS Exceptions

**MICS Exceptions for Indian Gaming**



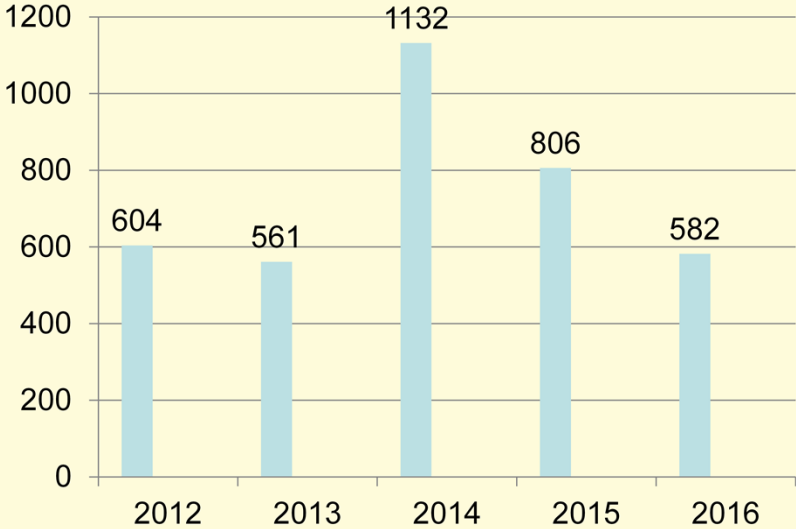
**KEY POINTS**

This is the total MICS exception as reported in the Agreed Upon Procedures for Indian Gaming.

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## SAC Region Exceptions



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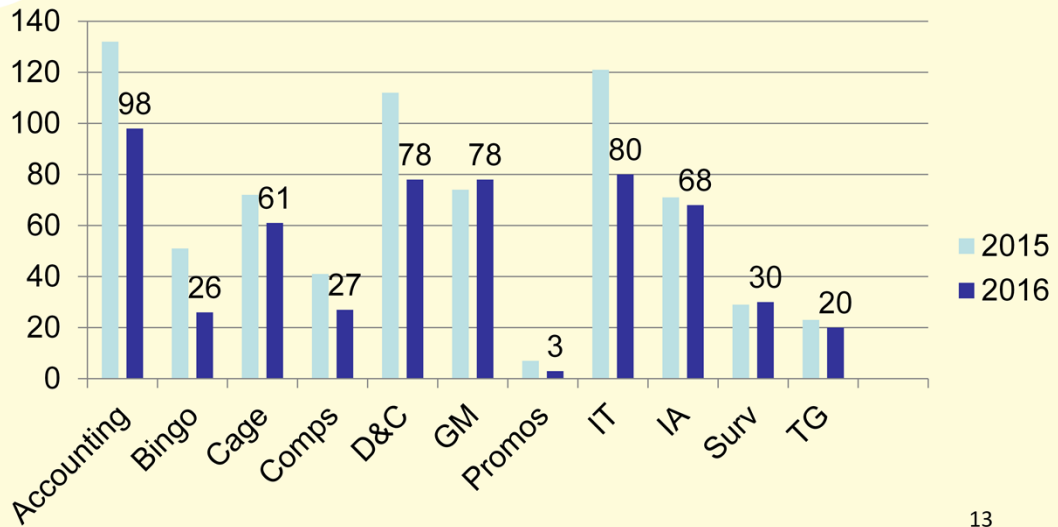
**KEY POINTS**

Decrease of 72% which is the largest decrease of any region.

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## Regional Breakdown



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### KEY POINTS

- 582 is the total number of findings for the SAC region as reported in last years AUP's.
- 806 represents 2015 AUP numbers. The decrease from 2015 to 2016 was 226.

**This is the only region that saw a decrease from 2015 to 2016 in the amount of AUP findings can anyone take a guess as to why?**  
**SAC** accounts for less than 10% of the total findings for the industry (Indian Gaming) (and is the lowest of all the regions).

- It should be noted this is a representation as a whole and not an indication of compliance by individual property.
- Commissions should look at and evaluate compliance based on your individual property and should include AUP's and Internal Audit findings.
- The intent of this slide is for you to look at the high risk areas and ask yourself is our property in this category?

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## Audit Issues

### Issue

- Auditing Revenue 543.24(d)(10)(i)
- (d) Controls must be Established/Procedures Implemented
- (10) Inventory
- (i) monthly verify receipt, issuance and use of controlled inventory (e.g., bingo cards, pull tabs, playing cards, keys and forms...

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#### KEY POINTS

**This is the most common finding of all the findings in the SAC Region.**

Standard is 543.24(d)(10)(i): g) (d) Controls must be established and procedures implemented to audit of each of the following operational areas

(10) *Inventory*.

(i) At least monthly, verify receipt, issuance, and use of controlled inventory, including, but not limited to, bingo cards, pull tabs, playing cards, keys, pre-numbered and/or multi-part forms.

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## Activity



### Audit Issue: 543.24(d)(4)(ii)(a)

1. Work together and discuss and identify the standard provided determine what is required of the TGRA and Casino Operations
2. Write down what the intent of the standard is?
3. Prepare to discuss.

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#### KEY POINTS

Activity #1 Regional Guidance How to Achieve Compliance

Group Work

TIME: 45 minutes

#### Supplies: (per group)

- Activity #1 Regional Guidance How to Achieve Compliance worksheet

#### Instructions

1. Work together with people at your table to discuss and identify the standard that is provided.
2. Determine what is required of the TGRA and Casino Operations and who is required to do it.
3. Write down the intent of the standard.
4. Prepare to discuss.

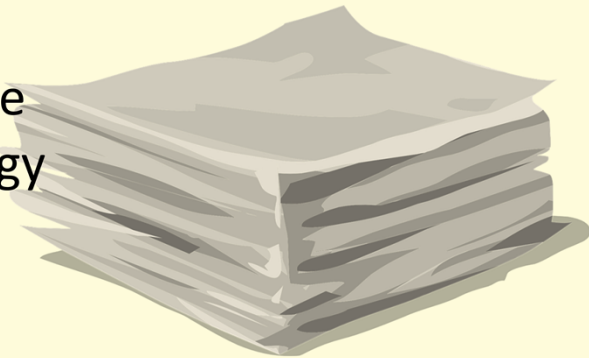


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## Top 20 Findings for OKC Region

- Acct/Auditing Revenue
- Information Technology
- Drop and Count
- Gaming Machines
- Cage



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### KEY POINTS

See the handout in your participant guide that provides a list of the top 20 findings for your region.

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## Compliance Issues

### Issue

- *Misapplication in the Designation of Key Employees and Primary Management Officials*
- 25 CFR § 502.14 Key Employee;
- 25 CFR § 502.19 Primary Management Officials

### How to Achieve Compliance

- *Employees of the gaming operation only.*
- *Avoid using the NIGC to license employees who are not employees of the gaming operation. Use alternate sources such as state or local criminal justice agencies*

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#### KEY POINTS

**Recommendation:** Key Employee - § 502.14(a)-(d). § 502.14(d) Any other person designated by the tribe as a key employee.  
Primary Management Official - 25 CFR § 502.19 (a)-(d). 502.19 (d) Any other person designated by the tribe as a primary management official. Defined or designation in tribal gaming ordinance; or tribal-state gaming compact.

# Sacramento Regional Guidance – How to Achieve Compliance Participant Guide



## Compliance Issues

### Issue

- *Misuse of IOLs*
- *25 CFR § 558.3 (d) (1) (n) (2)*

### How to Achieve Compliance

- *TGRA decisions for Not License by Tribe and Denials must be submitted on a NOR*
- *Revocations should be submitted on a NOR*

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KEY POINTS

# Sacramento Regional Guidance – How to Achieve Compliance Participant Guide



## Compliance Issues

### Issue

- *Quarterly statements to be reconciled with tribe's audited or reviewed financial statements for each gaming operation. Any exceptions to the reconciliation rule?*
- 25 CFR § 514.6 (e) Fee Reconciliation

### How to Achieve Compliance

- *Reconciled with audited or reviewed financial statements*
- *For items not on Financial Statement, (i.e., cost of structures) use General/Sub ledgers*

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#### KEY POINTS

**Recommendation:** 25 CFR § 514.6 (g) As required by part 571 of this chapter, quarterly statements must be reconciled with a tribe's audited or reviewed financial statements for each gaming location. These reconciliations must be made available upon the request of any authorized representative of the NIGC. Failure to reconcile can cause either over or under payments of fees.

# Sacramento Regional Guidance – How to Achieve Compliance Participant Guide



## Compliance Issues

### Issue

- *Develop and implement adequate TICS / SICS for each gaming operation.*
- 25 CFR § 543.3 Tribal Internal Controls (TICS) & System of Internal Controls (SICS).

### How to Achieve Compliance

- *Develop the TICS and SICS yourself or by going to tribes that have fully operating TICS and SICS and inquiring about how reviewing those controls.*

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#### KEY POINTS

**Recommendation:** 25 CFR § 543.3 (b) TICS. TGRAs must ensure that TICS are established and implemented that provide a level of control that equals or exceeds the applicable standards set forth in this part. (c) SICS. Each gaming operation must develop a SICS, as approved by the TGRA, to implement the TICS. (2) *New gaming operations.* All gaming operations that commence operations after the effective date of this part must comply with this part before commencement of operations.

# Sacramento Regional Guidance – How to Achieve Compliance Participant Guide



## Compliance Issues

### Issue

- *Completion of annual internal audits for each gaming operation.*
- 25 CFR § 543.23 (c)  
Internal audits

### How to Achieve Compliance

- *Develop charter.*
- *Work with your Internal Auditor or contracted outside independent audit firm to conduct the IA periodically throughout the fiscal year, department by department.*

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#### KEY POINTS

**Recommendation:** 25 CFR § 543.23(c) 1) Internal auditor(s) perform audits of each department of a gaming operation, at least annually, to review compliance with TICS, SICS, and these MICS, which include at least the following areas: (4) Documentation such as checklists, programs, reports, etc. is prepared to evidence all internal audit work and follow-up performed as it relates to compliance with TICS, SICS, and these MICS, including all instances of noncompliance. (6) All material exceptions identified by internal audit work are investigated and resolved and the results are documented. (7) Internal audit findings are reported to management, responded to by management stating corrective measures to be taken, and included in the report delivered to management, the Tribe, TGRA, audit committee, or other entity designated by the Tribe for corrective action.

(8) Follow-up observations and examinations is performed to verify that corrective action has been taken regarding all instances of non-compliance. The verification is performed within six (6) months following the date of notification of non-compliance.

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## Compliance Issues

### Issue

- *Conduct an investigation sufficient to make eligibility determination*
- 25 CFR § 556.5 Tribal eligibility determination

### How to Achieve Compliance

- *Verification and Confirmation of all material in the application and further information you develop during both processes.*

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#### KEY POINTS

##### **§556.5 Tribal eligibility determination.**

A tribe shall conduct an investigation sufficient to make an eligibility determination. (a) To make a finding concerning the eligibility of a key employee or primary management official for granting of a gaming license, an authorized tribal official shall review a person's: (1) Prior activities; (2) Criminal record, if any; and (3) Reputation, habits, and associations.

(b) If the authorized tribal official, in applying the standards adopted in a tribal ordinance, determines that licensing of the person poses a threat to the public interest or to the effective regulation of gaming, or creates or enhances the dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming, an authorizing tribal official shall not license that person in a key employee or primary management official position

**Recommendation:** Recommend verifying information provided by applicant including; previous employment and personal references. Include negative information to help made eligibility determination.

# Sacramento Regional Guidance – How to Achieve Compliance Participant Guide



## Compliance Issues

### Issue

- *Timely submission of background investigation and notices of results on Key Employees and Primary Management Officials; and gaming license eligibility. TGRA must submit the NOR **before** an IOL is submitted to NIGC*
- 25 CFR § 558.3 Notification to NIGC

### How to Achieve Compliance

- *The NIGC Compliance Officer conducting a site visit will provide technical assistance if it is determined to be occurring.*
- *Review your TGO to determine if there is a clause requiring the TGRA to wait for a No Objection Letter from NIGC.*
- *Develop accountability log for each part of the process.*

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#### KEY POINTS

**Recommendation:** 25 CFR §556.6(b)(2) Submit a notice of results of the applicant's background investigation to the Commission no later than sixty (60) days after the applicant begins work. After a tribe has provided a notice of results (NOR) to the NIGC, a tribe may license a primary management official or key employee (§558.3(a)). The NIGC shall provide result of review within 30 days of NOR received (§558.2(b)&(c)). A casino shall not employ a key employee or primary management official who does not have a license after ninety (90) days (§558.3(c)). If a tribe does not license an applicant, the tribe shall notify the Commission in accordance with §558.3 (1)&(2).



# Sacramento Regional Guidance – How to Achieve Compliance Participant Guide



## Compliance Issues

### Issue

- *Accompanying attestation with all facility license submissions and language meets regulation requirements. Usually the responsibility of the TGRA.*
- 25 CFR § 559.4  
Notification to NIGC

### How to Achieve Compliance

- *Develop a process to ensure that when the facility license is renewed that the attestation is also submitted.*
- *Use previous attestations that may be in file.*
- *Contact other TGRA that may share the language they have used.*
- *Contact NIGC for assistance.*

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#### KEY POINTS

**Recommendation:** 25 CFR § 559.4 A tribe shall submit to the Chair with each facility license an attestation certifying that by issuing the facility license, the tribe (TGRA) has determined that the construction and maintenance of the gaming facility, and the operation of that gaming, is conducted in a manner which adequately protects the environment and the public health and safety. This means that a tribe has identified and enforces laws, resolutions, codes, policies, standards or procedures applicable to each gaming place, facility, or location that protect the environment and the public health and safety, including standards, under a tribal-state compact or Secretarial procedures.

Austin?

# Sacramento Regional Guidance – How to Achieve Compliance Participant Guide



## Compliance Issues

### Issue

- *Receipt of a NIGC Letter of Concern solve Issue of Non-Compliance*
- *25 CFR §573.2 Letter of Concern*

### How to Achieve Compliance

- *In 2017 Sacramento Region issued 2 LoC.*
- *The first step in the enforcement process.*
- *NIGC and the TGRA have identified a compliance issue and the TGRA will develop a plan to correct the issue.*
- *NIGC will provide TA and monitor compliance progress.*

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#### KEY POINTS

**Recommendation:** This is the main point that will be talked about With respect to letter of concern what is our guidance to the TRIBES if they receive one what do we want them to do? This needs to be laid out to them. Additionally, what is our escalation process. 573.2(c) A letter of concern issued under paragraph (a) of this section must provide a time period for the respondent to respond. If the letter of concern is resolved without enforcement action, NIGC staff may send an investigation completion letter pursuant to §571.4 of this chapter.

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## Compliance Issues

### Issue

- 25 CFR § 571.13(a) - Submission of Financial Statements and Audits

### Intent

*Timely submission of comparative financial statements covering all financial activities of each class II and class III gaming operation on the tribe's Indian lands for each fiscal year, in accordance with §571.12*

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#### KEY POINTS

**Recommendation:** What is our recommendation here i.e., TGRA's along with the operations designated representative should ensure that the whomever is designated to submit audited financials to the NIGC it is done within 120 days of the end of the fiscal year. In the event that the CPA firm submits to the NIGC it is still the responsibility of the tribe to ensure that we have received them.

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## Tribal Issues

4/4/2018

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### KEY POINTS

# Sacramento Regional Guidance – How to Achieve Compliance Participant Guide



## Questions?

NIGC Training Division  
Training@nigc.gov



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KEY POINTS

# Sacramento Regional Guidance – How to Achieve Compliance Participant Guide



## Course Evaluation

- Provide an honest assessment of your experience
- Written suggestions and comments are greatly appreciated and allow us to improve your experience



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### KEY POINTS

# Sacramento Regional Guidance – How to Achieve Compliance Participant Guide

## Regional Guidance Course Evaluation

When survey is active, respond at [PolleEv.com/nigc](https://www.polleverywhere.com/nigc)

0 surveys done

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### KEY POINTS

Poll Title: Regional Guidance Course Evaluation  
<https://www.polleverywhere.com/surveys/W2pH9SJPI>



# Activity #1 Regional Guidance How to Achieve Compliance

## Instructions

1. Work together with people at your table to discuss and identify the standard that is provided.
2. Determine what is required of the TGRA and Casino Operations and who is required to do it.
3. Write down the intent of the standard.
4. Prepare to discuss.

### §543.24 What are the minimum internal control standards for auditing revenue?

(d) Controls must be established and procedures implemented to audit of each of the following operational areas:

(4) *Gaming promotions and player tracking.*

(ii) At least monthly, for computerized player tracking systems, perform the following procedures:

(A) Review authorization documentation for all manual point additions/deletions for propriety;

#### 1. Review the standard what is required who has to do what?

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#### 2. What is the Intent of this standard?

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#### 3. Who is responsible for ensuring this standard is met?

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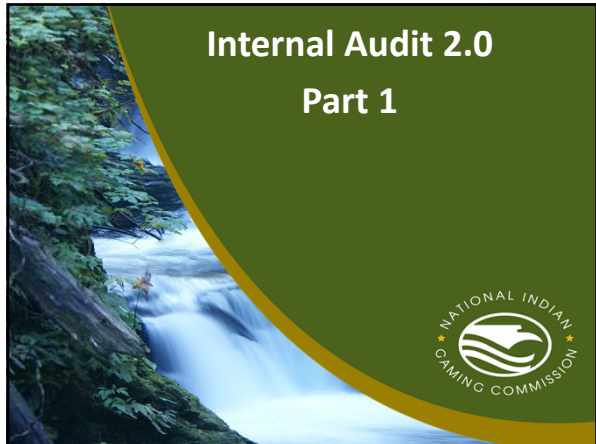


Fake Casino  
Statements of Net Position  
September 30, 2017 and 2016

|   | <u>2017</u>                 | <u>2016</u>                 |
|---|-----------------------------|-----------------------------|
| <b><u>Assets</u></b>  |                             |                             |
| Current assets  |                             |                             |
| Cash  | \$ 1,900,700                | \$ 2,004,600                |
| Accounts receivable, net                                    | 410,500                     | 160,500                     |
| Inventory   | 222,200                     | 189,000                     |
| Due from Other Casino                                       | 3,570,000                   | 3,000,300                   |
| Prepaid expenses  | 480,000                     | 375,000                     |
| Total current assets  | <u>\$ 6,583,400</u>         | <u>\$ 5,729,400</u>         |
| Capital assets, net   | <u>\$ 14,830,000</u>        | <u>\$ 15,590,500</u>        |
| Other assets  |                             |                             |
| Restricted cash and cash equivalents                        | 960,000                     | 1,160,600                   |
| Total other assets  | <u>960,000</u>              | <u>1,160,600</u>            |
| <b>Total assets</b>   | <u><u>\$ 22,373,400</u></u> | <u><u>\$ 22,480,500</u></u> |
| <b><u>Liabilities and deferred inflows of resources</u></b> |                             |                             |
| Current liabilities   |                             |                             |
| Accounts payable  | \$ 1,950,000                | \$ 1,799,600                |
| Accrued expenses  | 430,000                     | 860,400                     |
| Gaming liabilities  | 470,000                     | 584,000                     |
| Due to Other Casino   | 120,400                     | 260,000                     |
| Current portion of long-term debt                           | 856,100                     | 2,050,800                   |
| Total current liabilities                                   | <u>\$ 3,826,500</u>         | <u>\$ 5,554,800</u>         |
| Long-term liabilities                                       |                             |                             |
| Long-term debt, net of current portion                      | 3,450,200                   | 2,906,300                   |
| Total long-term liabilities                                 | <u>3,450,200</u>            | <u>2,906,300</u>            |
| <b>Total liabilities</b>                                    | <u><u>\$ 7,276,700</u></u>  | <u><u>\$ 8,461,100</u></u>  |
| Deferred inflows of resources                               |                             |                             |
| Deferred placement fees                                     | 155,000                     | 230,400                     |
| <b>Total deferred inflows of resources</b>                  | <u>155,000</u>              | <u>230,400</u>              |
| <b><u>Net position</u></b>                                  |                             |                             |
| Net investment in capital assets                            | \$ 11,550,400               | \$ 10,800,200               |
| Restricted for loan guarantee                               | 940,800                     | 1,311,000                   |
| Unrestricted  | 2,450,500                   | 1,677,800                   |
| <b>Total net position</b>                                   | <u><u>\$ 14,941,700</u></u> | <u><u>\$ 13,789,000</u></u> |

# AUD-122 Internal Audit 2.0





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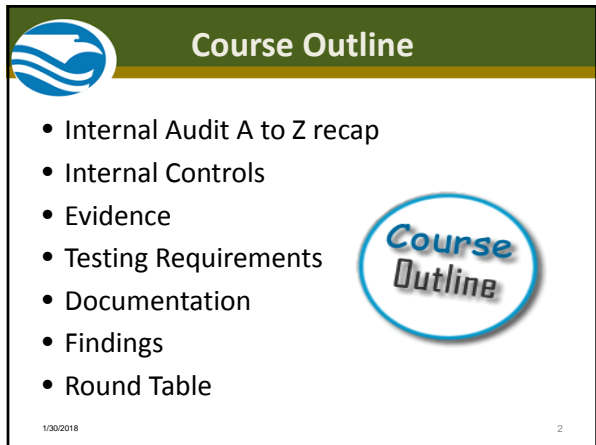
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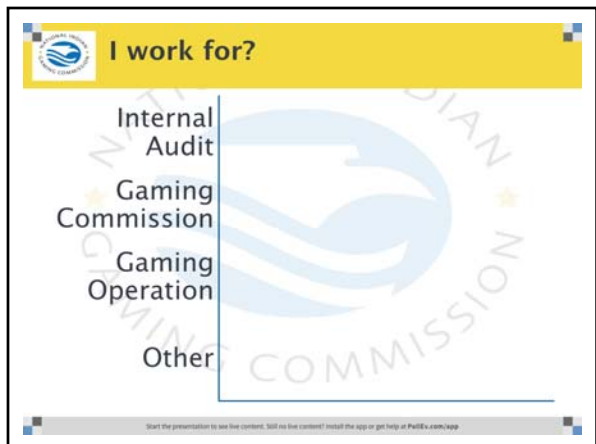
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 **I took the NIGC IA: A to Z Workshop?**

Yes  
No  
Huh?



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 **Review**

Independent Purpose  
Fundamentals  
Regulations Ethics

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 **Review**

Development & Planning

*Let's Recap*

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 **Review**

| Performance      |          |
|------------------|----------|
| Gathering Data   | Sampling |
| Audit Procedures | Testing  |

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 **Sampling Bonus**

Audit tools: determine sample dates and choose dates based on sample size

- [Random.org/calendar-dates/](http://Random.org/calendar-dates/)
- `=randbetween(date(2017,1,1), date(2017,3,31))`

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 **Review**

*Exit Meeting*  
*Final Report*  
*Follow-Up*



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 **Exercise #1 – Handout 1**

Take a few minutes and create a flowchart of the drop process



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 **Break**



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 **Drop and Count Checklist**

- As part of this training, we will review Drop and Count to apply what we are learning.

|   | Yes | No  | W/P Ref | Standard     | Comments |
|---|-----|-----|---------|--------------|----------|
| <b>(b) Count room access</b>  |     |     |         |              |          |
| 2 Are controls established and procedures implemented to limit physical access to the count room to count team agents, designated staff, and other authorized persons, to include the following:<br>Are count team agents restricted from exiting or entering the count room during the count except for emergencies or scheduled breaks? | --- | --- | ---     | 543.17(b)(1) |          |

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 **Exercise 2 - Handout #2**

- On the checklist determine the testing requirements for the following questions:
- #10, #75, #93 and #141



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 **Internal Controls**



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 **Internal Controls**



When might it be necessary to modify audit procedures?

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 **Internal Controls**



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 **Do all count team agents sign the count sheet attesting to their participation in the count? Which is the least appropriate?**

Inquiry  
Examine the count sheet  
Observe the process

Start the presentation to see live content. Get no live content! Install the app or get help at [PAISL.com/app](http://PAISL.com/app)

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 **Exercise #3 - Handout #2**

- Revisit the testing requirements for the following questions:
- #10, #75, #93 and #141



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**Evidence**

- Appropriateness
  - Quality of evidence
- Sufficiency
  - Quantity of evidence



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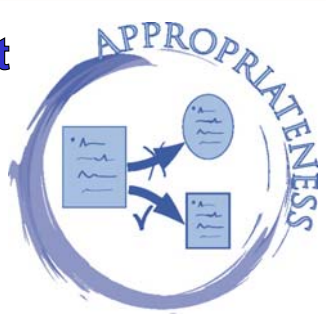
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**Evidence**

**Relevant**

**Valid**

**Reliable**



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**Evidence**

**General Reliability**

|           |           |                  |
|-----------|-----------|------------------|
| More      | Less      |                  |
| Effective | Controls  | Weak/nonexistent |
| Direct    | Testing   | Indirect         |
| Originals | Documents | Copies           |

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**Evidence**

**General Reliability**

More Less

Speak freely Testimonials Intimidated

Unbiased/direct Testimonials Biased/partial

Third Party Evidence obtained Direct interest

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**Evidence**

**SUFFICIENCY**

Quantity

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**Testing Requirements**

**Inquiry**



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 **Testing Requirements**

Inquiry

- Consider knowledge, objectivity, experience, responsibility, and qualifications of those being questioned
- Ask clear, concise, and relevant questions
- Use open or closed questions as appropriate
- Listen actively and effectively
- Consider reactions and responses
- Ask follow-up questions
- Evaluating the response

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 **Testing Requirements**

**INQUIRY**  
**RESPONSES**



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 **Group Work**

- With your group, come up with questions for testing Drop & Count checklist

**INQUIRY**

Inquiry alone is not sufficient to test the operating effectiveness of controls

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 **Questions**



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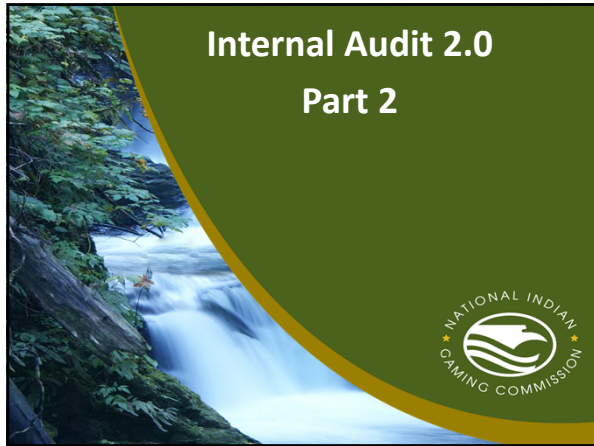
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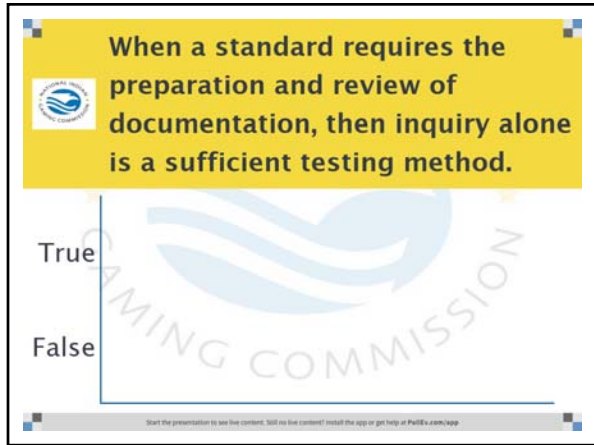
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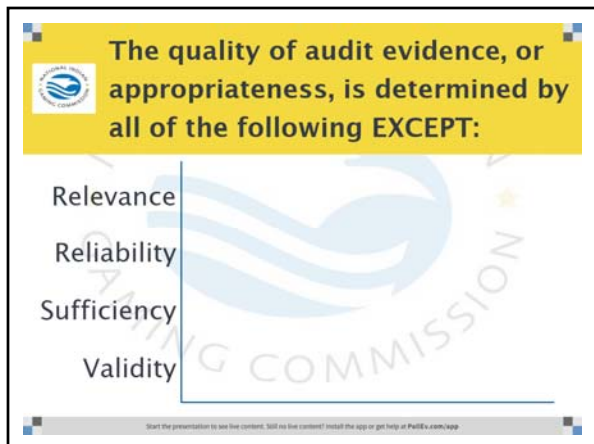
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 **Session Outline**

- Testing Requirements
- Documentation
- Findings
- Round Table



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 **Testing Requirements**



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 **Exercise #1 – Handout 3 & 4**

**Break into groups, working together read each scenario, and identify the issue(s) and locate the corresponding Minimum Internal Control Standard(s). Then write a finding and include a recommendation.**



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 **Scenario #1**



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 **Scenario #2**

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 **Testing Requirements**

Inspection of Records or Documents

- Provides evidence of reliability
- Nature and source affirms or supports effectiveness of controls over their production



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### Exercise #2 – Handout 3 & 4

Identify the issue(s) and locate the corresponding Minimum Internal Control Standard(s). Then write a finding and include a recommendation.



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### Scenario #3

Look at scenario #3 and review the Count Team work schedule (you received copies for 2 months) provided by the Count Manager.

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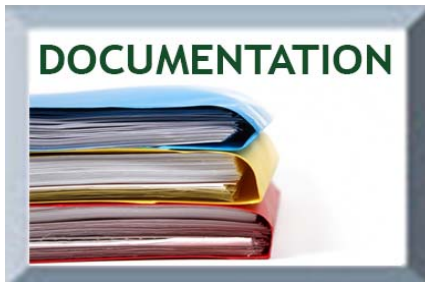
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### Documentation



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 **The five elements of a finding are?**

Criteria, Condition, Cause, Element, Recommendation

Objective, Condition, Cause, Element, Recommendation

Criteria, Condition, Cause, Effect, Recommendation

Objective, Condition, Cause, Effect, Recommendation

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 **Findings**



**CRITERIA**

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 **Findings**

Condition

- The situation that exists
- Determined and documented during the audit



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### Condition Exercise Example

Review of inventory documents for last inventory performed (Oct. 2017). There are four separate inventory documents that account for the drop and count keys. There is a inventory sheet for the keys in the Electronic Key box for GM Drop and count keys. There are 2 inventory sheets for duplicate keys in the safe. The safe is located in the Key Tech's office. It has a dual lock to be opened. A key tech and a Security supervisor are present to open the safe.

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### Condition Exercise Example

There are duplicate GM drop and count keys in the safe as well as duplicate override keys for the Elec. Key box. The drop and count keys recorded on these sheets agreed to the actual number in the safe and in the Elec. Key Box. However, since the inventory is not maintained in a perpetual manner, I am unable to determine if these logs are updated as keys are added or removed or if the logs are updated only at the quarterly inventory. The Key Tech also maintained a document that accounted for the destruction of keys on July 3rd, 2017. According to the Key tech, this is the only destruction of keys completed since the casino opened in 2015.

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### Findings

#### Cause

- Identifies reason or explanation for condition



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## Findings

**Effect or potential effect**

- Establishes impact or potential impact of difference between condition and criteria
- Identifies consequences of the condition
- May be used to demonstrate the need for corrective action to identified problems or risks

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## Finding Example

Based on inquiry and review of supporting documentation, it was determined the inventory of all count room, gaming machine and table games drop box release, storage rack and contents keys performed quarterly is not reconciled to records of keys made, issued, and destroyed. Because these records are not utilized as part of the inventory process, the gaming operation is unable to properly identify unaccounted for keys to determine whether investigations should be performed with the investigation being documented.

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## Finding Example

In addition, we were unable to verify if the gaming operation is aware of exactly how many keys they should currently have on-hand based on records of keys made, received from vendors, and destructions. Performing an effective quarterly key inventory including reconciliation to appropriate records is critical for the gaming operation for accountability purposes and to identify possible risk exposure and misappropriation of sensitive keys

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### Example

- Recommendation:
- It is the recommendation of the NIGC that gaming operation personnel review all records of sensitive keys to determine how many keys should be currently on-hand and perform a physical inventory to confirm their presence at the casino.

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### Example

In addition, the gaming operation should establish and maintain a perpetual inventory of sensitive keys with updates based on documentation of keys made, issued, and destroyed. The perpetual inventory should then be used as the basis for the performance of the quarterly physical inventory process.

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### Exercise #3



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 **Group Work**

**In your groups discuss the issue we have given your group. Discuss possible solutions and write it on the paper we have given you.**

**Choose a speaker to present your issue and solutions to the class.**

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 **Inquiries**

- [Audit\\_MICS\\_inquiry@nigc.gov](mailto:Audit_MICS_inquiry@nigc.gov)

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## Handout #1 – Flowchart

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In the area below create a flowchart of the drop process:

## Handout #2

### Audit Checklist

#### § 543.17 - Drop and Count

|   | Yes | No | W/P<br>Ref | Standard     | Comments |
|---|-----|----|------------|--------------|----------|
| <b>(b) Count room access</b>  |     |    |            |              |          |
| 2   |     |    |            | 543.17(b)(1) |          |
| Are controls established and procedures implemented to limit physical access to the count room to count team agents, designated staff, and other authorized persons, to include the following:                        |     |    |            |              |          |
| Are count team agents restricted from exiting or entering the count room during the count except for emergencies or scheduled breaks?   |     |    |            |              |          |
| 3   |     |    |            | 543.17(b)(2) |          |
| Are controls established and procedures implemented to limit physical access to the count room to count team agents, designated staff, and other authorized persons, to include the following:                        |     |    |            |              |          |
| Is surveillance notified whenever count room agents exit or enter the count room during the count?  |     |    |            |              |          |
| 4   |     |    |            | 543.17(b)(3) |          |
| Are controls established and procedures implemented to limit physical access to the count room to count team agents, designated staff, and other authorized persons, to include the following:                        |     |    |            |              |          |
| Does the count team policy, at a minimum, address the transportation of extraneous items such as personal belongings, tool boxes, beverage containers, etc., into or out of the count room?                           |     |    |            |              |          |
| <b>(c) Count team</b>   |     |    |            |              |          |
| 5   |     |    |            | 543.17(c)(1) |          |
| Are controls established and procedures implemented to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud, to include the following: |     |    |            |              |          |
| For Tier A and B operations, are all counts performed by at least two agents?   |     |    |            |              |          |

## Handout #2

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- |    |  |       |       |       |              |
|----|--|-------|-------|-------|--------------|
| 6  | Are controls established and procedures implemented to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud, to include the following:<br><br>For Tier C operations, are all counts performed by at least three agents?   | _____ | _____ | _____ | 543.17(c)(1) |
| 7  | Are controls established and procedures implemented to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud, to include the following:<br><br>For Tier A and B operations, during the count are there at least two count team agents in the count room until the drop proceeds have been accepted into cage/vault accountability?   | _____ | _____ | _____ | 543.17(c)(2) |
| 8  | Are controls established and procedures implemented to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud, to include the following:<br><br>For Tier C operations, during the count are there at least three count team agents in the count room until the drop proceeds have been accepted into cage/vault accountability?   | _____ | _____ | _____ | 543.17(c)(2) |
| 9  | Are controls established and procedures implemented to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud, to include the following:<br><br>For Tier A and B operations, are count team agents rotated on a routine basis such that the count team is not consistently the same two agents more than four days per week? (This standard does not apply to gaming operations that utilize a count team of more than two agents). | _____ | _____ | _____ | 543.17(c)(3) |
| 10 | Are controls established and procedures implemented to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud, to include the following:  | _____ | _____ | _____ | 543.17(c)(3) |
-



## Handout #2

For Tier C operations, are count team agents rotated on a routine basis such that the count team is not consistently the same three agents more than four days per week? (This standard does not apply to gaming operations that utilize a count team of more than three agents).

|    |  |                                  |              |
|----|--|----------------------------------|--------------|
| 11 | <p>Are controls established and procedures implemented to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud, to include the following:</p> <p>Are functions performed by count team agents rotated on a routine basis?</p> | <p>___</p> <p>___</p> <p>___</p> | 543.17(c)(4) |
|----|--|----------------------------------|--------------|

|    |  |                                  |              |
|----|--|----------------------------------|--------------|
| 12 | <p>Are controls established and procedures implemented to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud, to include the following:</p> <p>Are count team agents independent of the department being counted? (A cage/vault agent may be used if they are not the sole recorder of the count and do not participate in the transfer of drop proceeds to the cage/vault. An accounting agent may be used if there is an independent audit of all count documentation.)</p> | <p>___</p> <p>___</p> <p>___</p> | 543.17(c)(5) |
|----|--|----------------------------------|--------------|

**(e) Player interface and financial instrument storage component drop standards**

|    |  |                                  |              |
|----|--|----------------------------------|--------------|
| 24 | <p>Is surveillance notified when the drop is to begin so that surveillance may monitor the activities?</p> | <p>___</p> <p>___</p> <p>___</p> | 543.17(e)(1) |
|----|--|----------------------------------|--------------|

|    |   |                                  |              |
|----|---|----------------------------------|--------------|
| 25 | <p>Are at least two agents involved in the removal of the player interface storage component drop (at least one of whom is independent of the player interface department)?</p> | <p>___</p> <p>___</p> <p>___</p> | 543.17(e)(2) |
|----|---|----------------------------------|--------------|

|    |  |                                  |              |
|----|--|----------------------------------|--------------|
| 26 | <p>Are all financial instrument storage components removed only at the time previously designated by the gaming operation?</p> | <p>___</p> <p>___</p> <p>___</p> | 543.17(e)(3) |
|----|--|----------------------------------|--------------|

|    |   |                                  |              |
|----|---|----------------------------------|--------------|
| 27 | <p>Is the previously designated drop time reported to the TGRA?</p> | <p>___</p> <p>___</p> <p>___</p> | 543.17(e)(3) |
|----|---|----------------------------------|--------------|

## Handout #2

|  |  |     |     |     |                  |
|--|--|-----|-----|-----|------------------|
| 28   | If an emergency drop is required, is surveillance notified before the drop is conducted?   | ___ | ___ | ___ | 543.17(e)(3)     |
| 29   | If an emergency drop is required, is the TGRA informed within the timeframe approved by TGRA?  | ___ | ___ | ___ | 543.17(e)(3)     |
| 30   | Are the financial instrument storage components removed by an agent independent of the player interface department?  | ___ | ___ | ___ | 543.17(e)(4)     |
| 31   | Are financial instruments transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place? | ___ | ___ | ___ | 543.17(e)(4)     |
| 32   | Is security provided for the financial instrument storage components removed from player interfaces and awaiting transport to the count room?  | ___ | ___ | ___ | 543.17(e)(4)(i)  |
| 33   | Is the transportation of financial instrument storage components performed by a minimum of two agents, at least one of whom is independent of the player interface department?         | ___ | ___ | ___ | 543.17(e)(4)(ii) |
| 34   | Are all financial instrument storage components posted with a number corresponding to a permanent number on the player interface?  | ___ | ___ | ___ | 543.17(e)(5)     |
| <b>(g) Player interface financial instrument count standards</b> |  |     |     |     |                  |
| 70   | Is access to stored full financial instrument storage components restricted to:  |     |     |     |                  |
|  | Authorized members of the drop and count teams?  | ___ | ___ | ___ | 543.17(g)(1)     |
|  | (Note: In an emergency, authorized persons may be granted access for the resolution of a problem.)   |     |     |     |                  |

## Handout #2

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|    |   |     |     |     |                  |
|----|---|-----|-----|-----|------------------|
| 71 | Is the player interface financial instrument count performed in a count room or other equivalently secure area with comparable controls?  | ___ | ___ | ___ | 543.17(g)(2)     |
| 72 | Is access to the count room during the count restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel? | ___ | ___ | ___ | 543.17(g)(3)     |
| 73 | If counts from various revenue centers occur simultaneously in the count room, are procedures in effect that prevent the commingling of funds from different revenue centers?   | ___ | ___ | ___ | 543.17(g)(4)     |
| 74 | Is the count team restricted from having access to amount-in or bill-in meter amounts until after the count is completed and the drop proceeds are accepted into the cage/vault accountability?                           | ___ | ___ | ___ | 543.17(g)(5)     |
| 75 | Are count equipment and systems tested with the results documented prior to beginning the first count to ensure the accuracy of the equipment?  | ___ | ___ | ___ | 543.17(g)(6)     |
| 76 | If a currency counter interface is used:<br>Is it adequately restricted to prevent unauthorized access?   | ___ | ___ | ___ | 543.17(g)(7)(i)  |
| 77 | If a currency counter interface is used:<br>Are the currency drop figures transferred via direct communications line or computer storage media to the accounting department?  | ___ | ___ | ___ | 543.17(g)(7)(ii) |
| 78 | Are the financial instrument storage components individually emptied and counted so as to prevent the commingling of funds between storage components until the count of the storage component has been recorded?         | ___ | ___ | ___ | 543.17(g)(8)     |
| 79 | Is the count of each storage component recorded in ink or other permanent form of recordation?  | ___ | ___ | ___ | 543.17(g)(8)(i)  |

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## Handout #2

|    |   |     |     |     |                  |
|----|---|-----|-----|-----|------------------|
| 80 | Are coupons or other promotional items that are not included in gross revenue recorded on a supplemental document by the count team members or accounting personnel?  | ___ | ___ | ___ | 543.17(g)(8)(ii) |
| 81 | Are all single-use coupons cancelled daily by an authorized agent to prevent improper recirculation?  | ___ | ___ | ___ | 543.17(g)(8)(ii) |
| 82 | If currency counters are utilized:<br>Does a count team member observe the loading and unloading of all currency at the currency counter, including rejected currency?  | ___ | ___ | ___ | 543.17(g)(9)     |
| 83 | Is currency that is rejected by the currency counter counted manually twice, with the counts recorded per interface terminal as well as in total? Rejected currency must be posted to the player interface from which it was collected.         | ___ | ___ | ___ | 543.17(g)(10)    |
| 84 | Are storage components, when emptied, shown to another member of the count team, or to another agent who is observing the count, or to surveillance, provided that the count is monitored in its entirety by an agent independent of the count? | ___ | ___ | ___ | 543.17(g)(11)    |
| 85 | Are procedures implemented to ensure that any corrections to the count documentation are permanent, identifiable and that the original, corrected information remains legible?  | ___ | ___ | ___ | 543.17(g)(12)    |
| 86 | Are corrections verified by two count team agents?  | ___ | ___ | ___ | 543.17(g)(12)    |
| 87 | Is the count sheet reconciled to the total drop by a count team member who does not function as the sole recorder?<br><br>(Note: This standard does not apply to vouchers removed from the financial instrument storage components)             | ___ | ___ | ___ | 543.17(g)(13)    |
| 88 | Are count variances reconciled and documented?<br><br>(Note: This standard does not apply to vouchers removed from the financial instrument storage components)   | ___ | ___ | ___ | 543.17(g)(13)    |

## Handout #2

|    |  |     |     |     |                   |
|----|--|-----|-----|-----|-------------------|
| 89 | Do all count team agents sign the report attesting to their participation in the count?  | ___ | ___ | ___ | 543.17(g)(14)     |
| 90 | Is a final verification of the total drop proceeds performed by at least two agents before transfer to cage/vault, one of whom is a supervisory count team member and one a count team agent?<br><br>(Note: This verification does not require a complete recount of the drop proceeds, but does require a review sufficient to verify the total drop proceeds being transferred.) | ___ | ___ | ___ | 543.17(g)(15)     |
| 91 | If a counter/system is used, does final verification include a comparison of currency counted totals to the currency counter/system report?  | ___ | ___ | ___ | 543.17(g)(15)(i)  |
| 92 | Are unresolved variances documented and the documentation included with the final count record forwarded to accounting?  | ___ | ___ | ___ | 543.17(g)(15)(ii) |
| 93 | Do the two agents who perform the final verification sign the report attesting to the accuracy of the total drop proceeds verified?  | ___ | ___ | ___ | 543.17(g)(15)(iv) |
| 94 | Does final verification include turning over all drop proceeds and cash equivalents that were counted to the cage or vault cashier (who must be independent of the count team) or to an agent independent of the revenue generation and the count process for verification?  | ___ | ___ | ___ | 543.17(g)(15)(v)  |
| 95 | Does the cage/vault cashier or agent certify, by signature, the amount of the drop proceeds delivered and received?  | ___ | ___ | ___ | 543.17(g)(15)(v)  |
| 96 | Are any unresolved variances reconciled, documented, and/or investigated by accounting/revenue audit?  | ___ | ___ | ___ | 543.17(g)(15)(v)  |
| 97 | After certification by the agent receiving the funds, are the drop proceeds transferred to the cage/vault?   | ___ | ___ | ___ | 543.17(g)(16)     |
| 98 | Are the count documentation and records maintained separately from the drop proceeds being transferred to the cage/vault?  | ___ | ___ | ___ | 543.17(g)(16)(i)  |

## Handout #2

|                      |   |     |     |     |                    |
|----------------------|---|-----|-----|-----|--------------------|
| 99                   | Does the cage/vault agent verify the drop proceeds without having prior knowledge or record of the total drop proceeds?   | ___ | ___ | ___ | 543.17(g)(16)(ii)  |
| 100                  | Are all of the count records forwarded to accounting secured and accessible only by accounting agents?  | ___ | ___ | ___ | 543.17(g)(16)(iii) |
| 101                  | Does the cage/vault agent receiving the transferred drop proceeds assume accountability of the funds by signing the count sheet, thereby ending the count?  | ___ | ___ | ___ | 543.17(g)(16)(iv)  |
| 102                  | Are any unresolved variances between total drop proceeds recorded on the count sheet and the amounts verified by the cage/vault documented and investigated?  | ___ | ___ | ___ | 543.17(g)(16)(v)   |
| 103                  | Is the count sheet, with all supporting documentation, delivered to the accounting department by a count team member or agent independent of the cashiers department (alternatively, the count sheet may be adequately secured and accessible only by accounting department staff)? | ___ | ___ | ___ | 543.17(g)(17)      |
| <b>(k) Variances</b> |   |     |     |     |                    |
| 141                  | Has the gaming operation established a threshold level, at which a variance must be reviewed to determine the cause?  | ___ | ___ | ___ | 543.17(k)          |
|                      | State the type(s) of variance and threshold level(s) or percentage(s) : _____   |     |     |     |                    |
| 142                  | Has the gaming operation received TGRA approval for the variance threshold(s)?  | ___ | ___ | ___ | 543.17(k)          |
| 143                  | Are reviews of variances exceeding the established threshold(s) documented?   | ___ | ___ | ___ | 543.17(k)          |

### **§543.17 Minimum Internal Control Standards for Drop and Count**

(a) *Supervision.* Supervision must be provided for drop and count as needed by an agent(s) with authority equal to or greater than those being supervised.

(b) *Count room access.* Controls must be established and procedures implemented to limit physical access to the count room to count team agents, designated staff, and other authorized persons. Such controls must include the following:

(1) Count team agents may not exit or enter the count room during the count except for emergencies or scheduled breaks.

(2) Surveillance must be notified whenever count room agents exit or enter the count room during the count.

(3) The count team policy, at a minimum, must address the transportation of extraneous items such as personal belongings, tool boxes, beverage containers, etc., into or out of the count room.

(c) *Count team.* Controls must be established and procedures implemented to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud. Such controls must include the following:

(1) For Tier A and B operations, all counts must be performed by at least two agents. For Tier C operations, all counts must be performed by at least three agents.

(2) For Tier A and B operations, at no time during the count can there be fewer than two count team agents in the count room until the drop proceeds have been accepted into cage/vault accountability. For Tier C operations, at no time during the count can there be fewer than three count team agents in the count room until the drop proceeds have been accepted into cage/vault accountability.

(3) For Tier A and B operations, count team agents must be rotated on a routine basis such that the count team is not consistently the same two agents more than four days per week. This standard does not apply to gaming operations that utilize a count team of more than two agents. For Tier C operations, count team agents must be rotated on a routine basis such that the count team is not consistently the same three agents more than four days per week. This standard does not apply to gaming operations that utilize a count team of more than three agents.

(4) Functions performed by count team agents must be rotated on a routine basis.

(5) Count team agents must be independent of the department being counted. A cage/vault agent may be used if they are not the sole recorder of the count and do not participate in the transfer of

## Handout#3 – Scenario Activity

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drop proceeds to the cage/vault. An accounting agent may be used if there is an independent audit of all count documentation.

(d) *Card game drop standards.* Controls must be established and procedures implemented to ensure security of the drop process. Such controls must include the following:

(1) Surveillance must be notified when the drop is to begin so that surveillance may monitor the activities.

(2) At least two agents must be involved in the removal of the drop box, at least one of whom is independent of the card games department.

(4) Once the drop is started, it must continue until finished.

(5) All drop boxes may be removed only at the time previously designated by the gaming operation and reported to the TGRA. If an emergency drop is required, surveillance must be notified before the drop is conducted and the TGRA must be informed within a timeframe approved by the TGRA.

(6) At the end of each shift:

(i) All locked card game drop boxes must be removed from the tables by an agent independent of the card game shift being dropped;

(ii) For any tables opened during the shift, a separate drop box must be placed on each table, or a gaming operation may utilize a single drop box with separate openings and compartments for each shift; and

(iii) Card game drop boxes must be transported directly to the count room or other equivalently secure area by a minimum of two agents, at least one of whom is independent of the card game shift being dropped, until the count takes place.

(7) All tables that were not open during a shift and therefore not part of the drop must be documented.

(8) All card game drop boxes must be posted with a number corresponding to a permanent number on the gaming table and marked to indicate game, table number, and shift, if applicable.

(e) *Player interface and financial instrument storage component drop standards.* (1) Surveillance must be notified when the drop is to begin so that surveillance may monitor the activities.

(2) At least two agents must be involved in the removal of the player interface storage component drop, at least one of whom is independent of the player interface department.



## Handout#3 – Scenario Activity

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(3) All financial instrument storage components may be removed only at the time previously designated by the gaming operation and reported to the TGRA. If an emergency drop is required, surveillance must be notified before the drop is conducted and the TGRA must be informed within a timeframe approved by the TGRA.

(4) The financial instrument storage components must be removed by an agent independent of the player interface department, then transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.

(i) Security must be provided for the financial instrument storage components removed from player interfaces and awaiting transport to the count room.

(ii) Transportation of financial instrument storage components must be performed by a minimum of two agents, at least one of whom is independent of the player interface department.

(5) All financial instrument storage components must be posted with a number corresponding to a permanent number on the player interface.

(f) *Card game count standards.* (1) Access to stored, full card game drop boxes must be restricted to:

(i) Authorized members of the drop and count teams; and

(ii) In an emergency, authorized persons for the resolution of a problem.

(2) The card game count must be performed in a count room or other equivalently secure area with comparable controls.

(3) Access to the count room during the count must be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.

(4) If counts from various revenue centers occur simultaneously in the count room, procedures must be in effect to prevent the commingling of funds from different revenue centers.

(5) Count equipment and systems must be tested, with the results documented, at minimum before the first count begins to ensure the accuracy of the equipment.

(6) The card game drop boxes must be individually emptied and counted so as to prevent the commingling of funds between boxes until the count of the box has been recorded.

(i) The count of each box must be recorded in ink or other permanent form of recordation.

## Handout#3 – Scenario Activity

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(ii) For counts that do not utilize a currency counter, a second count must be performed by a member of the count team who did not perform the initial count. Separate counts of chips and tokens must always be performed by members of the count team.

(iii) Coupons or other promotional items not included in gross revenue must be recorded on a supplemental document by either the count team members or accounting personnel. All single-use coupons must be cancelled daily by an authorized agent to prevent improper recirculation.

(iv) If a currency counter interface is used:

(A) It must be restricted to prevent unauthorized access; and

(B) The currency drop figures must be transferred via direct communications line or computer storage media to the accounting department.

(7) If currency counters are utilized, a count team member must observe the loading and unloading of all currency at the currency counter, including rejected currency.

(8) Two counts of the currency rejected by the currency counter must be recorded per table, as well as in total. Posting rejected currency to a nonexistent table is prohibited.

(9) Card game drop boxes, when empty, must be shown to another member of the count team, to another agent observing the count, or to surveillance, provided that the count is monitored in its entirety by an agent independent of the count.

(10) Procedures must be implemented to ensure that any corrections to the count documentation are permanent and identifiable, and that the original, corrected information remains legible. Corrections must be verified by two count team agents.

(11) The count sheet must be reconciled to the total drop by a count team member who may not function as the sole recorder, and variances must be reconciled and documented.

(12) All count team agents must sign the count sheet attesting to their participation in the count.

(13) A final verification of the total drop proceeds, before transfer to cage/vault, must be performed by at least two agents, one of whom is a supervisory count team member, and one a count team agent.

(i) Final verification must include a comparison of currency counted totals against the currency counter/system report, if any counter/system is used.

(ii) Any unresolved variances must be documented, and the documentation must remain part of the final count record forwarded to accounting.

## Handout#3 – Scenario Activity

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(iii) This verification does not require a complete recount of the drop proceeds, but does require a review sufficient to verify the total drop proceeds being transferred.

(iv) The two agents must sign the report attesting to the accuracy of the total drop proceeds verified.

(v) All drop proceeds and cash equivalents that were counted must be submitted to the cage or vault agent (who must be independent of the count team), or to an agent independent of the revenue generation source and the count process, for verification. The agent must certify, by signature, the amount of the drop proceeds delivered and received. Any unresolved variances must be reconciled, documented, and/or investigated by accounting/revenue audit.

(14) After verification by the agent receiving the funds, the drop proceeds must be transferred to the cage/vault.

(i) The count documentation and records must not be transferred to the cage/vault with the drop proceeds.

(ii) The cage/vault agent must have no knowledge or record of the drop proceeds total before it is verified.

(iii) All count records must be forwarded to accounting or secured and accessible only by accounting agents.

(iv) The cage/vault agent receiving the transferred drop proceeds must sign the count sheet attesting to the verification of the total received, and thereby assume accountability of the drop proceeds, ending the count.

(v) Any unresolved variances between total drop proceeds recorded on the count sheet and the cage/vault final verification during transfer must be documented and investigated.

(15) The count sheet, with all supporting documents, must be delivered to the accounting department by a count team member or an agent independent of the cage/vault. Alternatively, it may be secured so that it is only accessible to accounting agents.

(g) *Player interface financial instrument count standards.* (1) Access to stored full financial instrument storage components must be restricted to:

(i) Authorized members of the drop and count teams; and

(ii) In an emergency, authorized persons for the resolution of a problem.

(2) The player interface financial instrument count must be performed in a count room or other equivalently secure area with comparable controls.

## Handout#3 – Scenario Activity

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(3) Access to the count room during the count must be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.

(4) If counts from various revenue centers occur simultaneously in the count room, procedures must be in effect that prevent the commingling of funds from different revenue centers.

(5) The count team must not have access to amount-in or bill-in meter amounts until after the count is completed and the drop proceeds are accepted into the cage/vault accountability.

(6) Count equipment and systems must be tested, and the results documented, before the first count begins, to ensure the accuracy of the equipment.

(7) If a currency counter interface is used:

(i) It must be adequately restricted to prevent unauthorized access; and

(ii) The currency drop figures must be transferred via direct communications line or computer storage media to the accounting department.

(8) The financial instrument storage components must be individually emptied and counted so as to prevent the commingling of funds between storage components until the count of the storage component has been recorded.

(i) The count of each storage component must be recorded in ink or other permanent form of recordation.

(ii) Coupons or other promotional items not included in gross revenue may be recorded on a supplemental document by the count team members or accounting personnel. All single-use coupons must be cancelled daily by an authorized agent to prevent improper recirculation.

(9) If currency counters are utilized, a count team member must observe the loading and unloading of all currency at the currency counter, including rejected currency.

(10) Two counts of the currency rejected by the currency counter must be recorded per interface terminal as well as in total. Rejected currency must be posted to the player interface from which it was collected.

(11) Storage components, when empty, must be shown to another member of the count team, to another agent who is observing the count, or to surveillance, provided that the count is monitored in its entirety by an agent independent of the count.

(12) Procedures must be implemented to ensure that any corrections to the count documentation are permanent, identifiable and the original, corrected information remains legible. Corrections must be verified by two count team agents.

## Handout#3 – Scenario Activity

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(13) The count sheet must be reconciled to the total drop by a count team member who may not function as the sole recorder, and variances must be reconciled and documented. This standard does not apply to vouchers removed from the financial instrument storage components.

(14) All count team agents must sign the report attesting to their participation in the count.

(15) A final verification of the total drop proceeds, before transfer to cage/vault, must be performed by the at least two agents, one of whom is a supervisory count team member and the other a count team agent.

(i) Final verification must include a comparison of currency counted totals against the currency counter/system report, if a counter/system is used.

(ii) Any unresolved variances must be documented and the documentation must remain a part of the final count record forwarded to accounting.

(iii) This verification does not require a complete recount of the drop proceeds but does require a review sufficient to verify the total drop proceeds being transferred.

(iv) The two agents must sign the report attesting to the accuracy of the total drop proceeds verified.

(v) All drop proceeds and cash equivalents that were counted must be turned over to the cage or vault cashier (who must be independent of the count team) or to an agent independent of the revenue generation and the count process for verification. Such cashier or agent must certify, by signature, the amount of the drop proceeds delivered and received. Any unresolved variances must be reconciled, documented, and/or investigated by accounting/revenue audit.

(16) After certification by the agent receiving the funds, the drop proceeds must be transferred to the cage/vault.

(i) The count documentation and records must not be transferred to the cage/vault with the drop proceeds.

(ii) The cage/vault agent must not have knowledge or record of the drop proceeds total before it is verified.

(iii) All count records must be forwarded to accounting secured and accessible only by accounting agents.

(iv) The cage/vault agent receiving the transferred drop proceeds must sign the count sheet attesting to the verification of the total received, and thereby assuming accountability of the drop proceeds, and ending the count.

## Handout#3 – Scenario Activity

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(v) Any unresolved variances between total drop proceeds recorded on the count room report and the cage/vault final verification during transfer must be documented and investigated.

(17) The count sheet, with all supporting documents, must be delivered to the accounting department by a count team member or agent independent of the cashiers department. Alternatively, it may be adequately secured and accessible only by accounting department.

(h) *Collecting currency cassettes and financial instrument storage components from kiosks.* Controls must be established and procedures implemented to ensure that currency cassettes and financial instrument storage components are securely removed from kiosks. Such controls must include the following:

(1) Surveillance must be notified prior to the financial instrument storage components or currency cassettes being accessed in a kiosk.

(2) At least two agents must be involved in the collection of currency cassettes and/or financial instrument storage components from kiosks and at least one agent should be independent of kiosk accountability.

(3) Currency cassettes and financial instrument storage components must be secured in a manner that restricts access to only authorized agents.

(4) Redeemed vouchers and pulltabs (if applicable) collected from the kiosk must be secured and delivered to the appropriate department (cage or accounting) for reconciliation.

(5) Controls must be established and procedures implemented to ensure that currency cassettes contain the correct denominations and have been properly installed.

(i) *Kiosk count standards.* (1) Access to stored full kiosk financial instrument storage components and currency cassettes must be restricted to:

(i) Authorized agents; and

(ii) In an emergency, authorized persons for the resolution of a problem.

(2) The kiosk count must be performed in a secure area, such as the cage or count room.

(3) If counts from various revenue centers and kiosks occur simultaneously in the count room, procedures must be in effect that prevent the commingling of funds from the kiosks with any revenue centers.

(4) The kiosk financial instrument storage components and currency cassettes must be individually emptied and counted so as to prevent the commingling of funds between kiosks until the count of the kiosk contents has been recorded.

## Handout#3 – Scenario Activity

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- (i) The count of must be recorded in ink or other permanent form of recordation.
- (ii) Coupons or other promotional items not included in gross revenue (if any) may be recorded on a supplemental document. All single-use coupons must be cancelled daily by an authorized agent to prevent improper recirculation.
- (5) Procedures must be implemented to ensure that any corrections to the count documentation are permanent, identifiable, and the original, corrected information remains legible. Corrections must be verified by two agents.
- (j) *Controlled keys*. Controls must be established and procedures implemented to safeguard the use, access, and security of keys for kiosks.
- (k) *Variiances*. The operation must establish, as approved by the TGRA, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

### Audit Exercise

**Break into groups, working together read each scenario, and identify the issue(s) and locate the corresponding Minimum Internal Control Standard(s). Then write a finding and include a recommendation.**

#### **Scenario #1:**

You are observing the drop and count process of the financial instrument storage component (drop box) from the player interface (gaming machine) on October 13, 2017. You notice that the gaming operation is utilizing the following drop boxes:



You notice that the drop boxes have no numbers that correspond to the machine and inquire as to how they know which box to put at which machine. You learn that the drop box has a chip in it that once it is inserted into the machine the bill validator will receive this information from the machine and store it on the chip in the box. Also, that this information can be retrieved from the drop box by docking it on a docking station that can read the chip and produce a bar code ticket that can be scanned into the count database. Determine compliance or non-compliance.



## Handout #4

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**Criteria (Standard/MICS Reference):** \_\_\_\_\_

**Condition:**

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## Handout #4

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### Scenario #2:

You are performing an audit of the Drop & Count Department of a Tier C gaming operation to determine compliance with NIGC MICS 543.17. You observe the financial instrument storage component (drop box) count process on October 13, 2017. You observe that three count team members begin count of the currency using one currency counter and when the drop process is completed the drop team helps to count the funds. At that time both currency counters are used to count the currency. You observe this view of the count room. NOTE: Look at the picture on the PowerPoint slide. Determine compliance or non-compliance.

**Criteria (Standard/MICS Reference):** \_\_\_\_\_

### Condition:

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### Recommendation:

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## Handout #4

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**Scenario #3:**

You are performing an audit of the Drop & Count Department of a Tier C gaming operation to determine compliance with NIGC MICS 543.17. You have performed this audit before and know that you will have to look at the Count Team work schedule so you grab copies from the Count Manager. You receive copies for 2 months and interview the Count Manager and learn that assignment to either the drop crew or the count room is decided every morning before the drop process is to begin and that on Fridays the employees are assigned to both the Drop Team and the Count Team. You also review the count sheets for participation in count to determine who was assigned to the drop crew and count functions for the 2 months. You highlight who was on the Drop Team on the schedule. Determine compliance or non-compliance.

**Criteria (Standard/MICS Reference):** \_\_\_\_\_

**Condition:**

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## Handout #4

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**Recommendation:**

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## Handout#5 – Drop & Count Schedule

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|---------------|---------------|---------------|---------------|--------------|--------------|--------------|
| <b>28-Aug</b> | <b>29-Aug</b> | <b>30-Aug</b> | <b>31-Aug</b> | <b>1-Sep</b> | <b>2-Sep</b> | <b>3-Sep</b> |
| <b>Monday</b> | <b>Tue</b>    | <b>Wed</b>    | <b>Thur</b>   | <b>Fri</b>   | <b>Sat</b>   | <b>Sun</b>   |
| Jenny         |               |               | Jenny         | Jenny        | Jenny        | Jenny        |
| Ronnie        | Ronnie        |               | Ronnie        |              | Ronnie       | Ronnie       |
| Grace         |               |               | Grace         |              | Grace        | Grace        |
| Roger         |               |               | Roger         |              | Roger        | Roger        |
| <b>Guy</b>    |               | <b>Guy</b>    | <b>Guy</b>    |              | <b>Guy</b>   | <b>Guy</b>   |
| Mick          | Mick          |               | Mick          |              | Mick         | Mick         |
| Wendy         | Wendy         | Wendy         |               |              | Wendy        | Wendy        |
| Clyde         | Clyde         | Clyde         | Clyde         | Clyde        |              |              |
|               |               | Carrie        | Carrie        | Carrie       | Carrie       | Carrie       |
| Anthony       | Anthony       |               | Anthony       |              | Anthony      | Anthony      |

|               |              |              |              |              |              |               |
|---------------|--------------|--------------|--------------|--------------|--------------|---------------|
| <b>4-Sep</b>  | <b>5-Sep</b> | <b>6-Sep</b> | <b>7-Sep</b> | <b>8-Sep</b> | <b>9-Sep</b> | <b>10-Sep</b> |
| <b>Monday</b> | <b>Tue</b>   | <b>Wed</b>   | <b>Thur</b>  | <b>Fri</b>   | <b>Sat</b>   | <b>Sun</b>    |
| Jenny         | Jenny        |              | Jenny        |              | Jenny        | Jenny         |
| Ronnie        |              |              | Ronnie       | Ronnie       | Ronnie       | Ronnie        |
| Grace         | Grace        |              | Grace        |              | Grace        | Grace         |
| Roger         | Roger        |              | Roger        |              | Roger        | Roger         |
| <b>Guy</b>    |              | <b>Guy</b>   | <b>Guy</b>   |              | <b>Guy</b>   | <b>Guy</b>    |
| Mick          |              | Mick         | Mick         |              | Mick         | Mick          |
| Wendy         | Wendy        | Wendy        |              |              | Wendy        | Wendy         |
| Clyde         |              | Wendy        | Clyde        | Clyde        | Clyde        | Clyde         |
| Carrie        |              | Carrie       | Carrie       |              | Carrie       | Carrie        |
| Anthony       | Anthony      |              |              | Anthony      | Anthony      | Anthony       |

|               |               |               |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>11-Sep</b> | <b>12-Sep</b> | <b>13-Sep</b> | <b>14-Sep</b> | <b>15-Sep</b> | <b>16-Sep</b> | <b>17-Sep</b> |
| <b>Monday</b> | <b>Tue</b>    | <b>Wed</b>    | <b>Thur</b>   | <b>Fri</b>    | <b>Sat</b>    | <b>Sun</b>    |
| Jenny         |               |               | Jenny         | Jenny         | Jenny         | Jenny         |
|               | Ronnie        | Ronnie        | Ronnie        |               | Ronnie        | Ronnie        |
| Grace         |               |               | Grace         |               | Grace         | Grace         |
| Roger         |               |               | Roger         |               | Roger         | Roger         |
| <b>Guy</b>    |               | <b>Guy</b>    |               |               | <b>Guy</b>    | <b>Guy</b>    |
| Mick          | Mick          |               | Mick          |               | Mick          | Mick          |
| Wendy         | Wendy         | Wendy         |               |               | Wendy         | Wendy         |
| Clyde         |               |               | Clyde         | Clyde         | Clyde         | Clyde         |
| Carrie        | Carrie        | Carrie        | Carrie        | Carrie        |               |               |
|               | Anthony       | Anthony       | Anthony       |               |               | Anthony       |

|               |               |               |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>18-Sep</b> | <b>19-Sep</b> | <b>20-Sep</b> | <b>21-Sep</b> | <b>22-Sep</b> | <b>23-Sep</b> | <b>24-Sep</b> |
| <b>Monday</b> | <b>Tue</b>    | <b>Wed</b>    | <b>Thur</b>   | <b>Fri</b>    | <b>Sat</b>    | <b>Sun</b>    |
| Jenny         |               |               | Jenny         |               | Jenny         | Jenny         |
|               | Ronnie        | Ronnie        | Ronnie        |               | Ronnie        | Ronnie        |
| Grace         |               |               | Grace         |               | Grace         | Grace         |
| Roger         | Roger         |               | Roger         |               | Roger         | Roger         |
| <b>Guy</b>    |               |               | <b>Guy</b>    | <b>Guy</b>    | <b>Guy</b>    | <b>Guy</b>    |
| Mick          |               | Mick          | Mick          |               | Mick          | Mick          |
|               |               | Wendy         | Wendy         | Wendy         | Wendy         | Wendy         |
| Clyde         |               |               | Clyde         | Clyde         | Clyde         | Clyde         |
| Carrie        | Carrie        | Carrie        | Carrie        |               |               | Carrie        |
| Anthony       | Anthony       |               | Anthony       |               | Anthony       | Anthony       |

## Handout#5 – Drop & Count Schedule

|               |            |            |             |            |            |            |
|---------------|------------|------------|-------------|------------|------------|------------|
| 25-Sep        | 26-Sep     | 27-Sep     | 28-Sep      | 29-Sep     | 30-Sep     | 1-Oct      |
| <b>Monday</b> | <b>Tue</b> | <b>Wed</b> | <b>Thur</b> | <b>Fri</b> | <b>Sat</b> | <b>Sun</b> |
| Jenny         |            |            | Jenny       | Jenny      | Jenny      | Jenny      |
| Ronnie        |            | Ronnie     | Ronnie      |            | Ronnie     | Ronnie     |
| Grace         |            |            | Grace       |            | Grace      | Grace      |
| Roger         |            |            | Roger       |            | Roger      | Roger      |
|               | <b>Guy</b> |            | <b>Guy</b>  |            | <b>Guy</b> | <b>Guy</b> |
| Mick          | Mick       |            | Mick        |            | Mick       | Mick       |
| Wendy         | Wendy      |            |             |            | Wendy      | Wendy      |
| Clyde         | Clyde      | Clyde      | Clyde       | Clyde      |            |            |
|               |            | Carrie     |             | Carrie     | Carrie     | Carrie     |
| Anthony       |            | Anthony    | Anthony     |            | Anthony    | Anthony    |

|               |            |            |             |            |            |            |
|---------------|------------|------------|-------------|------------|------------|------------|
| 2-Oct         | 3-Oct      | 4-Oct      | 5-Oct       | 6-Oct      | 7-Oct      | 8-Oct      |
| <b>Monday</b> | <b>Tue</b> | <b>Wed</b> | <b>Thur</b> | <b>Fri</b> | <b>Sat</b> | <b>Sun</b> |
|               | Jenny      | Jenny      | Jenny       |            | Jenny      | Jenny      |
|               | Ronnie     | Ronnie     | Ronnie      |            | Ronnie     | Ronnie     |
| Grace         |            |            | Grace       | Grace      | Grace      | Grace      |
| Roger         |            |            | Roger       |            | Roger      | Roger      |
| <b>Guy</b>    |            | <b>Guy</b> | <b>Guy</b>  |            | <b>Guy</b> | <b>Guy</b> |
| Mick          |            | Mick       | Mick        |            | Mick       | Mick       |
| Wendy         | Wendy      | Wendy      |             |            | Wendy      | Wendy      |
| Clyde         |            |            | Clyde       | Clyde      | Clyde      | Clyde      |
| Carrie        | Carrie     |            |             | Carrie     |            |            |
| Anthony       |            |            | Anthony     | Anthony    | Anthony    | Anthony    |

|               |            |            |             |            |            |            |
|---------------|------------|------------|-------------|------------|------------|------------|
| 9-Oct         | 10-Oct     | 11-Oct     | 12-Oct      | 13-Oct     | 14-Oct     | 15-Oct     |
| <b>Monday</b> | <b>Tue</b> | <b>Wed</b> | <b>Thur</b> | <b>Fri</b> | <b>Sat</b> | <b>Sun</b> |
| Jenny         |            |            | Jenny       | Jenny      | Jenny      | Jenny      |
| Ronnie        |            | Ronnie     | Ronnie      |            | Ronnie     | Ronnie     |
| Grace         |            | Grace      | Grace       |            | Grace      | Grace      |
| Roger         |            | Roger      | Roger       |            | Roger      | Roger      |
| <b>Guy</b>    |            |            | <b>Guy</b>  |            | <b>Guy</b> | <b>Guy</b> |
| Mick          | Mick       |            | Mick        |            | Mick       | Mick       |
| Wendy         | Wendy      | Wendy      | Wendy       | Wendy      |            |            |
| Clyde         |            |            | Clyde       | Clyde      | Clyde      | Clyde      |
| Carrie        | Carrie     |            |             |            | Carrie     | Carrie     |
| Anthony       | Anthony    |            | Anthony     |            | Anthony    | Anthony    |

|               |            |            |             |            |            |            |
|---------------|------------|------------|-------------|------------|------------|------------|
| 16-Oct        | 17-Oct     | 18-Oct     | 19-Oct      | 20-Oct     | 21-Oct     | 22-Oct     |
| <b>Monday</b> | <b>Tue</b> | <b>Wed</b> | <b>Thur</b> | <b>Fri</b> | <b>Sat</b> | <b>Sun</b> |
|               | Jenny      | Jenny      | Jenny       |            | Jenny      | Jenny      |
| Ronnie        |            | Ronnie     | Ronnie      |            | Ronnie     | Ronnie     |
| Grace         |            | Grace      | Grace       |            | Grace      | Grace      |
| Roger         |            | Roger      | Roger       |            | Roger      | Roger      |
| <b>Guy</b>    |            | <b>Guy</b> | <b>Guy</b>  |            | <b>Guy</b> | <b>Guy</b> |
| Mick          | Mick       | Mick       | Mick        |            |            |            |
|               | Wendy      | Wendy      | Wendy       | Wendy      | Wendy      |            |
| Clyde         |            | Clyde      |             | Clyde      | Clyde      | Clyde      |
| Carrie        |            |            | Carrie      | Carrie     | Carrie     | Carrie     |
| Anthony       | Anthony    | Anthony    | Anthony     |            |            | Anthony    |

Active Threat Awareness,  
Preparedness & Resilience



# Active Threat Awareness, Preparedness and Resilience

## Participant Guide

Slide 1



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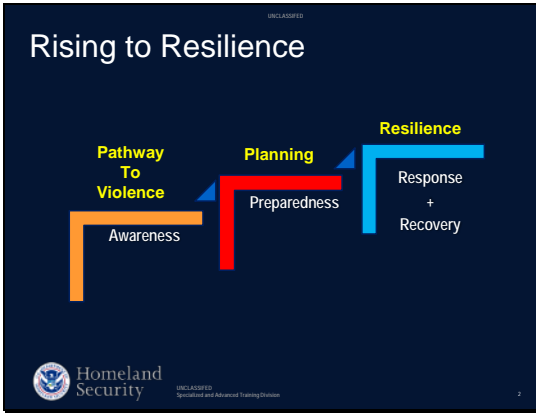
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Slide 2



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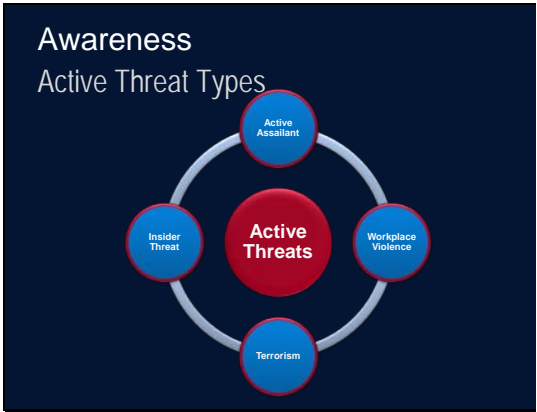
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Slide 3



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# Active Threat Awareness, Preparedness and Resilience

## Participant Guide

Slide 7

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### Improve Situational Awareness

- Floor plans – Room layouts;
- Knowing what type of lock system doors have and how they operate is extremely important;
- Comprehension of the Situation;
- Thinking Ahead/Decision-making.

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Slide 8

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### Awareness

Behavioral Indicators

Attack

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Slide 9

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### Preparedness

PLAN  
PLAN  
PLAN

OSHA Occupational Safety and Health Administration  
www.osha-slc.gov

Principal Emergency Response and Preparedness Requirements of Standards  
www.osha-slc.gov

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# Active Threat Awareness, Preparedness and Resilience

## Participant Guide


Slide 10

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### Emergency Action Plan

An effective plan includes

- The preferred method for reporting emergencies;
- Procedures to be followed by employees who remain to operate critical functions;
- Procedures to account for all employees;
- An emergency notification system to alert:
  - Employees and visitors through out venue/resort, Local law enforcement.
- Plans must involve top management (President, CEO), senior management (General Managers), and facilities (Security, Maintenance) and operational management (Guest Services, Valet, Casino, Restaurant, Catering).



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Slide 11

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### Emergency Action Planning

- Safe havens at your facility
- Location of exits and identify at least two evacuation routes
- Post evacuation routes in noticeable locations throughout the venue
- Safe destinations once your staff has evacuated
- Local area hospitals



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Slide 12

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### Emergency Action Planning

- Training and Exercise
  - Conduct Active Threat training at your venue
  - Conduct Active Threat exercises at your venue
  - Include local law enforcement and first responders during training and exercises
  - Encourage local first responders to train for an active shooter scenario at your location.
- Review past events at other locations to determine problems and benefits found during their event to include in your plan



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# Active Threat Awareness, Preparedness and Resilience

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### Emergency Action Plan

Exercises

- Recognizing the sound of gunshots
- Reacting quickly when gunshots are heard and/or when a shooting is witnessed:
  - Evacuating the area
  - Hiding out
  - Acting against the shooter as a last resort
  - Calling 911
- Reacting when law enforcement arrives
- Adopting the survival mind set during times of crisis

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Slide 14

Stop The Bleed



1 Apply Pressure with Hands

2 Apply Dressing and Press

3 Apply Tourniquet

FOR OFFICIAL USE ONLY

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Slide 15

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### Meet Everyone's Needs

- Ensure that plans provide for functional needs of your staff/guest:
  - Hearing or sight-impaired
  - Mobility-impaired
  - Limited or no English proficiency
- Assign assist personnel to those who require it the same as you do for a fire evacuation.

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# Active Threat Awareness, Preparedness and Resilience

## Participant Guide


Slide 16

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### Venue Preparedness

Human Resources

- Conduct effective employee screening and background checks
- Create a system for reporting signs of potential violent behavior
- Make counseling available.
- Help develop the active threat plan.

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Slide 17

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### Venue Preparedness

Managers, Supervisors

- Develop access control kits (keys, security system pass codes or cards);
- Distribute critical items to appropriate managers/supervisors
  - Floor plans
  - Keys
  - Venue personnel contact list and telephone numbers
- Coordinate with your security department to ensure physical security of the site;
- Assemble crisis kits
  - Radios, floor plans, personnel roster, emergency contact numbers, flash lights, first aid kits

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Slide 18

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### Communication

- How will first observers/responders communicate the threat?  
To whom?
- How will the threat be communicated to everyone in the facility? Code words?

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# Active Threat Awareness, Preparedness and Resilience


## Participant Guide

Slide 19

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### Be prepare to

- Take immediate action;
- Active the emergency notification system;
- Remain calm;
- Lock and barricade doors;
- Evacuate people via a designated evacuation route to a safe area.

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Slide 20

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### Resilience

- What can be expected after an active shooter is no longer a threat?
- All staff will be asked to stay on the scene for questions and examination.
- Any staff hospitalized will need their current status confirmed.
- Staff may be scattered between hospitals, assembly points or busy talking to police officials; what procedures are in place to account for all staff and notify families?
- How will you partner with local authorities to account for all staff?

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Slide 21

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### Resilience

- Do you have an organization that can make outbound calls to family members and report on confirmed status information?
- Establish Family Assistance Center
- Employee Assistance Programs
- Federal Victim Assistance Programs
- Reopening and Resuming Operations
  - Individuals recover from traumatic incidents at their own rates. Some may be able to reestablish their normal routines and return within days, while others may need more time.

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# Active Threat Awareness, Preparedness and Resilience Participant Guide

Slide 22

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## Resilience

- Prepare and enact continuity plans to keep operations going.
- Agreements with other casinos?
- Identifying an off-site location where operations can take place
- External crisis communications team
- Anniversaries and beyond



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Slide 23

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## Resources

- U.S. Department of Homeland Security  
[www.dhs.gov/active-shooter-preparedness](http://www.dhs.gov/active-shooter-preparedness)
- U.S. Department of Labor  
[www.osha.gov/publications/osha2088.pdf](http://www.osha.gov/publications/osha2088.pdf)
- Americans with Disabilities Act  
[www.ada.gov/2010ADAstandards\\_index.html](http://www.ada.gov/2010ADAstandards_index.html)
- Disability.gov  
[www.disability.gov](http://www.disability.gov)



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Slide 24



# Homeland Security

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# Active Threat Awareness, Preparedness and Resilience Participant Guide

Slide 25



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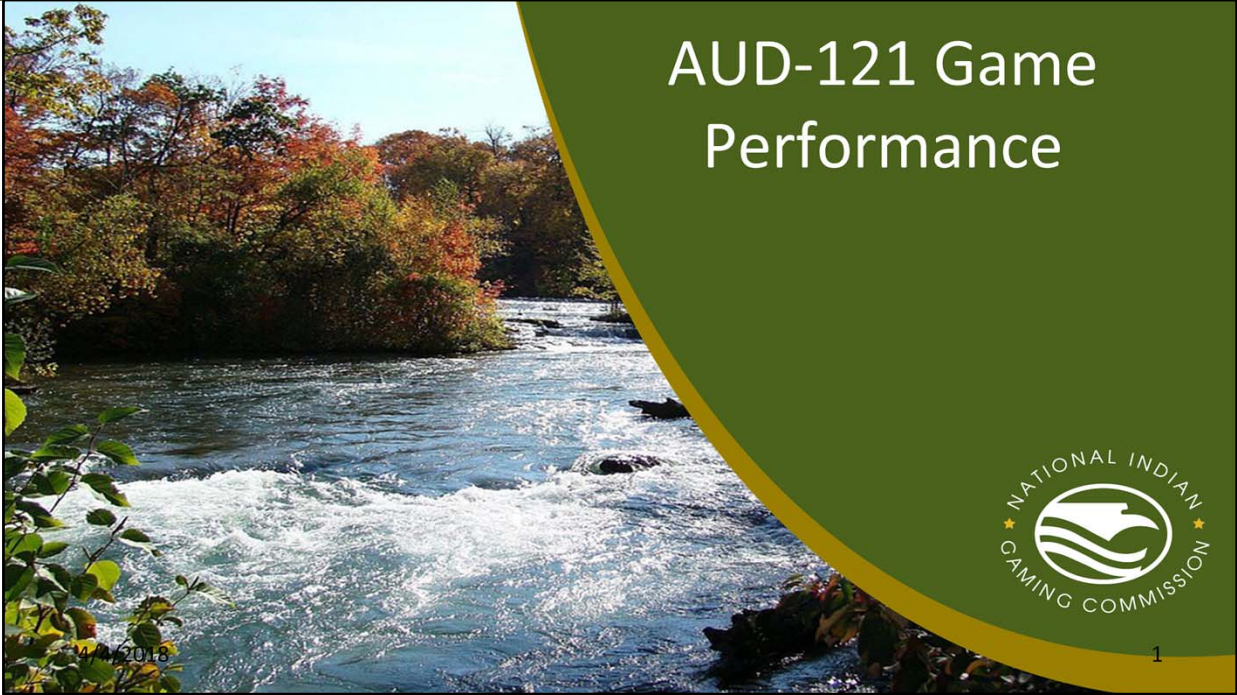
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# AUD-121 Game Performance



# AUD-121 Game Performance Participant Guide



## KEY POINTS

# AUD-121 Game Performance Participant Guide



## Objectives

- Define Statistical Analysis
- Calculate statistics associated with:
  - Pull Tabs
  - Bingo Manual/Electronic
  - Table Games
  - Gaming Machines

2

KEY POINTS



## Statistical Analysis

The science of collecting, exploring and presenting large amounts of data to discover underlying patterns and trends.

- *How is it used for Gaming?*



3

### KEY POINTS

# AUD-121 Game Performance Participant Guide

How is statistical analysis used in gaming?

Start the presentation to see live content. Still no live content? Install the app or get help at [Pollev.com/app](https://www.polleverywhere.com/app)

**KEY POINTS**

Poll Title: How is statistical analysis used in gaming?  
[https://www.polleverywhere.com/free\\_text\\_polls/6brvDUomnQOksI5](https://www.polleverywhere.com/free_text_polls/6brvDUomnQOksI5)

# AUD-121 Game Performance Participant Guide



## Pull Tabs



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### KEY POINTS

# AUD-121 Game Performance Participant Guide



## Definitions

- **Win** – the net win resulting from gaming activities.
  - The difference between gambling wins and losses before associated operating expenses
- **Write** – The total amount wagered on Pull Tabs and Bingo.
- **Win-to-Write Hold %** – Win divided by write to determine hold %.

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### KEY POINTS

You should be aware of these definitions and how to do the calculations associated with them as appropriate.

# AUD-121 Game Performance Participant Guide



## Pull Tab Game Performance Analysis

### Integrity



### Functionality



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### KEY POINTS



# AUD-121 Game Performance Participant Guide



## Pull Tabs MICS

- 543.9(f)(1-2) (pull tabs) *Statistical records.*
- 543.24(d)(2)(i-iv) (Auditing Revenue)



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### KEY POINTS

- (1) Statistical records must be maintained, including (for games sold in their entirety or removed from play) a win-to-write hold percentage as compared to the expected hold percentage derived from the flare.
  - (2) A manager independent of the pull tab operations must review statistical information when the pull tab deal has ended or has been removed from the floor and must investigate any unusual statistical fluctuations. These investigations must be documented, maintained for inspection, and provided to the TGRA upon request.
- (2) *Pull tabs.*
- (i) Daily, verify the total amount of winning pull tabs redeemed each day.
  - (ii) At the end of each month, verify the accuracy of the ending balance in the pull tab control log by reconciling the pull tabs on hand. Investigate and document any variance noted.
  - (iii) At least monthly, compare for reasonableness the amount of pull tabs sold from the pull tab control log to the amount of pull-tab sales.
  - (iv) At least monthly, review statistical reports for any deviations exceeding a specified threshold, as defined by the TGRA. Investigate and document any large and unusual fluctuations noted.

# AUD-121 Game Performance Participant Guide



## Pull Tab Flare Example

1. Total winning pull tabs? **160**
2. What is the total payout? **\$3,000**
3. What is the total revenue? **\$3,996**
4. What is Theoretical Win? **\$996**
5. What is the Hold%? **25%**

4/4/2018



### KEY POINTS

See if you can come up with the answers to these questions.

1. Total winning pull tabs?
2. What is the total payout?
3. What is the total revenue?
4. What is the hold percentage?

# AUD-121 Game Performance Participant Guide



## Activity #1- Theoretical Win and Hold %

**Break into groups, working together review the example Pull Tab Flare. Using your smart phone/calculator, compute the Theoretical Net Win and Hold Percentage and include on the Activity #1 handout.**



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### KEY POINTS

**Activity:** How to Calculate Pull Tabs Theoretical Win & Hold Percentage

**Individual Work**

**TIME:** 15 minutes

**Supplies: (per group)**

- Example Flare Handout
- Calculator on your smartphone

### Instructions

1. Using the handout and the calculator on your smartphone determine the following:
  - Theoretical Win
  - Hold Percentage

# AUD-121 Game Performance Participant Guide



## Activity #1- Theoretical Win and Hold %

### Activity #1 Calculating Theoretical Win and Hold Percentage

| Total Tickets                  | Cost          | Total Revenue |
|--------------------------------|---------------|---------------|
| 3420                           | \$2           | 6,840         |
| # Winners                      | Ticket Payout | Total Payout  |
| 4                              | \$599         | 2,396         |
| 4                              | \$300         | 1,200         |
| 8                              | \$100         | 800           |
| 4                              | \$50          | 200           |
| 20                             | \$4           | 80            |
| 240                            | \$2           | 480           |
| <b>Total</b>                   |               | <b>5,156</b>  |
| Calculate Theoretical Net Win: |               | 1,684         |
| Calculate Theoretical          |               | 24.62%        |

4/4/2018

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### KEY POINTS

# AUD-121 Game Performance Participant Guide



## Practice Calculations

| <u>Total Tickets</u> | <u>Cost</u> | <u>Total Revenue</u> |
|----------------------|-------------|----------------------|
| 6,000                | \$ .50      | \$ 3,000             |

| <u># winners</u> | <u>Ticket Payout</u> | <u>Total Payout</u> |
|------------------|----------------------|---------------------|
| 4                | \$200                | \$ 800              |
| 4                | \$50                 | 200                 |
| 4                | \$25                 | 100                 |
| 8                | \$10                 | 80                  |
| 20               | \$5                  | 100                 |
| 585              | \$1                  | 585                 |
| <b>Total</b>     |                      | <b>\$ 1,865</b>     |



**Theoretical Net Win**

**Theoretical Hold %**

$$\$3,000 - 1,865 = \mathbf{\$1,135}$$

$$\$1,135 / \$3,000 = \mathbf{37.8\%}$$

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### KEY POINTS

See if you can calculate the Theoretical Net Win and the Theoretical Hold Percentage.



# AUD-121 Game Performance Participant Guide



## Actual Performance

Note: TICS/ SICS include +-3% for variances.



| # Winners    | Ticket Payout | Total Payout |
|--------------|---------------|--------------|
| 5            | \$200         | \$ 1000      |
| 6            | \$50          | 300          |
| 2            | \$25          | 50           |
| 7            | \$10          | 70           |
| 17           | \$5           | 85           |
| 383          | \$1           | 383          |
| <b>Total</b> | <b>\$</b>     | <b>1,888</b> |

| Total Tickets | Cost    | Total Revenue |
|---------------|---------|---------------|
| 3,224         | \$ 0.50 | \$ 1,612      |

| Win/ (Loss)                 |
|-----------------------------|
| \$1,612 - \$1,888 = (\$276) |

| Hold %                    |
|---------------------------|
| -\$276 / \$1,612 = -17.1% |

### KEY POINTS

# AUD-121 Game Performance Participant Guide



## What can happen if pull tab statistical information is shared?

### Women charged in pull-tab scam The two used insider information to profit, federal prosecutors say.



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#### KEY POINTS

##### Women charged in pull-tab scam

**KLAWOCK: The two used inside information to profit, federal prosecutors say.**

By NICOLE TSONG

Anchorage Daily News

(Published: April 22, 2003)

Playing pull-tabs is supposed to be a gamble, but federal prosecutors say two Klawock women used inside information to turn the odds in their favor and win \$93,158 over one year.

Janine D. Harmon, 36, and Delores A. Peratrovich, 53, were charged by a federal grand jury last week with one count of conspiracy and three counts of mail fraud each.

Harmon was the manager of gaming operations for Klawock Cooperative Association, according to the indictment. She managed accounting records for pull-tab games and also was a dealer. Money from the games was used to fund the tribe's general operations.

Peratrovich had a similar role at the Klawock Liquor Store, managing pull-tab accounts and dealing pull tabs as the store's manager. Profits from the tabs went to the city of Klawock for education, public safety and heritage, the indictment says.

Klawock, which has about 850 residents, is on the west coast of Prince of Wales Island, 56 air miles west of Ketchikan.

Because of their jobs, both women were prohibited from playing pull-tabs at their respective organizations.

Pull-tabs are usually sold to customers for \$1 per ticket with a set number of winning tickets in every batch. A typical game has odds of about 86 percent, which means if someone bought all the tickets in a game, they would win 86 cents for every dollar wagered and lose 14 cents, the indictment says.

But Harmon and Peratrovich traded inside knowledge learned on the job about which games had sold most tickets but still had winning tickets left, unfairly increasing their odds of scoring money, the indictment charges.

"Playing these games with inside information is no longer 'gambling' because the player knows that if they buy all of the remaining tickets, their winnings are guaranteed to exceed their wager," the indictment says.

From September 2000 to September 2001, Harmon won \$27,963 playing at the liquor store on games including Crazy 8's, Gold Digger and Iditarod, and Fountain of Loot.

On one day, she scored \$2,554, according to the indictment. Peratrovich won \$66,195 playing the games from the tribe, such as Hey Diddle Diddle, Gold Digger and I Love You Man. On her best day, she won \$3,030, the indictment said.

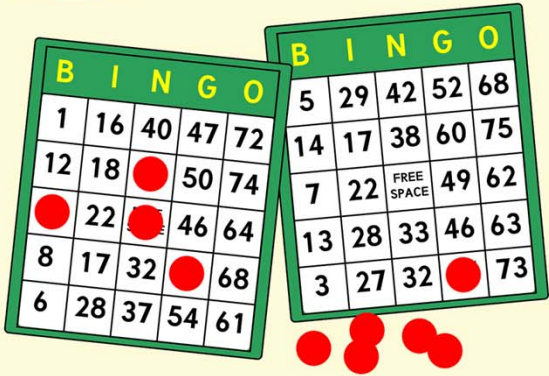
The mail fraud charges are based on the pair's ordering the pull-tabs through the mail, intending to cheat on the games, according to the indictment.

They face a maximum of five years in prison and a fine of \$250,000 for each count.

# AUD-121 Game Performance Participant Guide



## Bingo (Session)



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### KEY POINTS



# AUD-121 Game Performance Participant Guide



## BINGO - Game Performance Analysis

### Integrity



### Functionality



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### KEY POINTS

# AUD-121 Game Performance Participant Guide



## Bingo MICS

- 543.8(l) (Bingo) *Variance*.
- 543.24(d)(1)(i-v)(Auditing Revenue)



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### KEY POINTS

(l) Variance. The operation must establish, as approved by the TGRA, the threshold level at which a variance, including deviations from the mathematical expectations required by 25 CFR 547.4, will be reviewed to determine the cause. Any such review must be documented.

#### (1) Bingo.

- At the end of each month, verify the accuracy of the ending balance in the bingo control log by reconciling it with the bingo paper inventory. Investigate and document any variance noted.
- Daily, reconcile supporting records and documents to summarized paperwork or electronic records (e.g. total sales and payouts per shift and/or day).
- At least monthly, review variances related to bingo accounting data in accordance with an established threshold, which must include, at a minimum, variance(s) noted by the Class II gaming system for cashless transactions in and out, electronic funds transfer in and out, external bonus payouts, vouchers out and coupon promotion out. Investigate and document any variance noted.
- At least monthly, review statistical reports for any deviations from the mathematical expectations exceeding a threshold established by the TGRA. Investigate and document any deviations compared to the mathematical expectations required to be submitted per §547.4.
- At least monthly, take a random sample, foot the vouchers redeemed and trace the totals to the totals recorded in the voucher system and to the amount recorded in the applicable cashier's accountability document.

# AUD-121 Game Performance Participant Guide



## Bingo (Session)

### Bingo statistical reports

#### Win, write, and win-to-write hold %

- Shift or session
- Day
- Month-to-date
- Year-to-date



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#### KEY POINTS

# AUD-121 Game Performance Participant Guide



## Bingo (Session)

### Bingo Session Summary

January 6, 2017

|                    | Sales           | Payouts         | Net             | Hold          |
|--------------------|-----------------|-----------------|-----------------|---------------|
| <b>Packages</b>    | \$26,500        | \$13,200        |                 |               |
| <b>Upgrades</b>    | 4,380           |                 |                 |               |
| <b>Total</b>       | <b>\$30,880</b> | <b>\$13,200</b> | <b>\$17,680</b> |               |
| Warm ups           | \$4,655         | \$2,000         | \$2,655         | 57.04%        |
| Early Birds        | 3,102           | 1,500           | 1,602           | 51.64%        |
| EZ Bingo           | 876             | 550             | 326             | 37.21%        |
| Crazy T            | 1,191           | 700             | 491             | 41.23%        |
| Mega Jackpot       | 5,026           | 5,500           | (474)           | -9.43%        |
| Letter X           | 1,630           | 1,500           | 130             | 7.98%         |
| Inside frame       | 1,128           | 650             | 478             | 42.38%        |
| Super Jackpot      | 9,756           | 11,000          | (1,244)         | -12.75%       |
| <b>Grand Total</b> | <b>\$58,244</b> | <b>\$36,600</b> | <b>\$21,644</b> | <b>37.16%</b> |

#### KEY POINTS

# AUD-121 Game Performance Participant Guide



## Bingo (Session)

### Bingo Monthly Summary - January Statistics

Prior FY 31.07%

|                      | Sales             | Payouts           | Net              | Hold          |
|----------------------|-------------------|-------------------|------------------|---------------|
| 1/06/2017            | \$ 58,244         | \$ 36,600         | \$ 21,644        | 37.16%        |
| 1/07/2017            | 39,756            | 30,598            | 9,158            | 23.04%        |
| 1/13/2017            | 52,746            | 42,198            | 10,548           | 20.00%        |
| 1/14/2017            | 43,156            | 37,895            | 5,261            | 12.19%        |
| 1/20/2017            | 59,431            | 43,589            | 15,842           | 26.66%        |
| 1/21/2017            | 36,089            | 32,156            | 3,933            | 10.90%        |
| 1/27/2017            | 58,165            | 37,845            | 20,320           | 34.94%        |
| 1/28/2017            | 45,678            | 34,567            | 11,111           | 24.32%        |
| <b>Month to date</b> | <b>\$ 393,265</b> | <b>\$ 295,448</b> | <b>\$ 97,817</b> | <b>24.87%</b> |

#### KEY POINTS

# AUD-121 Game Performance Participant Guide



## Bingo (Session)

### Bingo Annual Summary - Year to Date

Note: TICS/ SICS include +-3% for variances.

|          |        |
|----------|--------|
| Prior FY | 31.07% |
|----------|--------|

|                     | Sales              | Payouts            | Net              | Hold          |
|---------------------|--------------------|--------------------|------------------|---------------|
| Oct-16              | \$451,023          | \$321,232          | \$129,791        | 28.78%        |
| Nov-16              | \$402,209          | \$285,857          | \$116,352        | 28.93%        |
| Dec-16              | \$364,421          | \$282,632          | \$81,789         | 22.44%        |
| Jan-17              | \$393,265          | \$295,448          | \$97,817         | 24.87%        |
| <b>Year to Date</b> | <b>\$1,610,918</b> | <b>\$1,185,169</b> | <b>\$425,749</b> | <b>26.43%</b> |

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#### KEY POINTS



# AUD-121 Game Performance Participant Guide



## Bingo (Electronic)

4 CORNERS IN 4 BALLS  
**\$2,669.36**

GAME NUMBER: 837681153    BALLS DRAWN: 38

CREDIT BET: \$18.68    WIN: 50

7 19 36 51 71  
8 25 42 48 66  
10 20 35 59 64  
4 28 37 47 68  
12 17 33 53 67

Card# 84100531 - Acard# 832016

Congratulations!  
Respins Feature Completed  
Playing 5 Reels for 50 Credits  
Three RAVEN win 500 x 3 = 1500

REEL POWER

9 Q A 10 RAVEN 10 Q 10

CASH OUT    HELP    SEE PAYS    PLAY

22

### KEY POINTS

Next we will look at electronic bingo.

# AUD-121 Game Performance Participant Guide



## 543 MICS & Technical Standards

543.8(l) (Bingo) *Variance*.

543.24(d)(1)(i-v)(Auditing Revenue)

547.4(a) (Fairness)

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### KEY POINTS

#### § 547.4 What are the rules of general application for this part?

(a) *Fairness*. No Class II gaming system may cheat or mislead users. All prizes advertised must be available to win during the game. A test laboratory must calculate and/or verify the **mathematical expectations of game play**, where applicable, in accordance with the manufacturer stated submission. The results must be included in the test laboratory's report to the TGRA. At the request of the TGRA, the manufacturer must also submit the mathematical expectations of the game play to the TGRA.

#### § 543.8 What are the minimum internal control standards for bingo?

(l) *Variance*. The operation must establish, as approved by the TGRA, the threshold level at which a variance, including deviations from the **mathematical expectations** required by 25 CFR 547.4, will be reviewed to determine the cause. Any such review must be documented.

#### § 543.24 What are the minimum internal control standards for auditing revenue?

(iv) At least monthly, review statistical reports for any deviations from the **mathematical expectations** exceeding a threshold established by the TGRA. Investigate and document any deviations compared to the **mathematical expectations** required to be submitted per § 547.4.



# AUD-121 Game Performance Participant Guide



## Activity #2- Bingo Game Variances

**Break into groups, working together review the example Bingo statistical report. Identify which bingo games, if any, are considered a variance and require an investigation. Include investigative procedures that could be performed and documentation to be reviewed. Circle the variances on the Activity #2 handout and include procedures and documentation.**

**Note: TICS/ SICS include +3% for variances.**



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### KEY POINTS

**Activity:** Bingo Game Variance and Investigations

**Individual Work**

**TIME:** 20 minutes

**Supplies: (per group)**

- Example Bingo Game Statistical Report
- Calculator on your smartphone

### Instructions

1. Using the handout, identify the Bingo Game variances and determine which machines, if any, require an investigation. Include recommended investigation procedures and types of documentation needed to be reviewed.

# AUD-121 Game Performance Participant Guide



## Activity #2



| Game              | MNum         | PAR              | Coin In          | Coin Out        | Win           | Actual Hold % | Variance |
|-------------------|--------------|------------------|------------------|-----------------|---------------|---------------|----------|
| Bingo Game XXX    | 790305       | 3.23%            | 304,010          | 332,497         | -28,487       | -8.57%        | -11.80%  |
|                   | 790313       | 3.23%            | 299,060          | 289,110         | 9,950         | 3.44%         | 0.21%    |
|                   | 790340       | 3.23%            | 243,570          | 265,755         | -23,185       | -8.69%        | -11.92%  |
|                   | 790356       | 3.23%            | 169,630          | 161,405         | 8,225         | 5.10%         | 1.87%    |
|                   | 790360       | 3.23%            | 238,110          | 255,280         | -17,170       | -6.73%        | -9.96%   |
|                   | 790473       | 3.23%            | 259,170          | 240,340         | 18,830        | 7.83%         | 4.60%    |
|                   | 790474       | 3.23%            | 343,395          | 351,606         | -8,211        | -2.34%        | -5.57%   |
|                   | 790551       | 3.23%            | 579,440          | 604,865         | -25,425       | -4.20%        | -7.43%   |
|                   | 790579       | 3.23%            | 664,995          | 670,197         | -5,202        | -0.78%        | -2.68%   |
|                   | 790611       | 3.23%            | 300,775          | 298,724         | 2,051         | 0.69%         | -2.54%   |
|                   | 790612       | 3.23%            | 442,465          | 474,125         | -31,660       | -6.68%        | -9.91%   |
| <b>Game Total</b> | <b>3.23%</b> | <b>3,844,620</b> | <b>3,944,905</b> | <b>-100,285</b> | <b>-2.61%</b> | <b>-5.84%</b> |          |
| Bingo Game YYY    | 605673       | 3.52%            | 230,886          | 246,649         | -15,763       | -6.83%        | -10.35%  |
|                   | 605847       | 3.52%            | 248,558          | 244,783         | 3,775         | 1.52%         | -2.00%   |
|                   | 605864       | 3.52%            | 175,559          | 167,756         | 7,803         | 4.44%         | 0.92%    |
|                   | 605979       | 3.52%            | 217,833          | 214,312         | 3,521         | 1.62%         | -1.90%   |
|                   | 606015       | 3.52%            | 195,241          | 191,026         | 4,215         | 2.16%         | -1.36%   |
|                   | 606228       | 3.52%            | 247,255          | 232,465         | 14,790        | 5.98%         | 2.46%    |
|                   | 606275       | 3.52%            | 283,053          | 296,447         | -13,394       | -4.73%        | -8.25%   |
|                   | 606352       | 3.52%            | 155,355          | 148,871         | 6,484         | 4.17%         | 0.65%    |
|                   | 606391       | 3.52%            | 173,528          | 168,950         | 4,578         | 2.64%         | -0.88%   |
|                   | 606399       | 3.52%            | 229,076          | 219,542         | 9,534         | 4.16%         | 0.64%    |
|                   | 606466       | 3.52%            | 240,460          | 228,610         | 11,850        | 4.93%         | 1.41%    |
| <b>Game Total</b> | <b>3.52%</b> | <b>2,396,804</b> | <b>2,359,411</b> | <b>37,393</b>   | <b>1.56%</b>  | <b>-1.96%</b> |          |
| Bingo Game ZZZ    | 580144       | 4.73%            | 118,750          | 111,084         | 7,665         | 6.45%         | 1.72%    |
|                   | 580146       | 4.73%            | 105,320          | 111,448         | -6,129        | -5.82%        | -10.55%  |
|                   | 580151       | 4.73%            | 113,179          | 121,249         | -8,071        | -7.13%        | -11.86%  |
|                   | 580157       | 4.73%            | 106,319          | 106,622         | -304          | -0.29%        | -5.02%   |
|                   | 580158       | 4.73%            | 146,838          | 159,085         | -12,247       | -8.34%        | -13.07%  |
|                   | 580160       | 4.73%            | 110,854          | 103,358         | 7,496         | 6.76%         | 2.03%    |
|                   | 580168       | 4.73%            | 101,095          | 92,834          | 8,261         | 8.17%         | 3.44%    |
|                   | 580169       | 4.73%            | 107,234          | 100,742         | 6,493         | 6.05%         | 1.32%    |
|                   | 580180       | 4.73%            | 166,197          | 175,703         | -9,506        | -5.72%        | -10.45%  |
|                   | 580183       | 4.73%            | 150,141          | 154,870         | -4,729        | -3.15%        | -7.88%   |
|                   | 580196       | 4.73%            | 139,488          | 145,283         | -5,796        | -4.15%        | -8.88%   |
| <b>Game Total</b> | <b>4.73%</b> | <b>1,365,412</b> | <b>1,382,279</b> | <b>-16,867</b>  | <b>-1.24%</b> | <b>-5.97%</b> |          |

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### KEY POINTS

**Activity:** Which of these Bingo Games would you investigate?

**Group Work**

**TIME:** 30 minutes

**Supplies:** (per group)

- Handout Bingo Machine Results Report (same as table on slide)

### Instructions

1. Break up into small groups.
2. Review the data for each bingo machine and determine which of the numbers may trigger an investigation and why.
3. Participate in class discussion.

# AUD-121 Game Performance Participant Guide



## Activity #2



| Game                  | MNum   | PAR          | Coin In          | Coin Out         | Win             | Actual Hold % | Variance      |
|-----------------------|--------|--------------|------------------|------------------|-----------------|---------------|---------------|
| <b>Bingo Game XXX</b> | 790305 | 3.23%        | 304,010          | 332,497          | -28,487         | -8.57%        | -11.80%       |
|                       | 790313 | 3.23%        | 299,060          | 289,110          | 9,950           | 3.44%         | 0.21%         |
|                       | 790340 | 3.23%        | 243,570          | 266,755          | -23,185         | -8.69%        | -11.92%       |
|                       | 790356 | 3.23%        | 169,630          | 161,405          | 8,225           | 5.10%         | 1.87%         |
|                       | 790360 | 3.23%        | 238,110          | 255,280          | -17,170         | -6.73%        | -9.96%        |
|                       | 790473 | 3.23%        | 259,170          | 240,340          | 18,830          | 7.83%         | 4.60%         |
|                       | 790474 | 3.23%        | 343,395          | 351,606          | -8,211          | -2.34%        | -5.57%        |
|                       | 790551 | 3.23%        | 579,440          | 604,865          | -25,425         | -4.20%        | -7.43%        |
|                       | 790579 | 3.23%        | 664,995          | 670,197          | -5,202          | -0.78%        | 2.68%         |
|                       | 790611 | 3.23%        | 300,775          | 298,724          | 2,051           | 0.69%         | -2.54%        |
|                       | 790612 | 3.23%        | 442,465          | 474,125          | -31,660         | -6.68%        | -9.91%        |
| <b>Game Total</b>     |        | <b>3.23%</b> | <b>3,844,620</b> | <b>3,944,905</b> | <b>-100,285</b> | <b>-2.61%</b> | <b>-5.84%</b> |
| 605673                | 3.52%  | 230,886      | 246,649          | -15,763          | -6.83%          | -10.35%       |               |

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### KEY POINTS

**Activity:** Which of these machines would you investigate?

**Group Work**

**TIME: 30 minutes**

**Supplies: (per group)**

- Handout Bingo Machine Results Report (same as table on slide)

### Instructions

1. Break up into small groups.
2. Review the data for each bingo machine and determine which of the numbers may trigger an investigation and why.
3. Participate in class discussion.

# AUD-121 Game Performance Participant Guide



## Activity #2



|              | Total             |              |                  |                  |                |               |               |
|--------------|-------------------|--------------|------------------|------------------|----------------|---------------|---------------|
|              | 580144            | 4.73%        | 118,750          | 111,084          | 7,665          | 6.45%         | 1.72%         |
|              | 580146            | 4.73%        | 105,320          | 111,448          | -6,129         | -5.82%        | -10.55%       |
|              | 580151            | 4.73%        | 113,179          | 121,249          | -8,071         | -7.13%        | -11.86%       |
|              | 580157            | 4.73%        | 106,319          | 106,622          | -304           | -0.29%        | -5.02%        |
|              | 580158            | 4.73%        | 146,838          | 159,085          | -12,247        | -8.34%        | -13.07%       |
| <b>Bingo</b> | 580160            | 4.73%        | 110,854          | 103,358          | 7,496          | 6.76%         | 2.03%         |
| <b>Game</b>  | 580168            | 4.73%        | 101,095          | 92,834           | 8,261          | 8.17%         | 3.44%         |
| <b>ZZZ</b>   | 580169            | 4.73%        | 107,234          | 100,742          | 6,493          | 6.05%         | 1.32%         |
|              | 580180            | 4.73%        | 166,197          | 175,703          | -9,506         | -5.72%        | -10.45%       |
|              | 580183            | 4.73%        | 150,141          | 154,870          | -4,729         | -3.15%        | -7.88%        |
|              | 580196            | 4.73%        | 139,488          | 145,283          | -5,796         | -4.15%        | -8.88%        |
|              | <b>Game Total</b> | <b>4.73%</b> | <b>1,365,412</b> | <b>1,382,279</b> | <b>-16,867</b> | <b>-1.24%</b> | <b>-5.97%</b> |

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### KEY POINTS

**Activity:** Which of these machines would you investigate?

**Group Work**

**TIME: 30 minutes**

**Supplies: (per group)**

- Handout Bingo Machine Results Report (same as table on slide)

### Instructions

1. Break up into small groups.
2. Review the data for each bingo machine and determine which of the numbers may trigger an investigation and why.
3. Participate in class discussion.



# AUD-121 Game Performance Participant Guide



## Table Games



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**KEY POINTS**

Next well look at table games.

# AUD-121 Game Performance Participant Guide

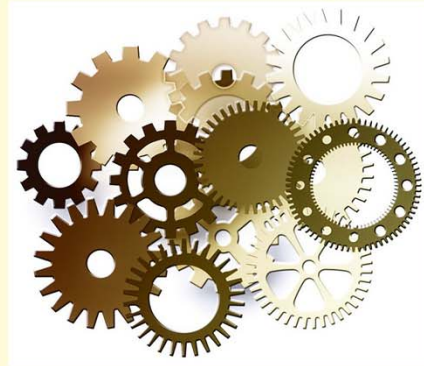


## TABLE GAMES Performance Analysis

### Integrity



### Functionality



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### KEY POINTS

# AUD-121 Game Performance Participant Guide



What can happen if you do NOT perform analysis of games

Co-Founder of Casino-Cheating Criminal Enterprise Sentenced to 36 Months in Prison for Targeting Casinos Across the United States



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## KEY POINTS

**Link to the DOJ story:** <https://www.justice.gov/opa/pr/co-founder-casino-cheating-criminal-enterprise-sentenced-36-months-prison-targeting-casinos>

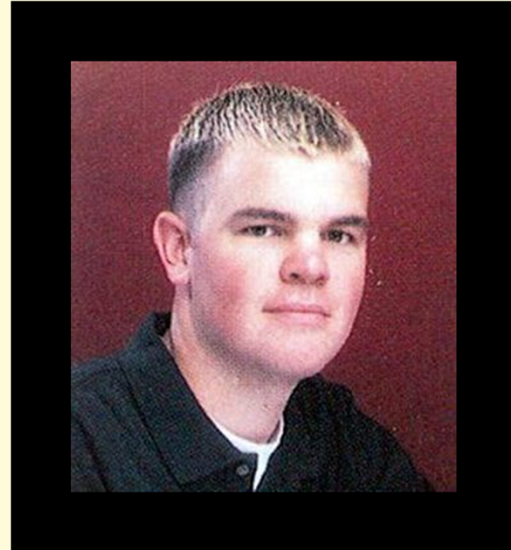
There was also a show made based on this called American Greed Episode 62 Blackjack Cheaters

# AUD-121 Game Performance Participant Guide



What can happen if you do NOT perform analysis of games

## Seattle Mayor's son indicted



### KEY POINTS

Link to story about Jacob Nickels indictment: <https://www.seattletimes.com/seattle-news/nickels-son-indicted-with-dozens-in-scheme-to-cheat-casinos/>





### **§3. What are the minimum internal control standards for table games?**

(g) Analysis of table game performance standards.

(1) Single Deck Black Jack...

(2)-(5) Hold percentage by table, type of game, shift, day, cumulative month-to-date, and cumulative year-to-date.

Reviewed by independent management at least monthly and investigate and document large variances.

32

#### KEY POINTS

# AUD-121 Game Performance Participant Guide



## Table Games Definitions

**What is the Win equal to?**

**What is the Drop equal to?**

33

**KEY POINTS**

What are the definitions for each of these terms?

# AUD-121 Game Performance Participant Guide



## Activity #3- Table Games Theo Win and Hold %

Break into groups, working together review the example Table Games statistical report. Using your smart phone/calculator, compute the Hold% and Variance for each Table Game Type identified and include on the Activity #3 handout.



Note: TICS/ SICS include +-3% for variances.

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### KEY POINTS

**Activity:** How to Calculate Table Games Hold Percentage and Variance

**Individual Work**

**TIME:** 20 minutes

**Supplies: (per group)**

- Example Table Games Statistical Report Handout
- Calculator on your smartphone

### Instructions

1. Using the handout and the calculator on your smartphone determine the following:
  - Hold Percentage
  - Variance

# AUD-121 Game Performance Participant Guide



## Activity #3



| Summary   | Table Type              | Drop              | Win              | Hold% | Base Hold %  | Variance |
|-----------|-------------------------|-------------------|------------------|-------|--------------|----------|
| Baccarat  | Mini Baccarat           | 5,304,711         | 241,471          |       | 8.1%         |          |
|           | Midi Baccarat           | 8,237,637         | 1,606,784        |       | 13.1%        |          |
|           | EZ Baccarat             | 807,290           | 102,370          |       | 16.5%        |          |
|           | <b>Baccarat Total:</b>  | <b>14,349,638</b> | <b>1,950,625</b> |       | <b>11.7%</b> |          |
| BlackJack | BlackJack               | 5,921,554         | 541,128          |       | 18.6%        |          |
|           | Single Deck BlackJack   | 1,064,592         | 211,312          |       | 20.9%        |          |
|           | Double Deck BlackJack   | 7,067,915         | 1,124,432        |       | 15.6%        |          |
|           | SW BlackJack            | 494,857           | 117,249          |       | 25.3%        |          |
|           | Free Bet BlackJack      | 682,476           | 150,106          |       | 20.3%        |          |
|           | Spanish 21              | 231,629           | 70,109           |       | 30.7%        |          |
|           | Bet em All              | 734,762           | 111,572          |       | 19.00%       |          |
|           | <b>BlackJack Total:</b> | <b>16,197,785</b> | <b>2,325,908</b> |       | <b>17.8%</b> |          |
|           | Pai Gow                 | 1,175,740         | 303,635          |       | 29.4%        |          |
| Specialty | Three Card Poker        | 547,012           | 236,739          |       | 35.7%        |          |
|           | Four Card Poker         | 463,142           | 142,054          |       | 34.7%        |          |
|           | Ultimate Hold'em        | 484,495           | 177,391          |       | 35.3%        |          |
|           | Dealer Bluff            | 567,054           | 195,049          |       | 31.0%        |          |
|           | American Roulette       | 1,317,756         | 353,373          |       | 25.3%        |          |
|           | Craps                   | 673,395           | 148,112          |       | 20.6%        |          |
|           | Mississippi Stud        | 434,817           | 140,717          |       | 34.5%        |          |
|           | Seven Up Pai Gow        | 465,190           | 214,686          |       | 30.00%       |          |
|           | <b>Specialty Total:</b> | <b>6,128,601</b>  | <b>1,911,756</b> |       | <b>29.6%</b> |          |
|           | <b>Grand Total</b>      | <b>36,676,024</b> | <b>6,188,289</b> |       | <b>24.5%</b> |          |

4/4/2018

### KEY POINTS

# AUD-121 Game Performance Participant Guide



## Activity #3



| Summary   | Table Type              | Drop              | Win              | Hold%        | Base Hold %  | Variance     |
|-----------|-------------------------|-------------------|------------------|--------------|--------------|--------------|
| Baccarat  | Mini Baccarat           | 5,304,711         | 241,471          | 4.6%         | 8.1%         | -3.5%        |
|           | Midi Baccarat           | 8,237,637         | 1,606,784        | 19.5%        | 13.1%        | 6.4%         |
|           | EZ Baccarat             | 807,290           | 102,370          | 12.7%        | 16.5%        | -3.8%        |
|           | <b>Baccarat Total:</b>  | <b>14,349,638</b> | <b>1,950,625</b> | <b>13.6%</b> | <b>11.7%</b> | <b>1.9%</b>  |
| BlackJack | BlackJack               | 5,921,554         | 541,128          | 9.1%         | 18.6%        | -9.5%        |
|           | Single Deck BlackJack   | 1,064,592         | 211,312          | 19.8%        | 20.9%        | -1.1%        |
|           | Double Deck BlackJack   | 7,067,915         | 1,124,432        | 15.9%        | 15.6%        | 0.3%         |
|           | SW BlackJack            | 494,857           | 117,249          | 23.7%        | 25.3%        | -1.6%        |
|           | Free Bet BlackJack      | 682,476           | 150,106          | 22.0%        | 20.3%        | 1.7%         |
|           | Spanish 21              | 231,629           | 70,109           | 30.3%        | 30.7%        | -0.4%        |
|           | Bet em All              | 734,762           | 111,572          | 15.2%        | 19.00%       | -3.8%        |
|           | <b>BlackJack Total:</b> | <b>16,197,785</b> | <b>2,325,908</b> | <b>14.4%</b> | <b>17.8%</b> | <b>-3.4%</b> |
| Specialty | Pai Gow                 | 1,175,740         | 303,635          | 25.8%        | 29.4%        | -3.6%        |
|           | Three Card Poker        | 547,012           | 236,739          | 43.3%        | 35.7%        | 7.6%         |
|           | Four Card Poker         | 463,142           | 142,054          | 30.7%        | 34.7%        | -4.0%        |
|           | Ultimate Hold'em        | 484,495           | 177,391          | 36.6%        | 35.3%        | 1.3%         |
|           | Dealer Bluff            | 567,054           | 195,049          | 34.4%        | 31.0%        | 3.4%         |
|           | American Roulette       | 1,317,756         | 353,373          | 26.8%        | 25.3%        | 1.5%         |
|           | Craps                   | 673,395           | 148,112          | 22.0%        | 20.6%        | 1.4%         |
|           | Mississippi Stud        | 434,817           | 140,717          | 32.4%        | 34.5%        | -2.1%        |
|           | Seven Up Pai Gow        | 465,190           | 214,686          | 46.2%        | 30.00%       | 16.2%        |
|           | <b>Specialty Total:</b> | <b>6,128,601</b>  | <b>1,911,756</b> | <b>31.2%</b> | <b>29.6%</b> | <b>1.6%</b>  |
|           | <b>Grand Total</b>      | <b>36,676,024</b> | <b>6,188,289</b> | <b>16.9%</b> | <b>24.5%</b> | <b>-7.6%</b> |

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### KEY POINTS

# AUD-121 Game Performance Participant Guide



## Records by Table

| Table | TT | Drop Information |           | Markers | Marker Payments |         |          | Stat Win | Hold %  |
|-------|----|------------------|-----------|---------|-----------------|---------|----------|----------|---------|
|       |    | Cash             | Stat Drop | Issued  | Cash            | Chips   | Transfer |          |         |
| BC-1  | MB | 39,155           | 39,155    | -       | -               | -       | -        | 14,900   | 38.05%  |
| BC-2  | MB | 32,669           | 32,669    | -       | -               | -       | -        | 17,929   | 54.88%  |
| BC-3  | MB | 323,969          | 323,969   | -       | -               | -       | -        | 56,214   | 17.35%  |
| BC-4  | MB | 1,153,635        | 1,153,635 | -       | -               | -       | -        | (73,285) | -6.35%  |
| BC-5  | MB | 1,926,447        | 1,926,447 | -       | -               | -       | -        | 143,877  | 7.47%   |
| BC-6  | MB | 1,821,836        | 1,828,836 | 7,000   | -               | -       | 7,000    | 81,836   | 4.47%   |
| BC-7  | MD | 1,046,017        | 1,053,017 | 7,000   | -               | -       | 7,000    | 140,627  | 13.35%  |
| BC-8  | MD | 1,635,620        | 1,731,220 | 95,600  | -               | 5,000   | 90,600   | 323,660  | 18.70%  |
| BC-9  | MD | 1,747,246        | 1,827,246 | 80,000  | -               | 8,000   | 72,000   | 444,676  | 24.34%  |
| BC-10 | MD | 743,115          | 824,115   | 81,000  | -               | 4,000   | 77,000   | 13,365   | 1.62%   |
| BC-11 | EZ | 807,290          | 807,290   | -       | -               | -       | -        | 102,370  | 12.68%  |
| BJ-1  | BJ | 49,803           | 49,803    | -       | -               | -       | -        | 10,976   | 22.04%  |
| BJ-2  | BJ | 441,239          | 441,239   | -       | -               | -       | -        | 98,239   | 22.26%  |
| BJ-3  | BJ | 37,419           | 37,419    | -       | -               | -       | -        | 914      | 2.44%   |
| BJ-4  | BJ | 38,669           | 38,669    | -       | -               | -       | -        | 9,749    | 25.21%  |
| BJ-5  | BJ | 471,525          | 473,025   | 1,500   | -               | 500     | 1,000    | 74,255   | 15.70%  |
| BJ-6  | BJ | 22,606           | 22,606    | -       | -               | -       | -        | (6,594)  | -29.17% |
| BJ-7  | BJ | 19,730           | 19,730    | -       | -               | -       | -        | 460      | 2.33%   |
| BJ-8  | BJ | 22,500           | 22,500    | -       | -               | -       | -        | 3,015    | 13.40%  |
| BJ-9  | BJ | 18,493           | 18,493    | -       | -               | -       | -        | 1,568    | 8.48%   |
| BJ-10 | BJ | 29,322           | 29,322    | -       | -               | -       | -        | 6,432    | 21.94%  |
| BJ-11 | BJ | 27,286           | 27,286    | -       | -               | -       | -        | 8,291    | 30.39%  |
| BJ-12 | BJ | 100,163          | 100,163   | -       | -               | -       | -        | (10,647) | -10.63% |
| BJ-13 | BJ | 470,336          | 470,336   | -       | -               | -       | -        | 71,176   | 15.13%  |
| BJ-14 | BJ | 2,139,403        | 2,336,483 | 197,080 | -               | 142,580 | 54,500   | 218,943  | 9.37%   |
| BJ-15 | BJ | 653,150          | 691,150   | 38,000  | -               | 12,000  | 26,000   | (65,680) | -9.50%  |
| BJ-16 | BJ | 47,874           | 47,874    | -       | -               | -       | -        | (3,557)  | -7.43%  |
| BJ-17 | BJ | 26,429           | 26,429    | -       | -               | -       | -        | (10,096) | -38.20% |
| BJ-18 | BJ | 25,563           | 25,563    | -       | -               | -       | -        | 2,898    | 11.34%  |
| BJ-19 | BJ | 54,423           | 55,423    | 1,000   | -               | -       | 1,000    | 17,473   | 31.53%  |
| BJ-20 | BJ | 98,598           | 98,598    | -       | -               | -       | -        | (10,242) | -10.39% |
| BJ-21 | BJ | 108,892          | 108,892   | -       | -               | -       | -        | 17,692   | 16.25%  |
| BJ-22 | BJ | 50,417           | 50,417    | -       | -               | -       | -        | (2,573)  | -5.10%  |

### KEY POINTS

Refer to the handout titled Records by Table which looks similar to the table on the slide.

# AUD-121 Game Performance Participant Guide



## Daily Table Records

| Patron  | Total   | 01-Aug | 02-Aug | 03-Aug | 04-Aug | 05-Aug | 06-Aug  | 07-Aug | 08-Aug |
|---------|---------|--------|--------|--------|--------|--------|---------|--------|--------|
| AAAAAAA | (157.7) | -      | -      | (32.6) | -      | -      | -       | -      | (29.4) |
| BBBBBBB | (132.4) | -      | -      | -      | -      | (26.8) | (101.0) | -      | -      |
| CCCCCCC | (90.0)  | (0.4)  | 0.7    | (1.3)  | (7.9)  | 11.8   | -       | -      | -      |
| DDDDDDD | (35.2)  | -      | -      | -      | -      | -      | -       | -      | -      |
| EEEEEEE | (27.0)  | -      | -      | -      | -      | -      | (30.2)  | (16.1) | -      |
| FFFFFFF | (22.6)  | -      | -      | -      | -      | -      | -       | -      | -      |

| Patron  | Total   | 09-Aug | 10-Aug | 11-Aug | 12-Aug | 13-Aug | 14-Aug | 15-Aug | 16-Aug |
|---------|---------|--------|--------|--------|--------|--------|--------|--------|--------|
| AAAAAAA | (157.7) | -      | -      | -      | -      | -      | -      | -      | -      |
| BBBBBBB | (132.4) | -      | -      | (22.0) | -      | -      | -      | -      | -      |
| CCCCCCC | (90.0)  | -      | -      | -      | -      | -      | -      | (69.4) | (9.3)  |
| DDDDDDD | (35.2)  | -      | -      | (4.9)  | (19.0) | -      | -      | -      | -      |
| EEEEEEE | (27.0)  | -      | -      | -      | -      | 8.0    | (39.7) | -      | 25.0   |
| FFFFFFF | (22.6)  | -      | -      | -      | -      | -      | -      | -      | -      |

| Patron  | Total   | 17-Aug | 18-Aug | 19-Aug | 20-Aug  | 21-Aug | 22-Aug | 23-Aug | 24-Aug |
|---------|---------|--------|--------|--------|---------|--------|--------|--------|--------|
| AAAAAAA | (157.7) | (37.3) | -      | (37.9) | -       | -      | -      | -      | -      |
| BBBBBBB | (132.4) | -      | -      | 174.4  | (157.0) | -      | -      | -      | -      |
| CCCCCCC | (90.0)  | (57.3) | 43.1   | -      | -       | -      | -      | -      | -      |
| DDDDDDD | (35.2)  | -      | -      | 14.0   | (20.8)  | -      | -      | -      | -      |
| EEEEEEE | (27.0)  | -      | -      | -      | -       | -      | -      | -      | -      |
| FFFFFFF | (22.6)  | -      | -      | -      | -       | -      | -      | -      | -      |

| Patron  | Total   | 25-Aug | 26-Aug | 27-Aug | 28-Aug | 29-Aug | 30-Aug | 31-Aug |
|---------|---------|--------|--------|--------|--------|--------|--------|--------|
| AAAAAAA | (157.7) | -      | -      | -      | -      | (20.5) | -      | -      |
| BBBBBBB | (132.4) | -      | -      | -      | -      | -      | -      | -      |
| CCCCCCC | (90.0)  | -      | -      | -      | -      | -      | -      | -      |
| DDDDDDD | (35.2)  | -      | -      | -      | -      | -      | -      | (4.5)  |
| EEEEEEE | (27.0)  | -      | -      | -      | -      | 26.1   | -      | -      |
| FFFFFFF | (22.6)  | -      | -      | -      | (22.6) | -      | -      | -      |

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### KEY POINTS

Refer to the handout titled Records by Table which looks similar to the table on the slide.



# AUD-121 Game Performance Participant Guide



## Gaming Machines



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### KEY POINTS

Next we will look at gaming machines.



# AUD-121 Game Performance Participant Guide



## GAMING MACHINE Performance Analysis

### Integrity



### Functionality



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### KEY POINTS



## Class III MICS Guidance

### §4. What are the minimum internal control standards for gaming machines?

(h) Standards for evaluating theoretical and actual hold percentages.

(1)-(6) Par sheets, multi-game machines, adjusted theoretical holds, and manufacture performance standards.

**Having an  
ACCURATE THEORETICAL HOLD %**

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#### KEY POINTS

Review your handout for this set of standards and note where it makes reference to Accurate Theoretical Hold %



## Class III MICS Guidance

(h) Standards for evaluating theoretical and actual hold percentages cont...

(7)-(13) Records of changes to machines, functioning meters and meter readings.

**Having an  
ACCURATE ACTUAL HOLD %**

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### KEY POINTS

Review your handout for this set of standards and note where it makes reference to Accurate Theoretical Hold %



## Class III MICS Guidance

(h) Standards for evaluating theoretical and actual hold percentages cont...

(14)-(18) Monthly statistical report, not commingling various hold percentages or distorting actual, review of monthly reports and investigations of large variances.

### **Comparing ACTUAL to THEORETICAL**

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#### **KEY POINTS**

Review your handout for this set of standards and note where it makes reference to comparing Actual to Theoretical

# AUD-121 Game Performance Participant Guide



## PAR Sheet

|                     |               |
|---------------------|---------------|
| Total Game Outcomes | 262,144       |
| Winning Outcomes    | 35,424        |
| Losing Outcomes     | 226,720       |
| Total Coin In       | \$786,432     |
| Total Coin Out      | \$747,190     |
| Total Win           | \$39,242      |
| Theoretical Hold %  | <b>4.99%</b>  |
| Theoretical Win %   | <b>95.01%</b> |
| 4/4/2018            |               |

Reel Strip Number 6179 HOLD % 4.991 Denomination:  
 MODEL #: KK2PX PAYTABLE 107A209  
 90% Confidence value, 10,000,000 pulls- LOW #: 94.04 HIGH #: 95.10

| COIN | PERCENT  | HIT     | TOTAL HITS | TOTAL PAYS | SYM | NUMBER / REEL |
|------|----------|---------|------------|------------|-----|---------------|
| #    | PAY BACK | FREQ    |            |            |     | R1 R2 R3      |
| 1    | 88.427%  | 12.769% | 33474      | 231780     | --- | 23 25 30      |
| 2    | 93.361%  | 13.513% | 35424      | 489480     | 1B  | 8 12 14       |
| 3    | 95.009%  | 13.513% | 35424      | 747180     | 2B  | 12 10 4       |
|      |          |         |            |            | 3B  | 6 4 6         |
|      |          |         |            |            | 7   | 9 9 6         |
|      |          |         |            |            | 27  | 6             |

This is a 3 reel, 3 Coin 64 stop machine. Reel Combs: 262144

| PAY COMBO | # PER REEL | HITS  | PULLS/HIT | PAYS | TOTAL PAY |
|-----------|------------|-------|-----------|------|-----------|
| 23 25 30  | 2          | 17250 | 15        | 2    | 34500     |
| Coin # 2  | 2          | 17250 | 15        | 2    | 34500     |
| Coin # 3  | 3          | 17250 | 13        | 2    | 34500     |
| AB AB AB  | 26 26 24   | 14256 | 18        | 10   | 142560    |
| Coin # 2  | 2          | 14256 | 18        | 10   | 142560    |
| Coin # 3  | 3          | 14256 | 18        | 10   | 142560    |
| 1B 1B 1B  | 8 12 14    | 1344  | 195       | 20   | 26880     |
| Coin # 2  | 2          | 1344  | 195       | 20   | 26880     |
| Coin # 3  | 3          | 1344  | 195       | 20   | 26880     |
| 2B 2B 2B  | 12 10 4    | 480   | 546       | 40   | 19200     |
| Coin # 2  | 2          | 480   | 546       | 40   | 19200     |
| Coin # 3  | 3          | 480   | 546       | 40   | 19200     |
| 3B 3B 3B  | 6 4 6      | 144   | 1820      | 60   | 8640      |
| Coin # 2  | 2          | 144   | 1820      | 60   | 8640      |
| Coin # 3  | 3          | 144   | 1820      | 60   | 8640      |

SS:6179 3R3BM BM EPC:95.009 HTFC:13.513 P:M 15:32:20 1-DEC-94 Page: 2

| PAY COMBO | # PER REEL | HITS | PULLS/HIT | PAYS | TOTAL PAY |
|-----------|------------|------|-----------|------|-----------|
| A7 A7 A7  | 15 13 10   | 0    | *****     | 0    | 0         |
| Coin # 2  | 2          | 1368 | 192       | 100  | 136800    |
| Coin # 3  | 3          | 1368 | 192       | 200  | 273600    |
| 7 7 7     | 9 9 6      | 0    | *****     | 0    | 0         |
| Coin # 2  | 2          | 486  | 539       | 150  | 72900     |
| Coin # 3  | 3          | 486  | 539       | 300  | 145800    |
| 27 27 27  | 6 4 4      | 0    | *****     | 0    | 0         |
| Coin # 2  | 2          | 96   | 2731      | 500  | 48000     |
| Coin # 3  | 3          | 96   | 2731      | 1000 | 96000     |

Total hits 38424 Total Coins Paid 747190

### KEY POINTS

# AUD-121 Game Performance Participant Guide



## Confidence Value for Par Sheet

Reel Strip Number 6179 HOLD % 4.991 Denomination:  
 MODEL # : XK29X PAYTABLE 107A209  
 90% Confidence value, 10,000,000 pulls-- LOW %: 94.84 HIGH %: 95.18

| COIN # | PERCENT PAY BACK | HIT FREQ | TOTAL HITS | TOTAL PAYS | SYM | NUMBER / REEL |    |    |
|--------|------------------|----------|------------|------------|-----|---------------|----|----|
|        |                  |          |            |            |     | R1            | R2 | R3 |
| 1      | 88.417%          | 12.769%  | 33474.     | 231780.    | --  | 23            | 25 | 30 |
| 2      | 93.361%          | 13.513%  | 35424.     | 489480.    | 1B  | 8             | 12 | 14 |
| 3      | 95.009%          | 13.513%  | 35424.     | 747180.    | 2B  | 12            | 10 | 4  |
|        |                  |          |            |            | 3B  | 6             | 4  | 6  |
|        |                  |          |            |            | 7   | 9             | 9  | 6  |
|        |                  |          |            |            | Z7  | 6             | 4  | 4  |

This is a 3 reel , 3 Coin 64 stop machine. Reel Combos : 262144.

| HANDLE PULLS | 90% CONFIDENCE VALUES |                  |
|--------------|-----------------------|------------------|
|              | LOWER PERCENTAGE      | UPPER PERCENTAGE |
| 1000.        | 77.63                 | 112.39           |
| 10000.       | 89.51                 | 100.50           |
| 100000.      | 93.27                 | 96.75            |
| 1000000.     | 94.46                 | 95.56            |
| 10000000.    | 94.84                 | 95.18            |

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### KEY POINTS



# AUD-121 Game Performance Participant Guide



## Activity #4- Gaming Machine Variances and Investigations

Break into groups, working together review the example Gaming Machine statistical report. Identify which gaming machines, if any, are considered a variance and require an investigation. Include investigative procedures that could be performed and documentation to be reviewed. Circle the variances on the Activity #4 handout and include procedures and documentation.

Note: TICS/ SICS include  $\pm 3\%$  for variances.



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### KEY POINTS

**Activity:** Gaming Machine Variance and Investigations

**Individual Work**

**TIME:** 20 minutes

**Supplies: (per group)**

- Example Gaming Machine Statistical Report
- Calculator on your smartphone

### Instructions

1. Using the handout, identify the gaming machine variances and determine which machines, if any, require an investigation. Include recommended investigation procedures and types of documentation needed to be reviewed.

# AUD-121 Game Performance Participant Guide

| Mach # | Denom |     | Coin In    | Gross Drop | JP+TK     | Net Win    | Theo  | Act %   | Var %   | Estimated Dollar Var |
|--------|-------|-----|------------|------------|-----------|------------|-------|---------|---------|----------------------|
| 1413   | 0.01  | MTD | 47,983     | 30,897     | 26,507    | 4,390      | 5.08% | 9.15%   | 4.07%   | 1,952                |
|        |       | YTD | 651,438    | 374,051    | 340,768   | 33,283     | 5.08% | 5.11%   | 0.03%   | 190                  |
|        |       | LTD | 3,061,760  | 1,795,445  | 1,533,455 | 261,989    | 5.08% | 8.56%   | 3.48%   | 106,452              |
| 1414   | 0.01  | MTD | 45,840     | 30,221     | 25,825    | 4,396      | 5.08% | 9.59%   | 4.51%   | 2,067                |
|        |       | YTD | 740,070    | 430,278    | 408,016   | 22,262     | 5.08% | 3.01%   | -2.07%  | -15,333              |
|        |       | LTD | 4,218,400  | 2,495,613  | 2,366,492 | 129,121    | 5.08% | 3.06%   | -2.02%  | -85,174              |
| 1415   | 0.01  | MTD | 118,109    | 38,444     | 35,176    | 3,268      | 2.60% | 2.77%   | 0.17%   | 198                  |
|        |       | YTD | 1,111,700  | 347,310    | 334,320   | 12,990     | 2.60% | 1.17%   | -1.43%  | -15,915              |
|        |       | LTD | 6,559,033  | 2,014,397  | 1,972,489 | 41,908     | 2.60% | 0.64%   | -1.96%  | -128,627             |
| 1416   | 0.01  | MTD | 112,876    | 40,365     | 38,111    | 2,254      | 2.60% | 2.00%   | -0.60%  | -681                 |
|        |       | YTD | 1,366,211  | 509,267    | 498,022   | 11,244     | 2.60% | 0.82%   | -1.78%  | -24,277              |
|        |       | LTD | 5,054,980  | 1,935,213  | 1,942,287 | -7,074     | 2.60% | -0.14%  | -2.74%  | -138,504             |
| 1418   | 0.01  | MTD | 92,205     | 45,405     | 47,743    | -2,338     | 3.54% | -2.54%  | -6.08%  | -5,602               |
|        |       | YTD | 960,736    | 511,438    | 512,594   | -1,155     | 3.54% | -0.12%  | -3.66%  | -35,165              |
|        |       | LTD | 5,476,194  | 2,966,343  | 3,024,303 | -57,960    | 3.54% | -1.06%  | -4.60%  | -251,817             |
| 1419   | 0.01  | MTD | 133,574    | 65,464     | 85,419    | -19,955    | 5.02% | -14.94% | -19.96% | -26,660              |
|        |       | YTD | 1,565,406  | 759,790    | 780,381   | -20,591    | 5.02% | -1.32%  | -6.34%  | -99,175              |
|        |       | LTD | 5,792,003  | 2,887,201  | 2,926,429 | -39,228    | 5.02% | -0.68%  | -5.70%  | -329,987             |
| 2063   | 1.00  | MTD | 85,745     | 63,611     | 63,774    | -163       | 5.02% | -0.19%  | -5.21%  | -4,467               |
|        |       | YTD | 2,753,754  | 1,448,854  | 1,319,426 | 129,428    | 5.02% | 4.70%   | -0.32%  | -8,810               |
|        |       | LTD | 15,696,398 | 8,403,353  | 7,652,671 | 750,682    | 5.02% | 4.78%   | -0.24%  | -37,277              |
| 2064   | 1.00  | MTD | 81,083     | 63,088     | 42,428    | 20,660     | 5.02% | 25.48%  | 20.46%  | 16,590               |
|        |       | YTD | 2,490,519  | 1,374,846  | 1,258,616 | 116,230    | 5.02% | 4.67%   | -0.35%  | -8,794               |
|        |       | LTD | 11,705,439 | 6,599,261  | 6,167,218 | 432,042    | 5.02% | 3.69%   | -1.33%  | -155,571             |
| 2065   | 1.00  | MTD | 122,701    | 77,303     | 67,606    | 9,697      | 5.02% | 7.90%   | 2.88%   | 3,537                |
|        |       | YTD | 2,440,102  | 1,357,552  | 1,234,949 | 122,603    | 5.02% | 5.02%   | 0.00%   | 110                  |
|        |       | LTD | 13,908,581 | 7,873,802  | 7,175,054 | 698,748    | 5.02% | 5.02%   | 0.00%   | 537                  |
| 2066   | 1.00  | MTD | 131,135    | 79,249     | 77,885    | 1,364      | 5.00% | 1.04%   | -3.96%  | -5,193               |
|        |       | YTD | 2,331,900  | 963,991    | 1,245,327 | -281,336   | 5.00% | -12.06% | -17.06% | -397,931             |
|        |       | LTD | 10,959,930 | 4,627,157  | 5,728,506 | -1,101,350 | 5.00% | -10.05% | -15.05% | -1,649,346           |
| 2067   | 1.00  | MTD | 114,584    | 69,585     | 69,846    | -261       | 5.00% | -0.23%  | -5.23%  | -5,990               |
|        |       | YTD | 1,956,375  | 768,907    | 776,311   | -7,404     | 5.00% | -0.38%  | -5.38%  | -105,223             |
|        |       | LTD | 9,194,963  | 3,690,754  | 3,803,924 | -113,170   | 5.00% | -1.23%  | -6.23%  | -572,918             |
| 2068   | 1.00  | MTD | 146,913    | 71,181     | 62,922    | 8,259      | 5.00% | 5.62%   | 0.62%   | 913                  |
|        |       | YTD | 1,865,744  | 703,037    | 699,877   | 3,160      | 5.00% | 0.17%   | -4.83%  | -90,127              |

## KEY POINTS

Look at each of the machine data and see if the information warrants an investigation.



# AUD-121 Game Performance Participant Guide



## Questions

Contact Information:

[TRAINING@nigc.gov](mailto:TRAINING@nigc.gov)



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KEY POINTS

# AUD-121 Game Performance Participant Guide

## AUD-121 Game Performance Knowledge Review

When survey is active, respond at [PolleEv.com/nigc2](https://www.polleverywhere.com/nigc2)

0 surveys done

0 surveys underway

Start the presentation to see live content. Still no live content? Install the app or get help at [PolleEv.com/app](https://www.polleverywhere.com/app)

### KEY POINTS

Poll Title: AUD-121 Game Performance Knowledge Review  
<https://www.polleverywhere.com/surveys/UDW0Axlw4>

# AUD-121 Game Performance Participant Guide



## Course Evaluation

- Provide an honest assessment of your experience
- Written suggestions and comments are greatly appreciated and allow us to improve your experience



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### KEY POINTS

# AUD-121 Game Performance Participant Guide

**Course Eval - AUD 121 - Game Performance**  
When survey is active, respond at [PolleEv.com/nigc2](https://www.polleverywhere.com/nigc2)

**0 surveys done**  
0 surveys underway

Start the presentation to see live content. Still no live content? Install the app or get help at [PolleEv.com/app](https://www.polleverywhere.com/app)

**KEY POINTS**

Poll Title: Course Eval - AUD 121 - Game Performance  
<https://www.polleverywhere.com/surveys/OMqELsOmM>

Activity #1 - Calculating Theoretical Win and Hold Percentage



**\$2**  
PER  
PLAY



# BULLSEYE™



**\$599 \$599**  
**\$599 \$599**

**\$300 \$300**  
**\$300 \$300**

**\$100 \$100**  
**\$100 \$100**

**4 WIN**  
**\$50 \$50**  
**\$50 \$50**

**20 WIN**  
**\$4**

**240 WIN**  
**\$2**



**4 WIN**



**8 WIN**

Pull Tab Purchasers - This pull tab game is not legal in Minnesota unless an outline of Minnesota with the letters "MN" inside it is imprinted on this sheet, and the serial number imprinted on the bar code at the bottom of this sheet is the same as the serial number on the pull tab ticket you have purchased.

DATE IN \_\_\_\_\_ DATE OUT \_\_\_\_\_  
SIGNATURE \_\_\_\_\_  
© Paramount Games  
Wheatland, PA. 16161

TKT. CT. **3420**  
FORM#  
MINO1278



MADE IN U.S.A.

### Activity #1 - Calculating Theoretical Win and Hold Percentage

| Total Tickets | Cost          | Total Revenue |
|---------------|---------------|---------------|
| 3420          |               |               |
| <b>_____</b>  |               |               |
| # winners     | Ticket Payout | Total Payout  |
|               | \$599         |               |
|               | \$300         |               |
|               | \$100         |               |
|               | \$50          |               |
|               | \$4           |               |
|               | \$2           |               |
|               | <b>Total</b>  |               |

Calculate Theoretical Net Win:

Calculate Theoretical Hold%:

|  |  |
|--|--|
|  |  |
|--|--|

# Activity #2

| Game           | MNum              | PAR   | Games        | Coin In   | Coin Out         | Win              | Actual Hold %   | Variance      |
|----------------|-------------------|-------|--------------|-----------|------------------|------------------|-----------------|---------------|
| Bingo Game XXX | 790305            | 3.23% | 1            | 304,010   | 332,497          | -28,487          | -8.57%          | -11.80%       |
|                | 790313            | 3.23% | 1            | 299,060   | 289,110          | 9,950            | 3.44%           | 0.21%         |
|                | 790340            | 3.23% | 1            | 243,570   | 266,755          | -23,185          | -8.69%          | -11.92%       |
|                | 790356            | 3.23% | 1            | 169,630   | 161,405          | 8,225            | 5.10%           | 1.87%         |
|                | 790360            | 3.23% | 1            | 238,110   | 255,280          | -17,170          | -6.73%          | -9.96%        |
|                | 790473            | 3.23% | 1            | 259,170   | 240,340          | 18,830           | 7.83%           | 4.60%         |
|                | 790474            | 3.23% | 1            | 343,395   | 351,606          | -8,211           | -2.34%          | -5.57%        |
|                | 790551            | 3.23% | 1            | 579,440   | 604,865          | -25,425          | -4.20%          | -7.43%        |
|                | 790579            | 3.23% | 1            | 664,995   | 670,197          | -5,202           | -0.78%          | 2.68%         |
|                | 790611            | 3.23% | 1            | 300,775   | 298,724          | 2,051            | 0.69%           | -2.54%        |
|                | 790612            | 3.23% | 1            | 442,465   | 474,125          | -31,660          | -6.68%          | -9.91%        |
|                | <b>Game Total</b> |       | <b>3.23%</b> | <b>11</b> | <b>3,844,620</b> | <b>3,944,905</b> | <b>-100,285</b> | <b>-2.61%</b> |
| Bingo Game YYY | 605673            | 3.52% | 1            | 230,886   | 246,649          | -15,763          | -6.83%          | -10.35%       |
|                | 605847            | 3.52% | 1            | 248,558   | 244,783          | 3,775            | 1.52%           | -2.00%        |
|                | 605864            | 3.52% | 1            | 175,559   | 167,756          | 7,803            | 4.44%           | 0.92%         |
|                | 605979            | 3.52% | 1            | 217,833   | 214,312          | 3,521            | 1.62%           | -1.90%        |
|                | 606015            | 3.52% | 1            | 195,241   | 191,026          | 4,215            | 2.16%           | -1.36%        |
|                | 606228            | 3.52% | 1            | 247,255   | 232,465          | 14,790           | 5.98%           | 2.46%         |
|                | 606275            | 3.52% | 1            | 283,053   | 296,447          | -13,394          | -4.73%          | -8.25%        |
|                | 606352            | 3.52% | 1            | 155,355   | 148,871          | 6,484            | 4.17%           | 0.65%         |
|                | 606391            | 3.52% | 1            | 173,528   | 168,950          | 4,578            | 2.64%           | -0.88%        |
|                | 606399            | 3.52% | 1            | 229,076   | 219,542          | 9,534            | 4.16%           | 0.64%         |
|                | 606466            | 3.52% | 1            | 240,460   | 228,610          | 11,850           | 4.93%           | 1.41%         |
|                | <b>Game Total</b> |       | <b>3.52%</b> | <b>12</b> | <b>2,396,804</b> | <b>2,359,411</b> | <b>37,393</b>   | <b>1.56%</b>  |
| Bingo Game ZZZ | 580144            | 4.73% | 1            | 118,750   | 111,084          | 7,665            | 6.45%           | 1.72%         |
|                | 580146            | 4.73% | 1            | 105,320   | 111,448          | -6,129           | -5.82%          | -10.55%       |
|                | 580151            | 4.73% | 1            | 113,179   | 121,249          | -8,071           | -7.13%          | -11.86%       |
|                | 580157            | 4.73% | 1            | 106,319   | 106,622          | -304             | -0.29%          | -5.02%        |
|                | 580158            | 4.73% | 1            | 146,838   | 159,085          | -12,247          | -8.34%          | -13.07%       |
|                | 580160            | 4.73% | 1            | 110,854   | 103,358          | 7,496            | 6.76%           | 2.03%         |
|                | 580168            | 4.73% | 1            | 101,095   | 92,834           | 8,261            | 8.17%           | 3.44%         |
|                | 580169            | 4.73% | 1            | 107,234   | 100,742          | 6,493            | 6.05%           | 1.32%         |
|                | 580180            | 4.73% | 1            | 166,197   | 175,703          | -9,506           | -5.72%          | -10.45%       |
|                | 580183            | 4.73% | 1            | 150,141   | 154,870          | -4,729           | -3.15%          | -7.88%        |
|                | 580196            | 4.73% | 1            | 139,488   | 145,283          | -5,796           | -4.15%          | -8.88%        |
|                | <b>Game Total</b> |       | <b>4.73%</b> | <b>11</b> | <b>1,365,412</b> | <b>1,382,279</b> | <b>-16,867</b>  | <b>-1.24%</b> |

As a Group/ Table, perform the following;

1. Identify the "Bingo" variances;
2. Identify the investigative procedures that should be performed;
3. Identify the types of documentation that should be reviewed.



## Activity #3

| Summary   | Table Type              | Drop              | Win              | Hold% | Base Hold %  | Variance |
|-----------|-------------------------|-------------------|------------------|-------|--------------|----------|
| Baccarat  | Mini Baccarat           | 5,304,711         | 241,471          |       | 8.1%         |          |
|           | Midi Baccarat           | 8,237,637         | 1,606,784        |       | 13.1%        |          |
|           | EZ Baccarat             | 807,290           | 102,370          |       | 16.5%        |          |
|           | <b>Baccarat Total:</b>  | <b>14,349,638</b> | <b>1,950,625</b> |       | <b>11.7%</b> |          |
| Blackjack | Blackjack               | 5,921,554         | 541,128          |       | 18.6%        |          |
|           | Single Deck Blackjack   | 1,064,592         | 211,312          |       | 20.9%        |          |
|           | Double Deck Blackjack   | 7,067,915         | 1,124,432        |       | 15.6%        |          |
|           | SW Blackjack            | 494,857           | 117,249          |       | 25.3%        |          |
|           | Free Bet Blackjack      | 682,476           | 150,106          |       | 20.3%        |          |
|           | Spanish 21              | 231,629           | 70,109           |       | 30.7%        |          |
|           | Bet em All              | 734,762           | 111,572          |       | 19.00%       |          |
|           | <b>Blackjack Total:</b> | <b>16,197,785</b> | <b>2,325,908</b> |       | <b>17.8%</b> |          |
|           | Pai Gow                 | 1,175,740         | 303,635          |       | 29.4%        |          |
|           | Three Card Poker        | 547,012           | 236,739          |       | 35.7%        |          |
| Specialty | Four Card Poker         | 463,142           | 142,054          |       | 34.7%        |          |
|           | Ultimate Hold'em        | 484,495           | 177,391          |       | 35.3%        |          |
|           | Dealer Bluff            | 567,054           | 195,049          |       | 31.0%        |          |
|           | American Roulette       | 1,317,756         | 353,373          |       | 25.3%        |          |
|           | Craps                   | 673,395           | 148,112          |       | 20.6%        |          |
|           | Mississippi Stud        | 434,817           | 140,717          |       | 34.5%        |          |
|           | Seven Up Pai Gow        | 465,190           | 214,686          |       | 30.00%       |          |
|           | <b>Specialty Total:</b> | <b>6,128,601</b>  | <b>1,911,756</b> |       | <b>29.6%</b> |          |
|           | <b>Grand Total</b>      | <b>36,676,024</b> | <b>6,188,289</b> |       | <b>24.5%</b> |          |

As a Group/ Table, perform the following;

1. Calculate the Hold %;
2. Calculate the Variance.



# Activity #4

| Mach # | Denom |     | Coin In    | Gross Drop | JP+TK     | Net Win    | Theo  | Act %   | Var %   | Estimated Dollar Var |
|--------|-------|-----|------------|------------|-----------|------------|-------|---------|---------|----------------------|
| 1413   | 0.01  | MTD | 47,983     | 30,897     | 26,507    | 4,390      | 5.08% | 9.15%   | 4.07%   | 1,952                |
|        |       | YTD | 651,438    | 374,051    | 340,768   | 33,283     | 5.08% | 5.11%   | 0.03%   | 190                  |
|        |       | LTD | 3,061,760  | 1,795,445  | 1,533,455 | 261,989    | 5.08% | 8.56%   | 3.48%   | 106,452              |
| 1414   | 0.01  | MTD | 45,840     | 30,221     | 25,825    | 4,396      | 5.08% | 9.59%   | 4.51%   | 2,067                |
|        |       | YTD | 740,070    | 430,278    | 408,016   | 22,262     | 5.08% | 3.01%   | -2.07%  | -15,333              |
|        |       | LTD | 4,218,400  | 2,495,613  | 2,366,492 | 129,121    | 5.08% | 3.06%   | -2.02%  | -85,174              |
| 1415   | 0.01  | MTD | 118,109    | 38,444     | 35,176    | 3,268      | 2.60% | 2.77%   | 0.17%   | 198                  |
|        |       | YTD | 1,111,700  | 347,310    | 334,320   | 12,990     | 2.60% | 1.17%   | -1.43%  | -15,915              |
|        |       | LTD | 6,559,033  | 2,014,397  | 1,972,489 | 41,908     | 2.60% | 0.64%   | -1.96%  | -128,627             |
| 1416   | 0.01  | MTD | 112,876    | 40,365     | 38,111    | 2,254      | 2.60% | 2.00%   | -0.60%  | -681                 |
|        |       | YTD | 1,366,211  | 509,267    | 498,022   | 11,244     | 2.60% | 0.82%   | -1.78%  | -24,277              |
|        |       | LTD | 5,054,980  | 1,935,213  | 1,942,287 | -7,074     | 2.60% | -0.14%  | -2.74%  | -138,504             |
| 1418   | 0.01  | MTD | 92,205     | 45,405     | 47,743    | -2,338     | 3.54% | -2.54%  | -6.08%  | -5,602               |
|        |       | YTD | 960,736    | 511,438    | 512,594   | -1,155     | 3.54% | -0.12%  | -3.66%  | -35,165              |
|        |       | LTD | 5,476,194  | 2,966,343  | 3,024,303 | -57,960    | 3.54% | -1.06%  | -4.60%  | -251,817             |
| 1419   | 0.01  | MTD | 133,574    | 65,464     | 85,419    | -19,955    | 5.02% | -14.94% | -19.96% | -26,660              |
|        |       | YTD | 1,565,406  | 759,790    | 780,381   | -20,591    | 5.02% | -1.32%  | -6.34%  | -99,175              |
|        |       | LTD | 5,792,003  | 2,887,201  | 2,926,429 | -39,228    | 5.02% | -0.68%  | -5.70%  | -329,987             |
| 2063   | 1.00  | MTD | 85,745     | 63,611     | 63,774    | -163       | 5.02% | -0.19%  | -5.21%  | -4,467               |
|        |       | YTD | 2,753,754  | 1,448,854  | 1,319,426 | 129,428    | 5.02% | 4.70%   | -0.32%  | -8,810               |
|        |       | LTD | 15,696,398 | 8,403,353  | 7,652,671 | 750,682    | 5.02% | 4.78%   | -0.24%  | -37,277              |
| 2064   | 1.00  | MTD | 81,083     | 63,088     | 42,428    | 20,660     | 5.02% | 25.48%  | 20.46%  | 16,590               |
|        |       | YTD | 2,490,519  | 1,374,846  | 1,258,616 | 116,230    | 5.02% | 4.67%   | -0.35%  | -8,794               |
|        |       | LTD | 11,705,439 | 6,599,261  | 6,167,218 | 432,042    | 5.02% | 3.69%   | -1.33%  | -155,571             |
| 2065   | 1.00  | MTD | 122,701    | 77,303     | 67,606    | 9,697      | 5.02% | 7.90%   | 2.88%   | 3,537                |
|        |       | YTD | 2,440,102  | 1,357,552  | 1,234,949 | 122,603    | 5.02% | 5.02%   | 0.00%   | 110                  |
|        |       | LTD | 13,908,581 | 7,873,802  | 7,175,054 | 698,748    | 5.02% | 5.02%   | 0.00%   | 537                  |
| 2066   | 1.00  | MTD | 131,135    | 79,249     | 77,885    | 1,364      | 5.00% | 1.04%   | -3.96%  | -5,193               |
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|        |       | LTD | 9,194,963  | 3,690,754  | 3,803,924 | -113,170   | 5.00% | -1.23%  | -6.23%  | -572,918             |
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|        |       | YTD | 1,865,744  | 703,037    | 699,877   | 3,160      | 5.00% | 0.17%   | -4.83%  | -90,127              |
|        |       | LTD | 10,634,741 | 4,077,615  | 3,849,324 | 228,291    | 5.00% | 2.15%   | -2.85%  | -303,446             |

As a Group/ Table, perform the following;

1. Identify the gaming machine variances;
2. Identify the investigative procedures that should be performed;
3. Identify the types of documentation that should be reviewed.

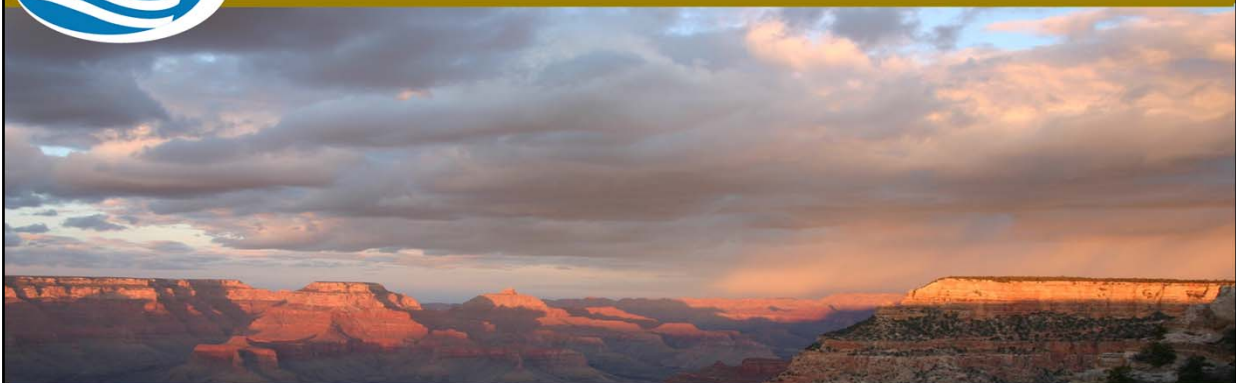
# AUD-114 Minimum Bankroll



# AUD-114 Minimum Bankroll Participant Guide



National Indian Gaming Commission



## AUD-114 Minimum Bankroll Worksheet

KEY POINTS



## Poll

**Why is there a need for a Minimum Bankroll?**

2

KEY POINTS

# AUD-114 Minimum Bankroll Participant Guide



## Why?

- Original Worksheet was adopted in ????
- Did not differentiate between Class II and Class III revenue centers.



3

### KEY POINTS



## Changes

- Break out of Class II requirements and Class III revenues
- Better defined requirements for variable amounts
- Updated look-up tables based on Best Practices



4

KEY POINTS

# AUD-114 Minimum Bankroll Participant Guide



## Minimum Bankroll Main

| National Indian Gaming Commission   |   |         |                   |
|-------------------------------------|---|---------|-------------------|
| Minimum Bankroll Verification (MBV) |   |         |                   |
|                                     |   | On Hand | Next Business Day |
| <b>Cash Available</b>               |   |         |                   |
| 1                                   | Cash In Cage  | 1a      | 1b                |
| 2                                   | Less: Customer Deposits Including Wagering Accounts                             | 2a      | 2b -              |
| 3                                   | Net Cash In Cage  | 3a -    | 3b -              |
| 4                                   | Cash On Casino Floor  | 4a      | 4b                |
| 5                                   | Cash In Bank  | N/A     |                   |
| 6                                   | Cash Available  | 6a -    | 6b -              |
| <b>Required Bankroll</b>            |   |         |                   |
| 7                                   | Gross Gaming Revenue (Prior Business Year)                                      | 7a      | 7b                |
|                                     | 7 X 1.00%   | 7a -    | 7b -              |
| 8                                   | Per Machine/ Other Gaming Requirement (50% - On Hand; 100% - Next Business Day) | 8a -    | 8b -              |
| 9                                   | Variable Amounts Requirement  |         | 9 -               |
| 10                                  | Total Bankroll Requirement  | 10a -   | 10b -             |
| 11                                  | Cash Excess / (Deficiency)  | 11a -   | 11b -             |

### KEY POINTS



# AUD-114 Minimum Bankroll Participant Guide



## Class II Machine and Other Class II Gaming Requirements

| Class II Machine Requirement  |   |               |                         |             |
|-------------------------------|---|---------------|-------------------------|-------------|
|                               | Denomination  | # of Machines | Per Machine Requirement | Requirement |
| 12                            | \$ .01-\$.50 & Multi Denom                            |               | \$350                   | -           |
| 13                            | \$1.00  |               | \$500                   | -           |
| 14                            | > \$1.00  |               | \$1,000                 | -           |
| 15                            | <b>Total Class II Machine Requirement</b>             |               |                         |             |
| Other Gaming Areas            |   |               |                         |             |
| 16                            | Manual Bingo- Highest Payout Offered                  |               |                         |             |
| 17                            | Pull Tabs- Highest Payout Offered                     |               |                         |             |
| 18                            | <b>Total Other Gaming Area Requirement</b>            |               |                         |             |
| 19                            | <b>Total Per Machine and Other Gaming Requirement</b> |               |                         |             |
| Variable Amounts Requirements |   |               |                         |             |
| 20                            | Highest Class II Machine Payout                       |               |                         |             |
| 21                            | Card Games Progressive                                |               |                         |             |
| 22                            | Other Progressives                                    |               |                         |             |
| 23                            | Contest / Tournament Payout Liability                 |               |                         |             |
| 24                            | Customer Deposits Including Wagering Accounts         |               |                         |             |
| 25                            | Miscellaneous Promotions                              |               | N                       | N/A         |

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### KEY POINTS

- Includes slot banks, booths, kiosks, etc.
- Includes keno, bingo, card room banks, etc.



# AUD-114 Minimum Bankroll Participant Guide



## Class III Machine, Table Game, and Other Gaming Requirements

| <b>Class III Requirement</b>               |               |                         |             |
|--|---------------|-------------------------|-------------|
| Denomination                               | # of Machines | Per Machine Requirement | Requirement |
| \$.01-\$.50 & Multi Denom                  |               | \$350                   | -           |
| \$1 Slot Machine                           |               | \$500                   | -           |
| > \$1.00                                   |               | \$1,000                 | -           |
| <b>Total Class III Machine Requirement</b> |               |                         |             |
| <b>Table Games Requirement</b>             |               |                         |             |
| Game                                       | # of Tables   | Per Table Requirement   | Requirement |
| "21" & Roulette                            |               | \$2,000                 | -           |
| Craps                                      |               | \$2,000                 | -           |
| Baccarat                                   |               | \$2,000                 | -           |
| Other Games                                |               | \$2,000                 | -           |
| <b>Total Table Games Requirement</b>       |               |                         |             |
| <b>Other Gaming Areas</b>                  |               | Game Offered?<br>(Y/N)  |             |
| Race Book                                  |               | N                       | N/A         |
| Pari-Mutuel Wagering                       |               | N                       | N/A         |
| Sports Pool                                |               | N                       | N/A         |
| Keno                                       |               | N                       |             |
| <b>Total Other Gaming Area Requirement</b> |               |                         |             |

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### KEY POINTS

- Less balance of gaming machine, table game and pari-mutuel requirement
- Less highest gaming machine progressive payout or non-progressive payout

# AUD-114 Minimum Bankroll Participant Guide



## Class III Machine, Table Game, and Other Gaming Requirements (cont.)

| <b>Total Class III Machine and Gaming Requirement</b> |   |     |
|---|---|-----|
| <b>Variable Amounts Requirements</b>                  |   |     |
| Highest Slot Payout                                   |   |     |
| Table Games Progressive                               |   |     |
| Race and Sports Book Progressive                      |   |     |
| Other Progressives                                    |   |     |
| Contest / Tournament Payout Liability                 |   |     |
| Customer Deposits Including Wagering Accounts         |   |     |
| Miscellaneous Promotions                              | N | N/A |
| Periodic Payment Liabilities                          |   |     |
| <b>Total Variable Amounts Requirement</b>             |   |     |

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### KEY POINTS

- Less balance of gaming machine, table game and pari-mutuel requirement
- Less highest gaming machine progressive payout or non-progressive payout

# AUD-114 Minimum Bankroll Participant Guide



## Look-Up Tables Class II

### Machine Requirement Look-up Table

| GGR:                    | >\$100 million | \$15-100 million | \$8-15 million | \$3-8 million | <\$3 million |
|-------------------------|----------------|------------------|----------------|---------------|--------------|
| .01 - .50 & multi-denom | \$ 1,000       | \$ 800           | \$ 500         | \$ 500        | \$ 350       |
| \$1 machine             | \$ 1,800       | \$ 1,500         | \$ 1,000       | \$ 750        | \$ 500       |
| Denoms > \$1            | \$ 5,000       | \$ 4,000         | \$ 3,000       | \$ 2,000      | \$ 1,000     |

### Miscellaneous Promotions

| GGR:                | >\$100 million | \$15-100 million | \$8-15 million | \$3-8 million | <\$3 million |
|---------------------|----------------|------------------|----------------|---------------|--------------|
| Large promo Payouts | \$ 500,000     | \$ 350,000       | \$ 200,000     | \$100,000     | \$ 50,000    |

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### KEY POINTS

# AUD-114 Minimum Bankroll Participant Guide



## Look-Up Tables Class III

| <b>Class III</b>                                      |                |                  |                 |                 |               |
|---|----------------|------------------|-----------------|-----------------|---------------|
| <b>Slot Requirement Look-up Table</b>                 |                |                  |                 |                 |               |
| GGR:  | >\$130 million | \$72-130 million | \$36-72 million | \$12-36 million | <\$12 million |
| .01 - .50 & multi-denom                               | \$ 1,000       | \$ 800           | \$ 500          | \$ 500          | \$ 350        |
| \$1 slots   | \$ 1,800       | \$ 1,500         | \$ 1,000        | \$ 750          | \$ 500        |
| Denoms > \$1  | \$ 5,000       | \$ 4,000         | \$ 3,000        | \$ 2,000        | \$ 1,000      |
| <b>Table Games Requirement Look-up Table</b>          |                |                  |                 |                 |               |
| GGR:  | >\$130 million | \$72-130 million | \$36-72 million | \$12-36 million | <\$12 million |
| "21" and Roulette                                     | \$ 30,000      | \$ 15,000        | \$ 10,000       | \$ 5,000        | \$ 3,000      |
| Craps   | \$ 60,000      | \$ 30,000        | \$ 20,000       | \$ 15,000       | \$ 5,000      |
| Baccarat  | \$ 100,000     | \$ 50,000        | \$ 30,000       | \$ 20,000       | \$ 10,000     |
| Other   | \$ 10,000      | \$ 8,000         | \$ 5,000        | \$ 4,000        | \$ 2,000      |
| <b>Race and Sports book Requirement Look-up Table</b> |                |                  |                 |                 |               |
| GGR:  | >\$130 million | \$72-130 million | \$36-72 million | \$12-36 million | <\$12 million |
| Race book   | \$ 2,500       | \$ 2,000         | \$ 1,600        | \$ 800          | \$ 500        |
| Pari-mutuel   | \$ 30,000      | \$ 22,500        | \$ 15,000       | \$ 7,000        | \$ 4,000      |
| Sports pool   | \$ 25,000      | \$ 20,000        | \$ 15,000       | \$ 10,000       | \$ 7,500      |
| <b>Miscellaneous Promotions</b>                       |                |                  |                 |                 |               |
| GGR:  | >\$130 million | \$72-130 million | \$36-72 million | \$12-36 million | <\$12 million |
| Large promo Payouts                                   | \$ 500,000     | \$ 350,000       | \$ 200,000      | \$ 100,000      | \$ 50,000     |

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### KEY POINTS



## Variable Amount Requirements

- If progressives are included enter the highest progressive offered.
- Miscellaneous Promotions (refer to look-up table).



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### KEY POINTS

This is for all In-House progressives which the operation has a liability for. This includes all gaming revenue centers e.g., Card Games, Bingo, Class III gaming machines, Table Games etc... This information would be included in the respected worksheet.

MISC Promotions can be defined as e.g. drawings, scratch off tickets, wheel spins, slot machine pulls, Using the look-up table and if the promotion exceeds the threshold enter Y it will automatically put in the liability amount. NOTE: There are different requirements for Class II V.s. Class III as Tier level is taken into account.



## Activity #1

- Using the Practical Exercise and provided worksheet determine your operations Minimum Bankroll requirement



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### KEY POINTS

**Activity:** Determine Minimum Bankroll Requirements

**Individual Work**

**TIME:** 15 minutes

**Supplies: (per group)**

- Practical Exercise #1
- Calculator on your smartphone

### Instructions

1. Using the handout and the calculator on your smartphone determine the operations minimum bankroll requirements.



## Questions

Contact Information:

[TRAINING@nigc.gov](mailto:TRAINING@nigc.gov)



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KEY POINTS





## Course Evaluation

- Provide an honest assessment of your experience
- Written suggestions and comments are greatly appreciated and allow us to improve your experience



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### KEY POINTS



## Practical Exercise 1

You are the Accounting professional at your operation and are responsible for completing the minimum bankroll worksheet. Based on review of your audited financials your property is a mixed Class II and Class III facility and your GGR was \$120,000,000. Your cash in cage is \$2 million, you have customer deposits amounting to \$20K, and you have 5 Kiosk each with \$15K in them, you maintain \$10 million in your bank with \$2 million of which is restricted. Your gaming Breakdown is below;

- Your operation has 1000 Gaming machines 700 Class III 300 @ \$1.00 machines and 400 @ .01 thru .25.
- 300 Class II machines 100 @ \$5.00, 200 @ .01-.50.
- 10 Table Games 5 BJ and 5 Craps
- Bingo offering a top prize of \$100,000
- In house progressives amounts as follows;

### Class III Machines

111,000

220,000

21,000

### Class II Machines

31,000

8000

1200

### Table Games

24,000

16,000

3000

### Card Games

Bad Beat @ 37,000

Additionally, your operation offers a free spin promotion paying out \$250,000 on a Class III game and \$75,000 for a Class II, Promotional pull tab

## National Indian Gaming Commission Minimum Bankroll Verification (MBV) Instructions

- 1) Cash in Cage:
  - a) "On Hand" – includes currency only. Currency is defined as paper money issued by the United States Government and does **NOT** include coin or foreign currency.
  - b) "Next Business Day" – includes line **1a** plus all items in the cage that could be converted to currency by the next business day. This would include, but is not limited to, the following items:
    - i) Coin.
    - ii) Personal checks, payroll checks, cashier's checks, and traveler's checks.
      - Exclude counter checks and markers.
    - iii) Foreign currency and foreign chips / tokens.
- 2) Customer Deposits – include front money, safekeeping, and wagering accounts.
  - a) "On Hand" – includes only deposits made in cash and included in the count of cage currency.
  - b) "Next Business Day" – includes all deposits.
    - Include all amounts held on behalf of patrons.
- 3) Net Cash in Cage – line **1** less line **2**.
- 4) Cash on Casino Floor:
  - a) "On Hand" – includes all currency maintained in gaming areas other than the cage. Some areas would be, but are not limited to, the following:
    - i) Class II and III change banks, booths, carousels, vaults, and gaming kiosks.
      - Exclude funds in Class II and III Machines
    - ii) Bingo, Pull Tabs and Poker Banks.
  - b) "Next Business Day" – includes line **4a** plus all items maintained in gaming areas other than the cage that can be converted to currency by the next business day.
- 5) Cash in Bank:
  - a) "On-Hand" – N/A as currency included in "Next Business Day".
  - b) "Next Business Day" – funds held at financial institutions that can be converted to currency and be at the casino by the next business day.
    - Must use a current and accurate book balance.
      - i) Balance must include all bank fees incurred.
      - ii) Book balance may be increased by the amount of checks cut but still held on property, if verifiable.
        - A Letter of Credit may be included if it has been issued to the gaming operation only.
        - Restricted funds may not be included (e.g. CD held as deposit, bonds, jackpot insurance guarantees, debt reserves, etc.).
- 6) Cash Available – sum of lines **3**, **4** and **5**.
- 7) Gross Gaming Revenue (GGR) – Enter GGR from previous year and MBV calculates 1 percent.
  - New operations with less than 1 year of reported revenue should use projections.
- 8) Per Machine/ Table Game/ Other Gaming Area requirement. MBV calculates from Class II and Class III tabs.
  - a) "On Hand" – is 50% of the figure from **8b**.
  - b) "Next Business Day" – is 100% of the figures from lines **19** and **42**.
- 9) Variable Amounts Requirement. MBV calculates from Class II and Class III tabs.
  - a) "On Hand" – no requirement.
  - b) "Next Business Day" – calculates the figure from lines **27** and **51**.
- 10) Total Bankroll Requirement – sum of lines **7** through **9**.
- 11) Cash Excess / (Deficiency) – line **6** less line **10**.

### Class II Tab

- 12) # of Machines – Enter the number of Class II machines being operated with a denomination of \$.01-\$.50.
- 13) # of Machines – Enter the number of Class II machines being operated with a denomination of \$1.
- 14) # of Machines – Enter the number of Class II machines being operated with a denomination >\$1.
- 15) Total Class II Machine Requirement- sum of lines **12**, **13**, and **14**.
- 16) Manual Bingo – Enter the highest in-house progressive or non-progressive payout offered, regardless of related
- 17) Pull Tabs – Enter the highest in-house progressive or non-progressive payout offered, regardless of related insurance
- 18) Total Other Gaming Area Requirement- sum of lines **16** and **17**.

- 19) Total Machine and Other Gaming Requirement-sum of lines **15 and 18**.
- 20) Highest Class II Machine Payout – Enter the greater of: 1) highest in-house progressive displayed meter amount or, 2) largest non-progressive payout offered.
  - i) If largest non-progressive payout is a non-cash item (e.g. car) with a cash option, use the greater of the cost of personal property or cash option.
  - ii) Exclude 3<sup>rd</sup> party operated wide area progressives where the 3<sup>rd</sup> party is responsible for the progressive
  - iii) Include related party wide area progressives if the gaming operation is responsible for paying the jackpot.
- 21) Card Games Progressive Liabilities – Enter the highest progressive offered.
- 22) Other Class II Progressives – Enter 100% of the progressive payout liability from games not included above.
- 23) Contest / Tournament Payout Liability for Class II– must include all amounts owed to patrons.
  - i) Until contest / tournament begins, all entry fees collected must be included.
  - ii) After the contest / tournament begins, all payout commitments to public must be included (e.g., weekly prizes and grand prize).
- 24) Customer Deposits for Class II including Wagering Accounts- Enter amounts from **2** above that pertain to Class II (note lines **24** and **48** should equal line **2**).  
Miscellaneous Promotions Class II (e.g. drawings, scratch off tickets, wheel spins, slot machine pulls, etc.) – refer to
- 25) Look-up Tables for thresholds. For promotional payouts that exceed the applicable threshold, enter Y. If no promotional payouts exceed the threshold, enter N as no amount need be entered.
- 26) Periodic Payments for Class II– Enter the present value of the total sums owed to patrons for annuities or periodic
- 27) Total Variable Amounts Requirement – sum of lines **20, 21, 22, 23, 24, 25** and **26**.

**National Indian Gaming Commission  
Minimum Bankroll Verification (MBV)**

|                          |  | On Hand | Next Business Day |
|--------------------------|--|---------|-------------------|
| <b>Cash Available</b>    |  |         |                   |
| <b>1</b>                 | Cash In Cage   | 1a      | 1b                |
| <b>2</b>                 | Less: Customer Deposits Including Wagering Accounts                                | 2a      | 2b -              |
| <b>3</b>                 | Net Cash In Cage   | 3a -    | 3b -              |
| <b>4</b>                 | Cash On Casino Floor   | 4a      | 4b                |
| <b>5</b>                 | Cash In Bank   | N/A     | 5                 |
| <b>6</b>                 | Cash Available   | 6a -    | 6b -              |
| <b>Required Bankroll</b> |  |         |                   |
| <b>7</b>                 | Gross Gaming Revenue (Prior Business Year)   |         |                   |
|                          | 7 X 1.00%  | 7a -    | 7b -              |
| <b>8</b>                 | Per Machine/ Other Gaming Requirement<br>(50% - On Hand; 100% - Next Business Day) | 8a -    | 8b -              |
| <b>9</b>                 | Variable Amounts Requirement   |         | 9 -               |
| <b>10</b>                | Total Bankroll Requirement   | 10a -   | 10b -             |
| <b>11</b>                | Cash Excess / (Deficiency)   | 11a -   | 11b -             |

**Class II Machine and Other Class II Gaming Requirements**

| Class II Machine Requirement          |               |                         |             | - |
|---------------------------------------|---------------|-------------------------|-------------|---|
| Denomination                          | # of Machines | Per Machine Requirement | Requirement |   |
| 12 \$ .01-\$.50 & Multi Denom         |               | \$350                   | -           |   |
| 13 \$1.00                             |               | \$500                   | -           |   |
| 14 > \$1.00                           |               | \$1,000                 | -           |   |
| 15 Total Class II Machine Requirement |               |                         | -           |   |

Enter information in blue highlighted areas only.

Note: All shaded yellow cells contain formulas and cross references and do not require input.

| Other Gaming Areas                      |  |  | - |
|---|--|--|---|
| 16 Manual Bingo- Highest Payout Offered |  |  |   |
| 17 Pull Tabs- Highest Payout Offered    |  |  |   |
| 18 Total Other Gaming Area Requirement  |  |  | - |

|    |  |   |
|----|--|---|
| 19 | Total Per Machine and Other Gaming Requirement | - |
|----|--|---|

| Variable Amounts Requirements         |   |     | - |
|---------------------------------------|---|-----|---|
| 20                                    | Highest Class II Machine Payout               |     |   |
| 21                                    | Card Games Progressive                        |     |   |
| 22                                    | Other Progressives                            |     |   |
| 23                                    | Contest / Tournament Payout Liability         |     |   |
| 24                                    | Customer Deposits Including Wagering Accounts |     |   |
| 25                                    | Miscellaneous Promotions                      | N   |   |
| 26                                    | Periodic Payment Liabilities                  | N/A |   |
| 27 Total Variable Amounts Requirement |   |     | - |

### Class III Machine, Table Game, and Other Gaming Requirements

| Class III Requirement |  |               |                         |             |
|-----------------------|--|---------------|-------------------------|-------------|
|                       | Denomination                               | # of Machines | Per Machine Requirement | Requirement |
| 28                    | \$.01-\$.50 & Multi Denom                  |               | \$350                   | -           |
| 29                    | \$1 Slot Machine                           |               | \$500                   | -           |
| 30                    | > \$1.00                                   |               | \$1,000                 | -           |
| 31                    | <b>Total Class III Machine Requirement</b> |               |                         | -           |

Enter information in blue highlighted areas only.

Note: All shaded yellow cells contain formulas and cross references and do not require input.

| Table Games Requirement |                                      |             |                       |             |
|-------------------------|--------------------------------------|-------------|-----------------------|-------------|
|                         | Game                                 | # of Tables | Per Table Requirement | Requirement |
| 32                      | "21" & Roulette                      |             | \$2,000               | -           |
| 33                      | Craps                                |             | \$2,000               | -           |
| 34                      | Baccarat                             |             | \$2,000               | -           |
| 35                      | Other Games                          |             | \$2,000               | -           |
| 36                      | <b>Total Table Games Requirement</b> |             |                       | -           |

|    | Other Gaming Areas                         | Game Offered?<br>( Y / N ) |     |   |
|----|--|----------------------------|-----|---|
| 37 | Race Book                                  | N                          | N/A |   |
| 38 | Pari-Mutuel Wagering                       | N                          | N/A |   |
| 39 | Sports Pool                                | N                          | N/A |   |
| 40 | Keno                                       | N                          |     |   |
| 41 | <b>Total Other Gaming Area Requirement</b> |                            |     | - |

|    |   |  |  |   |
|----|---|--|--|---|
| 42 | <b>Total Class III Machine and Gaming Requirement</b> |  |  | - |
|----|---|--|--|---|

| Variable Amounts Requirements |   |   |     |   |
|-------------------------------|---|---|-----|---|
| 43                            | Highest Slot Payout                           |   |     |   |
| 44                            | Table Games Progressive                       |   |     |   |
| 45                            | Race and Sports Book Progressive              |   |     |   |
| 46                            | Other Progressives                            |   |     |   |
| 47                            | Contest / Tournament Payout Liability         |   |     |   |
| 48                            | Customer Deposits Including Wagering Accounts |   |     |   |
| 49                            | Miscellaneous Promotions                      | N | N/A |   |
| 50                            | Periodic Payment Liabilities                  |   |     |   |
| 51                            | <b>Total Variable Amounts Requirement</b>     |   |     | - |

## Minimum Bankroll Look-Up Tables

| Class II  |                |                  |                 |                 |               | Class III                                    |                |                  |                 |                 |               |
|---|----------------|------------------|-----------------|-----------------|---------------|--|----------------|------------------|-----------------|-----------------|---------------|
| <b>Machine Requirement Look-up Table</b>              |                |                  |                 |                 |               | <b>Slot Requirement Look-up Table</b>        |                |                  |                 |                 |               |
| GGR:  | >\$100 million | \$15-100 million | \$8-15 million  | \$3-8 million   | <\$3 million  | GGR:   | >\$130 million | \$72-130 million | \$36-72 million | \$12-36 million | <\$12 million |
| .01 - .50 & multi-denom                               | \$ 1,000       | \$ 800           | \$ 500          | \$ 500          | \$ 350        | .01 - .50 & multi-denom                      | \$ 1,000       | \$ 800           | \$ 500          | \$ 500          | \$ 350        |
| \$1 machine   | \$ 1,800       | \$ 1,500         | \$ 1,000        | \$ 750          | \$ 500        | \$1 slots                                    | \$ 1,800       | \$ 1,500         | \$ 1,000        | \$ 750          | \$ 500        |
| Denoms > \$1  | \$ 5,000       | \$ 4,000         | \$ 3,000        | \$ 2,000        | \$ 1,000      | Denoms > \$1                                 | \$ 5,000       | \$ 4,000         | \$ 3,000        | \$ 2,000        | \$ 1,000      |
| <b>Miscellaneous Promotions</b>                       |                |                  |                 |                 |               | <b>Table Games Requirement Look-up Table</b> |                |                  |                 |                 |               |
| GGR:  | >\$100 million | \$15-100 million | \$8-15 million  | \$3-8 million   | <\$3 million  | GGR:   | >\$130 million | \$72-130 million | \$36-72 million | \$12-36 million | <\$12 million |
| Large promo Payouts                                   | \$ 500,000     | \$ 350,000       | \$ 200,000      | \$ 100,000      | \$ 50,000     | "21" and Roulette                            | \$ 30,000      | \$ 15,000        | \$ 10,000       | \$ 5,000        | \$ 3,000      |
|   |                |                  |                 |                 |               | Craps  | \$ 60,000      | \$ 30,000        | \$ 20,000       | \$ 15,000       | \$ 5,000      |
|   |                |                  |                 |                 |               | Baccarat                                     | \$ 100,000     | \$ 50,000        | \$ 30,000       | \$ 20,000       | \$ 10,000     |
|   |                |                  |                 |                 |               | Other  | \$ 10,000      | \$ 8,000         | \$ 5,000        | \$ 4,000        | \$ 2,000      |
| <b>Race and Sports book Requirement Look-up Table</b> |                |                  |                 |                 |               | <b>Miscellaneous Promotions</b>              |                |                  |                 |                 |               |
| GGR:  | >\$130 million | \$72-130 million | \$36-72 million | \$12-36 million | <\$12 million | GGR:   | >\$130 million | \$72-130 million | \$36-72 million | \$12-36 million | <\$12 million |
| Race book   | \$ 2,500       | \$ 2,000         | \$ 1,600        | \$ 800          | \$ 500        | Large promo Payouts                          | \$ 500,000     | \$ 350,000       | \$ 200,000      | \$ 100,000      | \$ 50,000     |
| Pari-mutuel   | \$ 30,000      | \$ 22,500        | \$ 15,000       | \$ 7,000        | \$ 4,000      |  |                |                  |                 |                 |               |
| Sports pool   | \$ 25,000      | \$ 20,000        | \$ 15,000       | \$ 10,000       | \$ 7,500      |  |                |                  |                 |                 |               |

Y  
N