

§542.10 What are the minimum internal control standards for keno?

(a) *Computer applications.* For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Tribal gaming regulatory authority **in writing**, will be acceptable. **Alternative computer applications that cannot comply with this part shall require variance concurrence in accordance with §542.18.**

Justification: Revision is to clarify that computer applications that cannot comply with the MICS they are intended to replace must be submitted in accordance with the variance regulation 542.18. The phrase “in writing” is added for consistency with other sections in this Part.

(b) *Game play standards.* (1) The computerized customer ticket shall include the **gaming operation name, city, state or tribe**, date, game number, ticket sequence number, station number **or writer identification number**, and conditioning (including multi-race if applicable).

Justification: Revision is requiring that the identity of the issuer be more clearly defined and to establish an alternative to the station number requirement.

(2) The information on the ticket shall be recorded on a restricted transaction log or computer storage media concurrently with the generation of the ticket.

(3) Keno personnel shall be precluded from having access to the restricted transaction log or computer storage media.

(4) ~~When it is necessary to void a ticket, the void information shall be inputted in the computer and the computer shall document the appropriate information pertaining to the voided wager (e.g., void slip is issued or equivalent documentation is generated).~~

When it is necessary to void a ticket, the following shall apply:

(i) For computer voids, the void information shall be input in the computer and the computer shall document, at a minimum, the ticket number, date/time of the void and the name or other identifier of the employee completing the void;

(ii) A void slip or equivalent documentation shall be generated;

(iii) For manual voids, the void designation, date, and time shall be written/stamped on the original ticket. A supervisor and the writer of the ticket must sign at the time of the voiding.

Justification: Revision is intended to more clearly define the controls governing the voiding of a keno ticket.

(5) Controls shall exist to prevent the writing and voiding of tickets after a game has been closed and after the number selection process for that game has begun.

(6) The controls in effect for tickets prepared in outstations (if applicable) shall be identical to those in effect for the primary keno game.

(c) *Rabbit ear or wheel system.* (1) The following standards shall apply if a rabbit ear or wheel system is utilized:

~~(i) A dedicated camera shall be utilized to monitor the following both prior to, and subsequent to, the calling of a game:~~

~~(A) Empty rabbit ears or wheel;~~

~~(B) Date and time;~~

~~(C) Game number; and~~

~~(D) Full rabbit ears or wheel.~~

~~(ii) The film of the rabbit ears or wheel shall provide a legible identification of the numbers on the balls drawn.~~

Justification: Revision is moving surveillance standards to the surveillance sections 542.23 Tier A, 542.33 Tier B and 542.33 Tier C.

(i) (iii) Keno personnel shall immediately input the selected numbers in the computer and the computer shall document the date, the game number, the time the game was closed, and the numbers drawn.

(ii) (iv) The ~~Tribal gaming regulatory authority, or the~~ gaming operation ~~as approved by the Tribal gaming regulatory authority,~~ shall establish ~~and the gaming operation shall comply with~~ procedures that prevent unauthorized access to keno balls in play by one individual.

Justification: Revision is intended to delete the requirement that the TGRA approve or that the required controls be submitted to the regulator for approval, since the authority to review and approve already exists at Section 542.3. Furthermore, the standard is being revised to require two individuals to be present when keno balls in play are being accessed.

(iii) (v) Back-up keno ball inventories shall be secured in a manner to prevent unauthorized access by one individual.

Justification: Revision is intended to establish requirement that the accessing of keno balls in secured storage requires two individuals to be present.

Comment (December): Recommend using either “by one individual” or “by a single individual” in both (iii) and (iv)

Response: Agree. Revised to “by a single individual”

Comment (December): I do not understand why the keno balls, which are considered to be sensitive items, are not so sensitive as to require TGRA approval of the method by which they are secured.

Response: The Committee has agreed that including the “TGRA approval” requirement sporadically throughout the document tends to encourage the erroneous conclusion that TGRA approval cannot be required absent such wording.

Proposed revision as a result of December comments:

~~(ii) (iv)~~ The ~~Tribal gaming regulatory authority, or the~~ gaming operation ~~as approved by the Tribal gaming regulatory authority,~~ shall establish ~~and the gaming operation shall comply with~~ procedures that prevent unauthorized access to keno balls in play by a single individual.

~~(iii) (v)~~ Back-up keno ball inventories shall be secured in a manner to prevent unauthorized access by a single individual.

~~(vi) The Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with procedures for inspecting new keno balls put into play as well as for those in use.~~

(v) Keno balls shall be inventoried and inspected prior to being placed into play to ensure that all numbers are accounted for and no defects are noted that would potentially interfere or influence the random selection process. The inspection shall be performed by two individuals and be documented, as follows:

(A) Date and time;

(B) Inspection results;

(C) Investigation of any exceptions noted; and

(D) Signatures of the two individuals completing the inspection.

Justification: Revision is intended to remove the requirement that the TGRA create or approve the controls created in response to this standard and to more precisely stipulate the minimum inspection procedures that must be followed.

(2) [Reserved]

(d) *Random number generator.* (1) The following standards shall apply if a random number generator is utilized:

(i) The random number generator shall be linked to the computer system and shall directly relay the numbers selected into the computer without manual input.

~~(ii) Keno personnel shall be precluded from access to the random number generator.~~

Justification: Revision is deleting a control that is already addressed in the IT section.

(ii) The computer system shall create a record that includes the following:

(A) Date;

(B) Game number;

(C) Time the game was closed; and

(D) Numbers drawn.

Justification: Revision is defining the minimum data that must be captured by the computer system.

(2) [Reserved]

Comment (December): Recommend including language restricting access to the random number generator to authorized personnel.

Comment (December): Recommend cross-referencing restriction to 542.16 (a) IT standards.

Response: Agree. Revised accordingly.

Proposed revision as a result of December comments:

(2) ~~[Reserved]~~ **Access to the random number generator shall be restricted to authorized personnel. Refer 542.16 (a).**

(e) *Winning tickets.* Winning tickets shall be verified and paid as follows:

(1) The sequence number of tickets presented for payment shall be inputted into the computer, and the payment amount generated by the computer shall be given to the customer.

(2) The ~~Tribal gaming regulatory authority, or the~~ gaming operation ~~as approved by the Tribal gaming regulatory authority,~~ shall establish ~~and the gaming operation shall comply with~~ procedures that preclude payment on tickets previously presented for payment, unclaimed winning tickets (sleepers) after a specified period of time, voided tickets, and tickets that have not been issued yet.

Justification: Revision is deleting the requirement that the TGRA create or approve controls to comply with this standard. Such authority is already recognized at Section 542.3.

Comment (December): Recommend reinstating requirement for TGRA approval with the following wording “The gaming operation with the approval of the TGRA.”

Comment (December): A lengthy discussion took place regarding hypothetical situations in which “tickets that have not been issued yet” might exist, all of which were rejected. It was recommended that the wording be deleted.

Response: Agree. Revised accordingly.

Proposed revision as a result of December comments:

(2) The **gaming operation with the approval of the TGRA** ~~Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority,~~ shall establish ~~and the gaming operation shall comply with~~ procedures that preclude payment on tickets previously presented for payment, unclaimed winning tickets (sleepers) after a specified period of time, **and** voided tickets. ~~and tickets that have not been issued yet.~~

(3) All payouts shall be supported by the customer (computer-generated) copy of the winning ticket (payout amount is indicated on the customer ticket or a payment slip is issued).

(4) A manual report or other documentation shall be produced and maintained documenting any payments made on tickets that are not authorized by the computer.

Supervisory authorization, which shall be documented, is required prior to payment.

Justification: Revision is establishing the requirement that payment on tickets that were not computer authorized require supervisory approval.

(5) Winning tickets over a specified dollar amount (not to exceed \$10,000 for **Tier C** locations ~~with more than \$5 million annual keno write~~ and \$3,000 for ~~all other~~ **Tier A and B** locations) shall also require the following:

(i) Approval of management personnel independent of the keno department, evidenced by their signature;

(ii) Review of the video recording and/or digital record of the rabbit ears or wheel to verify the legitimacy of the draw and the accuracy of the draw ticket (for rabbit ear or wheel systems only);

(iii) Comparison of the winning customer copy to the computer reports;

(iv) Regrading of the customer copy using the payout schedule and draw information; and

(v) Documentation and maintenance of the procedures in this paragraph.

Justification: Revision is intended to grant greater latitude to smaller gaming operations regarding the approval of large keno payouts.

(6) When the keno game is operated by one person, all winning tickets in excess of an amount to be determined by management (not to exceed \$1,500) shall be reviewed and authorized by a **keno supervisor, who did not write the ticket, or** a person independent of the keno department.

Justification: Revision is intended to grant greater latitude to management in determining minimum payout requirements for a game operated by only one person.

(f) *Check out standards at the end of each keno shift.* **(1) If the computer system indicates the amount of net cash that should be in each writer station, the keno supervisor must have access to the information.**

Justification: Revision is intended to recognize that, if the keno department's computer system reconciles the writer cash drawer, the keno supervisor should have access to the information in conjunction with receiving the cash turn-in from the writers.

(2) For each writer station, a cash summary report (count sheet) shall be prepared that includes:

(i) Computation of net cash proceeds for the shift and the cash turned in, **inclusive of any variances between the cash turn-in and the amount of net cash the computer system indicated;**

(ii) The procedures required by (i) are also applicable to transfers of banks occurring between writers at a writer station during a shift; and

Justification: Revision is intended to establish the requirement that variances between the actual cash turn-in and the computer report must be documented. Revision is also recognizing that writer banks may be transferred from one person to another during a shift; however, the accounting for the bank must occur in conjunction with the transfer of the accountability.

~~(ii)~~ **(iii)** Signatures of two employees who have verified the net cash proceeds for the shift and the cash turned in. Unverified transfers of cash and/or cash equivalents are prohibited. (Revised August 12, 2005)

(g) *Promotional payouts or awards.* (1) If a gaming operation offers promotional payouts or awards, the payout form/documentation shall include the following information:

(i) Date and time;

(ii) Dollar amount of payout or description of personal property (e.g., jacket, toaster, car, etc.), including fair market value;

(iii) Type of promotion; and

(iv) Signature of at least one employee authorizing and completing the transaction, unless above (e)(5)(i) is applicable.

Justification: Revision is intended to recognize that if the promotional payout exceeds the minimum threshold established by the referenced standard additional payout documentation and authorization requirements will be applicable.

(2) [Reserved]

(h) *Standards for statistical reports.* (1) Records shall be maintained that include win and write by individual writer for each day.

(2) Records shall be maintained that include win, write, and win-to-write hold percentage for:

(i) Each shift;

(ii) Each day;

(iii) Month-to-date; and

(iv) Year-to-date or fiscal year-to-date as applicable.

(3) A manager independent of the keno department shall review keno statistical data on at least a monthly basis and investigate any large or unusual statistical variances.

~~**(4) At a minimum, investigations shall be performed for statistical percentage fluctuations from the base level for a month in excess of +/- 3%. The base level shall be defined as the gaming operation's win percentage for the previous business year or the previous twelve (12) months.**~~

Justification: Revision is deleting standard considered not to be relevant to the game of keno.

(4) Such investigations shall be **completed no later than 30 days after generation of the month-end report,** documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

Justification: Revision is establishing the requirement that investigation of unusual fluctuations must occur within a specified time period.

(i) System security standards.

~~(1) All keys (including duplicates) to sensitive computer hardware in the keno area shall be maintained by a department independent of the keno function.~~

~~(2) Personnel independent of the keno department shall be required to accompany such keys to the keno area and shall observe changes or repairs each time the sensitive areas are accessed.~~

Justification: Revision is deleting standards better suited to the IT section of the MICS.

(i) *Documentation standards.* (1) Adequate documentation of all pertinent keno information shall be generated by the computer system.

(2) This documentation shall be restricted to authorized personnel.

(3) The documentation shall include, at a minimum:

(i) Ticket information (as described in paragraph (b)(1) of this section);

(ii) Payout information (date, time, ticket number, amount, etc.);

(iii) Game information (number, ball draw, time, etc.);

(iv) Daily recap information **by shift, if less than 24 hours, and day,** including:

(A) Write;

(B) Payouts; and

(C) Gross revenue (win);

(v) System exception information, including:

(A) Voids;

(B) Late pays; and

(C) Appropriate system parameter information (e.g., changes in pay tables, ball draws, payouts over a predetermined amount, etc.); ~~and~~

~~(vi) Personnel access listing, including:~~

~~(A) Employee name or employee identification number; and~~

~~(B) Listing of functions employee can perform or equivalent means of identifying same.~~

Justification: Revision is intended to more clearly define the reporting period and to strike standards better suited to the IT section.

Comment (December): Because the word “daily” modifies the word “recap”, including the words “and day” is redundant. Recommend striking “and day”.

Comment (December): A shift, by definition, cannot exceed 24 hours. If a shift equals twenty-four hours, then it constitutes a day. Therefore, the phrase “if less than 24 hours” is unnecessary. Recommend striking the phrase.

Response: Agree. Modified accordingly.

Proposed revision as a result of December comments:

(i) *Documentation standards.* (1) Adequate documentation of all pertinent keno

information shall be generated by the computer system.

(2) This documentation shall be restricted to authorized personnel.

(3) The documentation shall include, at a minimum:

(i) Ticket information (as described in paragraph (b)(1) of this section);

(ii) Payout information (date, time, ticket number, amount, etc.);

(iii) Game information (number, ball draw, time, etc.);

(iv) Daily recap information **by shift** including:

(A) Write;

(B) Payouts; and

(C) Gross revenue (win);

(v) System exception information, including:

(A) Voids;

(B) Late pays; and

(C) Appropriate system parameter information (e.g., changes in pay tables, ball draws, payouts over a predetermined amount, etc.); ~~and~~

~~(vi) Personnel access listing, including:~~

~~(A) Employee name or employee identification number; and~~

~~(B) Listing of functions employee can perform or equivalent means of identifying same.~~

(i) Contests/Tournaments (1) All contest/tournament entry fees and prize payouts shall be summarized on a cash accountability document on a daily basis.

(2) When contest/tournament entry fees and payouts are transacted, the transactions shall be recorded on a document which contains;

(i) Customer's name;

(ii) Date of entry/payout;

(iii) Dollar amount of entry fee/payout (both alpha and numeric, or unalterable numeric) and /or nature and dollar value of any non-cash payout;

(iv) Signature of individual completing transaction attesting to the receipt or disbursement of the entry fee/payout with the customer; and

(v) Name of contest/tournament.

(3) The contest/tournament entry fees and payouts shall be summarized and posted to the accounting records on at least a monthly basis.

(4) Current contest/tournament rules shall be included on all entry forms/brochures and prominently displayed or available for customer review at the gaming operation. The rules shall include at a minimum:

(i) All conditions customers must satisfy to qualify for entry, and advancement through, the contest/tournament;

(ii) Specific information pertaining to any single contest/tournament, inclusive of the following:

(A) Dollar amount of money placed into the prize pool;

(B) The distribution of funds based on specific outcomes; and

(C) If applicable, the name of the organization or individual (charity conducting the game in conjunction with the gaming operation).

(iii) The distribution of funds based on specific outcomes.

(5) Results of current contests/tournaments shall be recorded and available for participants to review, including the name of the event, date(s) of event, total number of entries, dollar amount of entry fees, total prize pool, and the dollar amount paid for each winning category. The gaming operation shall establish a reasonable period to retain the information, which shall be subject to Tribal gaming regulatory authority concurrence. If the contest/tournament is free (customer does not pay to enter), the number of entries, dollar amount of the entry fees and total prize pool is not required.

Justification: Revision is establishing controls relevant to contests and tournaments involving the keno department.

(k) Promotional giveaways and drawings. (1) The conditions for participating in promotional events, including drawings and giveaway programs, shall be prominently displayed or available for customer review at the gaming operation.

(2) Prizes from promotional drawings and giveaway programs that are equal to or greater than \$600 shall be documented as follows:

(i) Date and time;

(ii) Dollar amount or description of personal property (e.g., jacket, toaster, car, etc.), including fair market value;

(iii) Type of promotion; and

(iv) Signature of at least the following number of employees verifying, authorizing, and completing the transaction with the patron:

(A) Two employee signatures for all prizes of \$100 or more, unless below (B) is applicable;

(B) If a computerized system validates and prints the dollar amount of the prize on a computer generated form, two employee signatures are required for prizes of \$600 or more; and

(C) Non-keno employees may perform the payout transaction as long as the required signatures are those of the employees completing the payout transaction with the customer.

(v) Customer name if necessary to make the payout and the amount is equal to or more than \$600.

(3) Prizes from promotional drawings and giveaway programs that are less than \$100 require documentation to be created to support the bank accountability, which could be a line item on a cage or keno accountability document (e.g. “43 \$10 keno cash giveaway coupons = \$430).

Justification: Revision is establishing the requirement that the rules governing promotional drawings and giveaway programs be available to the public. Furthermore, revision is establishing the standards relevant to the authorization and documentation of such payouts. The proposed revision considers the risk associated with computer-assisted transactions being mitigated and therefore, the minimum internal controls are less stringent.

(l) Computerized player tracking systems requirements. (1) The addition of points to player tracking accounts other than through an automated process related to actual play must be sufficiently documented, including substantiation of reasons for increases and authorization by supervisory personnel of the player tracking, promotions, or keno department. Random verification by account/auditing personnel on at least a quarterly basis is required;

(2) Employees who redeem points for customers shall not have access to inactive or closed accounts without supervisory authorization. Documentation of such access and approval must be prepared and maintained;

(3) Customer identification shall be required when redeeming points without a player tracking card;

(4) Changes to the player tracking system parameters, such as point structures and employee access, shall be performed made by supervisory personnel independent of the keno department. Alternatively, changes to player tracking system parameters may be performed by keno supervisory personnel if sufficient documentation is

generated and the propriety of changes is randomly verified by personnel independent of the keno department on a quarterly basis.

(5) Rules and policies for player tracking accounts including the awarding, redeeming and expiration of points shall be prominently displayed or available for customer review at the gaming operation.

Justification: Revision is establishing controls relevant to computerized player tracking systems of the keno department.

542.10 (m) Keno audit standards has been moved to proposed Revenue Audit 542.50 (c)

~~(m) Keno audit standards. (1) The keno audit function shall be independent of the keno department.~~

~~(2) At least annually, keno audit shall foot (add up) the write on the restricted copy of the keno transaction report for a minimum of one shift and compare the total to the total as documented by the computer.~~

~~(3) For at least one shift every other month, keno audit shall perform the following:~~

~~(i) Foot the customer copy of the payouts and trace the total to the payout report; and~~

~~(ii) Regrade at least 1% of the winning tickets using the payout schedule and draw ticket.~~

~~(4) Keno audit shall perform the following:~~

~~(i) For a minimum of five games per week, compare the video recording and/or digital record of the rabbit ears or wheel to the computer transaction summary.~~

~~For rabbit ear systems that directly interface with the keno computer system, compare the recording of the rabbit ears to the keno transaction report for a minimum of ten games per month. When manual ball draw results changes are~~

~~made to the direct interface, all changes shall be audited and compared to the rabbit ear recordings;~~

~~Comment (December): Recommend adding “or wheel” following “rabbit ears” where it does not currently appear.~~

~~Comment (December): Recommend adding “manual overrides” to clarify “changes” and rewording the rest of the second sentence to clarify meaning.~~

~~Response: Agree. Revised accordingly.~~

~~Proposed revision as a result of December comments:~~

~~(i) For a minimum of five games per week, compare the video recording and/or digital record of the rabbit ears or wheel to the computer transaction summary.~~

~~For rabbit ear or wheel systems that directly interface with the keno computer system, compare the recording of the rabbit ears or wheel to the keno transaction report for a minimum of ten games per month. When manual changes (manual overrides) are made to the direct interface ball draw results, all changes shall be audited and compared to the rabbit ear or wheel recordings;~~

~~(ii) Compare net cash proceeds to the audited win/loss by shift and investigate any large cash overages or shortages (i.e., in excess of \$25.00);~~

~~(iii) Review and regrade all winning tickets greater than or equal to \$1,500, including all forms that document that proper authorizations and verifications were obtained and performed. Trace customer copies to the computer payout report;~~

~~Comment (December): Recommend replacing “trace” with “compare”.~~

~~Response: Agree. Revised accordingly.~~

~~Proposed revision as a result of December comment:~~

- ~~(iii) Review and regrade all winning tickets greater than or equal to \$1,500, including all forms that document that proper authorizations and verifications were obtained and performed. Compare customer copies to the computer payout report;~~
- ~~(iv) Review the documentation for payout adjustments made outside the computer and investigate large and frequent payments;~~
- ~~(v) Review personnel access listing for inappropriate functions an employee can perform;~~
- ~~(v) Review system exception information on a daily basis for propriety of transactions and unusual occurrences including changes to the personnel access listing, but not limited to, void authorizations, late pays, and parameter alterations;~~
- ~~(vi) If a random number generator is used, then at least weekly review the numerical frequency distribution for potential patterns, including missing numbers, during the previous four week period; and~~

~~Comment (December): Review of numerical frequency distribution on a weekly basis is excessive. Recommend changing to monthly and deleting “during the previous four week period”.~~

~~Response: Agree. Revised accordingly~~

~~Proposed revision as a result of December comment:~~

- ~~(vi) If a random number generator is used, then at least weekly monthly review the numerical frequency distribution for potential patterns, including missing numbers and~~
- ~~(vii) If a rabbit ear system is used and the keno computer system generates a drawn number frequency report, then at least weekly the numerical frequency distribution~~

~~shall be reviewed for potential patterns, including missing numbers, during the previous four week period;~~

~~Comment (December): Recommend adding “or wheel” following “rabbit ears”.~~

~~Comment (December): Review of numerical frequency distribution on a weekly basis is excessive. Recommend changing to monthly.~~

~~Comment (December): Recommend changing “generates” to “is capable of generating”.~~

~~Response: Agree. Revised accordingly~~

~~Proposed revision as a result of December comments:~~

~~(vii) If a rabbit ear or wheel system is used and the keno computer system is capable of generating a drawn number frequency report, then at least monthly the numerical frequency distribution shall be reviewed for potential patterns, including missing numbers;~~

~~(viii) Accounting/audit personnel shall review all not in computer voids for void designation and proper supervisory approval; and~~

~~(ix) Investigate and document results of all noted improper transactions or unusual occurrences.~~

~~(5) When the keno game is operated by one person:~~

~~(i) The customer copies of all winning tickets in excess of \$100 \$500 and at least 5% 10 winning tickets less than or equal to \$500 of all other winning tickets shall be regraded and traced to the computer payout report;~~

~~(ii) The video recording and/or digital record of rabbit ears or wheel shall be randomly compared to the computer game information report for at least 10% 10 of~~

~~the games during the shift. This procedure does not apply to rabbit ear systems that are directly interfaced to the keno computer system unless a ball draw results change is made manually; and~~

~~Comment (December): Recommend adding “or wheel” following “rabbit ears”.~~

~~Response: Agree. Revised accordingly~~

~~Proposed revision as a result of December comment:~~

~~(ii) The video recording and/or digital record of rabbit ears or wheel shall be randomly compared to the computer game information report for at least 10% 10 of the games during the shift. This procedure does not apply to rabbit ear or wheel systems that are directly interfaced to the keno computer system unless a ball draw results change is made manually; and~~

~~(iii) Keno audit personnel shall review winning tickets for proper authorization pursuant to paragraph (e) (6) of this section.~~

~~(6) In the event any person performs the writer and deskman functions on the same shift, the procedures described in paragraphs (j)(m)(5)(i) and (ii) of this section (using the sample sizes indicated) shall be performed on tickets written by that person.~~

~~Comment (December): “Deskman” is an out dated term. Such a position no longer is relevant to current day keno. Recommend deleting (6).~~

~~Response: Agree. Modified accordingly (subsequent sub-sections renumbered accordingly.)~~

~~Proposed revision as a result of December comment:~~

~~(6) In the event any person performs the writer and deskman functions on the same shift, the procedures described in paragraphs (j)(m)(5)(i) and (ii) of this section~~

~~(using the sample sizes indicated) shall be performed on tickets written by that person.~~

~~(6) (7) Documentation (e.g., a log, checklist, etc.) that evidences the performance of all keno audit procedures shall be maintained.~~

~~(7) (8) A manager independent of the keno department shall review keno audit exceptions, and perform and document investigations into unresolved exceptions. These investigations shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.~~

~~(8) (9) When a multi-game ticket is part of the sample in paragraphs (j) (m) (3) (ii), (j) (m) (5) (i) and (j) (m) (6) of this section, the procedures may be performed for ten (10) games or ten percent (10%) of the games won, whichever is greater.~~

~~Comment (December): 542.10 (m) (6) has been recommended for deletion. Therefore, reference to (m) (6) should be deleted as well.~~

~~Response: Agree. Revised accordingly.~~

~~*Proposed revision as a result of December comment:*~~

~~(8) (9) When a multi-game ticket is part of the sample in paragraphs (j) (m) (3) (ii) and (j) (m) (5) (i) and (j) (m) (6) of this section, the procedures may be performed for ten (10) games or ten percent (10%) of the games won, whichever is greater.~~

~~(l) Access. Access to the computer system shall be adequately restricted (i.e., passwords are changed at least quarterly, access to computer hardware is physically restricted, etc.).~~

~~Justification: Revision is intended to recognize the benefit of keno computerized systems that interface with the gaming operation's accounting programs, to strike certain standards that are already addressed in the IT section and to update selected auditing requirements.~~

~~(m) (n) Equipment standards.~~~~(1) There shall be effective maintenance planned to service keno equipment, including computer program updates, hardware servicing, and keno ball selection equipment (e.g., service contract with lessor).~~

~~(2) Keno equipment maintenance (excluding keno balls) shall be independent of the operation of the keno game.~~

~~(3) Keno maintenance personnel shall report irregularities to management personnel independent of the keno department.~~

~~(4) (1)~~ If the gaming operation utilizes a barcode or microchip reader in connection with the play of keno, the reader shall be tested at least annually by personnel independent of the keno department to determine that it is correctly reading the barcode or microchip.

(2) [Reserved]

Justification: Revision is intended to recognize that the maintenance of the keno equipment may be performed by keno personnel or outsourced by the department. Therefore, certain standards that would conflict with such an option are being deleted.

(n) Document retention.

~~(1) All documents (including computer storage media) discussed in this section shall be retained for five (5) years, except for the following, which shall be retained for at least seven (7) days:~~

~~(i) Video recordings and/or digital records of rabbit ears or wheel;~~

~~(ii) All copies of winning keno tickets of less than \$1,500.00.~~

(2) [Reserved]

Justification: Revision is deleting requirements that are effectively addressed either in the Surveillance Section or the Accounting Section of the MICS.

(n) ~~(e)~~ Multi-race tickets. (1) Procedures shall be established to notify keno personnel immediately of large multi-race winners to ensure compliance with standards in paragraph (e)(5) of this section.

(2) Procedures shall be established to ensure that keno personnel are aware of multi-race tickets still in process at the end of a shift.

(3) All games encompassed by a multi-race keno ticket must be completed within 14 days of the wager being placed.

Justification: Revision is intended to establish a limit on the future time period that a multi-race ticket can be accepted.

(p) Payout procedures for mail-in winning keno tickets. (1) Management shall adopt and implement procedures for the acceptance and redemption of mail-in winning keno tickets and the procedures shall be approved by the tribal gaming regulatory authority.

(2) At a minimum, the mail-in winning keno ticket procedures must include the following:

(i) Original winning keno tickets received shall be routed to accounting/audit personnel or other personnel independent of the keno department;

(ii) Accounting/audit personnel or other personnel independent of the keno department shall record winning keno tickets received on a log as a mail pay. The log must include, at a minimum, the date received, customer's name and ticket number;

(iii) The winning keno tickets shall be entered into the computer system by keno personnel or accounting/audit personnel for validation and cancellation.

(iv) Accounting/audit personnel shall compare the “paid” winning keno tickets to the mail pay log and the system report for “paid” winning keno tickets. Any discrepancies shall be documented by keno and accounting management;

(v) Accounting/audit personnel, independent of the employee(s) who processed the mail pay winning ticket, shall review the customer’s correspondence submitted, the winning ticket, the mail pay log and the system report for “paid” winning tickets for any discrepancies. Any discrepancies noted shall be documented and resolved prior to remitting payment to the customer.

Justification: Revision is intended to recognize that gaming operations may wish to allow for mail-in winning keno tickets. The revision is establishing the requirement that management’s decision and adoption of related controls must be approved by the tribal gaming regulatory authority. Furthermore, the revision is establishing minimum standards that the controls must address.

~~(p) Manual keno. For gaming operations that conduct manual keno games, alternate procedures that provide at least the level of control described by the standards in this section shall be developed and implemented.~~

Justification: Revision is striking the latitude of adopting alternative procedures for a manual game of keno. Current revisions include controls that would be applicable to a manual game.