National Indian Gaming Commission

St Paul: Regional Guidance on the Issues

Panel Discussion

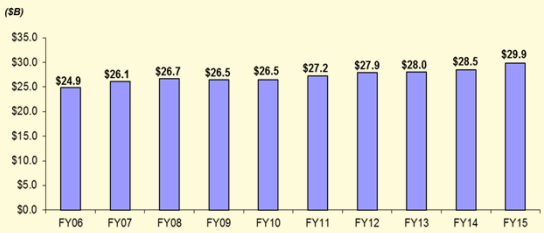
18 Apr 2017

Commission's Initiatives

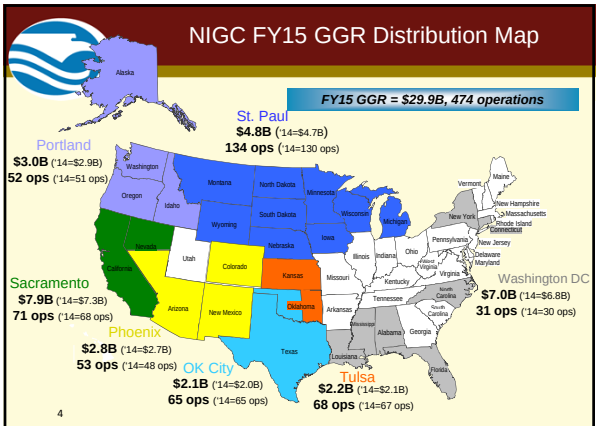
- Rural Outreach
- Staying ahead of the Technology Curve
- Supporting a strong workforce both in-house and among our regulatory partners
- Protect against anything that amounts to gamesmanship on the back of tribes

FY2015 GGR

FY15: Indian gaming industry's largest year-over-year GGR increase during past 10 years.



NIGC FY15 GGR Distribution Map



St Paul Region

- **9 States – St Paul / RC satellite office**
- **Montana, Wyoming, North Dakota, South Dakota, Nebraska, Minnesota, Michigan, Wisconsin, Iowa**

59 Tribes – 144 gaming operations:

Class II	**40**
Class III (only)	**36**
Class II/III	**68**

St Paul Region

- **Backgrounds & Licensing**

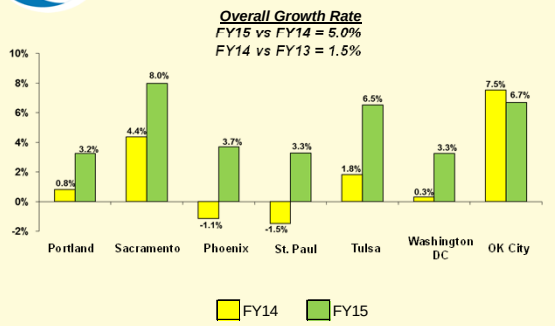
October 2015 to September 2016:

Fingerprints Processed – 14,669

NORs Received – 11,065

LIC Received – 9,764

GGR Growth Rate By Region



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Regional Compliance Issues/Guidance

ISSUE:

- Submissions of Facility License/Attestation
- Submissions of NOR/LIC Submissions, AFS and Fees Worksheets
- Internal control compliance
- TGRA/Management/Govt. relationship
- Gamesmanship

GUIDANCE:

- Expiration/Renewal
- Timeliness/Systemic review, Reminders and offer of Assistance
- IA, CPA, Compliance Staff-543 testing, identify, remedy, follow-up
- NIGC assistance/Site Specific Training
- Review the contracts

Office of General Counsel

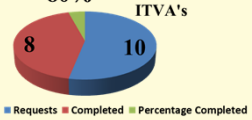
Office of General Counsel Technical Assistance

- Draft Gaming Ordinances
- Unexecuted Agreements related to the Gaming Operation
- Other Questions or Concerns

Technology Division

80%

St. Paul 2016 ITVA's



Common ITVA Issues Identified

- Microsoft Patches not updated
- Virtual Network Computers unsecured
- Remote username/passwords unencrypted

2016 Regulating Gaming Trainings (RGT's) Questions

1. Forensics
2. Class II Systems
3. IT Threats

Common Compliance Assessments (ICA's) Issues Encountered

1. Remote Access
2. Policy and Procedures
3. Logical Security – proper username/passwords in place

2016 IT General Interactions

1. Remote Access
2. Network Security
3. Vendor Issues

Technology Division provides free IT Vulnerability Assessments that assist with identifying IT Network deficiencies sign up at http://www.nigc.gov

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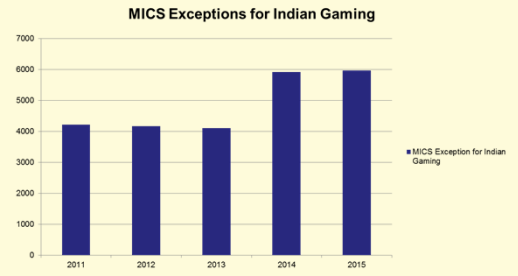
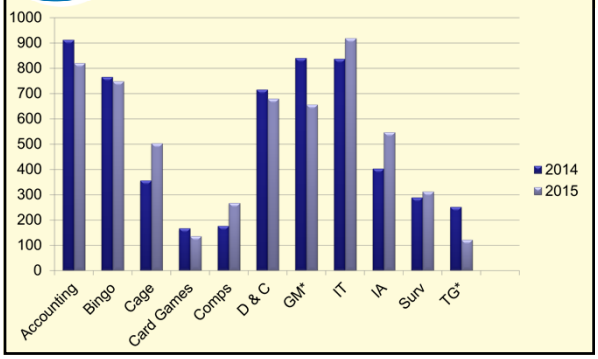
Audit

- Internal Control Assessments
  - Limited Scope review of specific areas

Overall MICS AUP Exceptions



Breakdown by Section



543 #5 Finding

- Audit and accounting 543.23(c)(8)
  - Internal audit
  - Controls established and procedures implemented
    - Follow-up observations and examinations performed to verify corrective action has been taken regarding all instances of non-compliance
    - Verification performed within **6 months** following the date of notification of non-compliance

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543 #4 Finding

- Cage, vault, kiosk, cash and equivalents 543.18(c)(4)
  - Cage and vault accountability
  - Gaming operation must establish and comply with minimum bankroll formula
    - Formula ensures the operation maintains cash or equivalents (on hand and in the bank, if readily accessible) in an amount sufficient to satisfy obligations to patrons as incurred.

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543 #3 Finding

- Comp services or items 543.13(d)
  - Variance
  - Operation must establish threshold level at which a variance must be reviewed to determine cause
    - Approved by the TGRA
    - Review must be documented.

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543 #2 Finding

- Promo & Player Tracking 543.12(d)
  - Variance
  - Operation must establish threshold level at which a variance must be reviewed to determine cause
    - Approved by the TGRA
    - Review must be documented.

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543 #1 Finding

- Auditing Revenue 543.24(d)(9)(iii)
  - Controls must be established and procedures implemented to audit of each of the following operational areas:
  - Cage, vault, cash and cash equivalents
    - Twice annually, a count must be performed of all funds in all gaming areas.

Summary of 543 findings

- A majority of 543 findings are as it relates to the sections that require;
  - Controls must be established
  - Procedures implemented
  - Thresholds established
  - Actions documented

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NIGC Training Program

- Revising training approach to be more process driven.
  - "How To" instead of "How Come"
- New workshops Internal Audit (16hr training) TICS/SICS
- In the future Learning Management System
- A call for suggestions!

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Questions

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