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CHEROKEE NATION GAMING
COMMISSION

Administrative Procedures Act Posting

TYPE OF ACTION: Notice of Response to Public Comment

PROPOSED RULES: Proposed Cherokee Nation Gaming Commission Rules and Regulations & Tribal Internal Control Standards

PUBLICATION DATE: 26 June 2019

ORIGINAL COMMENT PERIOD DEADLINE: 26 July 2019

EXTENDED COMMENT PERIOD DEADLINE: 11 October 2019

SUPPLEMENTARY INFORMATION:

Pursuant to 1 CNCA § 305(C)(4), the Cherokee Nation Gaming Commission hereby provides notice of public comment on the above-referenced proposed rules:

- CNE Comments on CNGC's Proposed TICS Revisions (June 26, 2019)
- Final CNE Comments on CNGC's Proposed TICS Revisions (Oct. 9, 2019)
- Response to Comments from Cherokee Nation Enterprises ("CNE") regarding the Proposed Revisions to Tribal Internal Control Standards (February 6, 2020)
- Response to additional CNE Comments on CNGC's Proposed TICS Revisions (July 29, 2020)
- OAG Response to CNGC on CNE Comments (August 14, 2020)



To: Cherokee Nation Gaming Commission
From: Cherokee Nation Entertainment, LLC
Date: July 26, 2019
Re: CNE Comments on CNGC's Proposed TICS Revisions

I. Introduction

This is a memo to provide comments from Cherokee Nation Entertainment, LLC ("CNE") on the Cherokee Nation Gaming Commission's ("CNGC") proposed revisions to the CNGC Tribal Internal Control Standards ("TICS") published June 26, 2019.

CNE appreciates the fact that CNGC's staff has produced these proposed revisions to the CNGC TICS. However, CNE management believes that the submission of these TICS was in violation of the CN Administrative Procedures Act. CNE also believes that the justification for the submission of these revisions by CNGC staff, namely that these revisions are required by the State of Oklahoma, is also in error. CNE also believes that any adoption of NIGC Class III Guidance standards that differ from NIGC MICS §542 or §543 is prevented by Cherokee law. CNE believes that since these issues are material, CNE respectfully suggests that CNGC formally withdraw these revisions until these issues can be corrected.

Part II of this memo will address the APA violation. Part III will address the issues concerning the NIGC Guidance and the State of Oklahoma's view of implementation as well as the potential violation of Cherokee law. Part IV will address each individual revision suggested by CNGC staff.

Using the aforementioned regulations and the Cherokee Administrative Procedures Act as guidance, CNE management offers the following comments to the proposed Regulation in order to ensure a regulatory framework that is clear, efficient, and acceptable with both CNE management and CNGC.

Below are the sections of the Regulation and CNE's comments are in **Blue** font.

II. Cherokee Nation APA and Proposed Revisions

At the June 21 CNGC meeting, CNGC staff received approval for the posting of revisions to the CNGC TICS. However, once published, on June 28, 2019 there was another CNGC Regulation with revisions that was presented along with the CNGC TICS. This Regulation is Chapter IV Section H of the Cherokee Rules and Regulations entitled "External Audit." This is an entirely separate regulation from the CNGC TICS. CNGC removed several requirements from Section 2 of the CNGC TICS and placed them in this Regulation with new requirements. While CNE believes it is in the power of CNGC to revise its own regulations, CNE believes that this is a separate Regulation from the CNGC TICS and should have been published separately for public comment.

The NIGC and the Compact require an annual independent, external audit of CNE’s gaming operations’ financials. This is required generally by 25 CFR §571 and Part 5(F) of the Compact. The NIGC MICS also require a compliance review of the gaming operation based on the NIGC MICS, CNGC TICS, and CNE SICS in conjunction with the financial review. This review and the methodology based upon “agreed-upon procedures” is detailed in NIGC MICS §542.3(f) CPA testing” and 543.23(d)(1) “Annual requirements.” In their revised Regulation, CNGC staff has included the specific requirements for the financial and the general requirements of the compliance review while removing all of its detailed requirements from the CNGC TICS.

While there are other requirements in section 571, the majority of the requirements for this audit are located in the NIGC MICS sections 542 and 543. CNGC currently addresses the majority of these requirements in section 2.7 of the CNGC TICS. CNE believes, in order for consistency and to mirror the requirements of the NIGC MICS, the current placement of these requirements in the CNGC TICS should remain. CNE feels that removing these requirements from the CNGC TICS and adding new requirements not included in the NIGC MICS is also a violation of Section 22(C) of the Act.

The CNGC TICS are required to implement the NIGC MICS by 25 CFR §§543.3(h)(1) and 543.3(g)(1). The current CNGC TICS were written to implement both §542 and §543 requirements of the NIGC MICS. Sections were combined when necessary to ensure that the more stringent requirements remained in the CNGC TICS. CNE believes that by removing the details of the external compliance review by CNGC staff from the CNGC TICS and placing them in summary form in a separate regulation is an error and a violation of the NIGC MICS. CNE has no issues with the inclusion of 25 CFR §571 requirements in the proposed revision of the Regulation and CNE does not have an issue with inclusion of some the requirements reflected in the current CNGC TICS, but CNE does not feel that removal these sections from the CNGC TICS is appropriate.

III. NIGC Guidance and the Cherokee Nation State of Oklahoma Compact

In the “Background” statement accompanying the CNGC TICS revisions, CNGC staff state that CNGC is “mandated” to make certain changes to the CNGC TICS by virtue of the publishing of the NIGC Guidance and the publishing of corrections to section 543 of the NIGC MICS. While this is true for any changes to section 543, this is not true for the NIGC Guidance.

In 2006, the D.C. Circuit Court of Appeals held that NIGC lacked authority to enforce or promulgate Class III MICS.¹ On August 14, 2018, the NIGC published Guidance No. 2018-3 “Guidance of the Class III Minimum Internal Control Standards” (“Guidance”). The purpose of the Guidance was to provide “updated, non-binding Minimum Internal Control Standards (MICS) for Class III Gaming.” (Emphasis added). In the Guidance, the NIGC stated that “[t]his guidance is not intended to modify or amend any terms in a state compact.”

On August 28, 2018, the Oklahoma State Gaming Compliance Unit (“SCA”) issued a memo regarding the Guidance (SCA Opinion) on the effects of the Guidance on the current Tribal-State Compact (“Compact”). The SCA Opinion states:

¹ Colorado River Indian Tribes v. Nat'l Indian Gaming Comm'n, 466 F.3d 134 (D.C. Cir. 2006).

Accordingly, it is the recommendation of the SCA that, where Part 542 and NIGC Guidance No. 2018-3 Guidance on the Class III Minimum Internal Control Standards are inconsistent or in conflict, the tribe consider adopting the standard it believes is the more stringent of the two. NIGC Guidance No. 2018-3 Guidance on the Class III Minimum Internal Control Standards reiterates this sentiment “This guidance is not intended to modify or amend any terms in a state compact.” “Tribes are free to adopt any of the NIGC guidance it finds useful, but the tribal-state compact must be followed in any conflicts.”

It also stated that it is the opinion of the SCA that for compliance with Part 5(B) of the Compact, “all enterprises and facilities operating pursuant to the Compact should maintain a level of control that equals or exceeds those in 25 C.F.R. Part 542.” (Emphasis added). The State of Oklahoma is saying that it is up to individual tribes if they want to adopt standards contained in the Guidance and if a tribe decides to do so, it recommends adopting the more stringent requirements between the Guidance and Section 542. However, the State says that per the terms of the Compact, the Tribe’s regulations must either meet or exceed Section 542.

While the SCA leaves the choice up to individual tribes to adopt provisions of the Guidance, the Cherokee Nation has made its choice clear in the adoption of Section 22(C) of the Cherokee Nation Tribal Gaming Act, L.A. 17-14 (“Gaming Act”). The Gaming Act limits the CNGC from regulating anything outside of the scope or in excess of the National Indian Gaming Commission (“NIGC”) regulations and the requirements of the Compact. This section would prohibit CNGC from adopting any TICS from the Guidance that was “in excess” of what is required by NIGC MICS sections 542 and 543. Since the Guidance is not required by the SCA and adherence to section 542 is required by the Compact as stated in the SCA Opinion, any adoption of Guidance requirements would also be in excess of the Compact and therefore in violation of §22(C) of the Gaming Act. If Cherokee Nation wanted to adopt the more stringent requirements of the Guidance, then the Gaming Act would have to be amended by the Cherokee Nation Government.

IV. Individual Proposed TICS Revisions In the individual revised sections, proposed, new/revised text is underlined, while removed text shows strikethroughs. CNE Comments are in Blue.

A. Chapter IV Section H of the Cherokee Rules and Regulations entitled “External Audit

1. As stated in Part II of this document, CNE believes the inclusion of this Regulation in the proposed CNGC TICS revisions is a violation of the APA and therefore believes this Regulation should be withdrawn and resubmitted for public comment in compliance with the APA.

2. “Scope” This section states:

The provisions of this Section shall apply to the Certified Public Accountant/Accounting Firm selected to perform the Annual Independent Audit, the Enterprise, in regard to providing unfettered, unrestricted access to the accounting systems and records, and the CNGC for overseeing the audit and submitting the result to the appropriate parties within the time frames established.

The requirements for an annual external audit of tribal gaming operations is established in 25 CFR §571.12(b) of the NIGC regulations. It states:

A tribe shall engage an independent certified public accountant to provide an annual audit of the financial statements of each class II and class III gaming operation on the tribe's Indian lands for each fiscal year. The independent certified public accountant must be licensed by a state board of accountancy. Financial statements prepared by the certified public accountant shall conform to generally accepted accounting principles and the annual audit shall conform to generally accepted auditing standards.

CNE believes that the inclusion of “unfettered, unrestricted access” for the external auditors is misplaced in the scope and is a troublesome requirement in this Regulation. CNE is the custodian of all of this accounting information and providing “unrestricted and unfettered” access could put information not associated with the subject of the audit at risk. This could include Guests personal information, employee information, and other sensitive information that no-one outside Cherokee Nation should be privy to. CNE suggests that if such language needs to be included, then it should be language that CNE shall be cooperative with all requests for access to systems and records necessary to fulfill the purpose of the audit.

CNE also believes the term “oversees” is beyond the scope of the Act, the NIGC regulations, and the Compact. Oversight implies supervision of the external audit, which is to be independent. CNGC is tasked with engaging and ensuring an annual external audit per §40 of the Act, not supervising the external audit. CNE suggests replacing “oversees” with “ensures.”

3. §B(1) “Duties of the Enterprise” This section states:

Each licensed gaming operation shall keep permanent books of account or records, including inventory records of gaming supplies, sufficient to establish the amount of gross and net income, deductions and expenses, receipts and disbursements, and other information required in any financial statement, report or other accounting prepared **in connection with the operation.** (Emphasis added).

This language is based on 25 CFR §571.7(a) “Maintenance and preservation of papers and records” of the NIGC regulations. CNE suggests that in order to avoid confusion and to adhere with §22(C) of the Act, CNGC should more clearly replicate the language of the original section of the NIGC regulation. It states:

A gaming operation shall keep permanent books of account or records, including inventory records of gaming supplies, sufficient to establish the amount of gross and net income, deductions and expenses, receipts and disbursements, and other information required in any financial statement, report, or other accounting prepared **pursuant to the Act or this chapter.** (Emphasis added).

The highlighted portion of §571.7(a) means pursuant to IGRA or the chapter containing the NIGC regulations. It does not mean “in connection with the operation” as this is vague and could mean other non-gaming areas that were not the intention of the NIGC regulations. CNE also feels that this section is out of place in

this document as it is a general requirement by the NIGC and not one specifically in relation to the external audit. CNE suggests removing this language and either placing in the CNGC TICS or another CNGC Rule and Regulation of general applicability.

4. §B(3) “Duties of the Enterprise” This section states:

The CNGC, NIGC, and/or the SCA require the Enterprise to submit statements, reports, and/or accountings for each licensed gaming operation, and to keep specific records that will enable agent(s)/representatives to determine whether or not such operation:

a. Is liable for fees payable and in what amount (refer to CNGC Rules & Regulations, Chapter IV – C);

b. Has properly and completely accounted for all transactions and other matters monitored by the CNGC, NIGC, and/or SCA in accordance with the established MICS, any Tribal Gaming Compact(s), TICS, and/or other laws, regulations, contracts and grants applicable to the operation; and

c. Has designed, implemented, and maintains a system of internal controls (or SICS) relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

The language of this section is based on 25 CFR §571.17(B) “Maintenance and preservation of papers and records” which states:

(b) The Commission may require a gaming operation to submit statements, reports, or accountings, or keep specific records, that will enable the Commission to determine whether or not such operation:

(1) Is liable for fees payable to the Commission and in what amount; and

(2) Has properly and completely accounted for all transactions and other matters monitored by the Commission.

CNE believes that this section should either be removed from this regulation or should be modified for the following reasons.

1. There is no indication on who the “agents/representatives” are and who they represent. This is an addition by CNGC staff and is beyond the extent of NIGC regulations and should be removed to avoid a violation of §22(C) of the Gaming Act;

2. The Compact has no comparable language or section detailing the details of this section and therefore it should be removed in to avoid a violation of §22(C) of the Gaming Act;
3. The language in section (b), “and/or SCA in accordance with the established MICS, any Tribal Gaming Compact(s), TICS, and/or other laws, regulations, contracts and grants applicable to the operation; and . . .”, should be removed as it is in excess of what is required by the NIGC and the Compact to avoid a violation of §22(C) of the Gaming Act;
4. CNE is already required by the NIGC to implement the CNGC TICS as stated in CNGC TICS §2.1(C) and NIGC MICS §543(C) and their examination is detailed in the NIGC MICS and CNGC TICS regarding “Agreed-upon procedures.” This is not included in section 25 CFR §571.17(B) and therefore it is in excess of the NIGC regulation and should be removed to avoid a violation of §22(C) of the Gaming Act; and
5. This regulatory section would be better presented in Chapter IV (B) “Accounting” or Chapter IV (C) “NIGC & Compact Fee Payments” of the CNGC Rules and Regulations than in an a regulation concerning the External Audit as it is titled by the NIGC “Maintenance and preservation of papers and records.”

5. §B(4) “Duties of the Enterprise” This section states:

Accounting books or records required by the CNGC and NIGC regulations shall be kept at all times available for inspection by authorized agent(s)/representative(s). They shall be retained for no less than five (5) years.

This section is based on 25 CFR §571.7(c) which states:

Books or records required by this section shall be kept at all times available for inspection by the Commission's authorized representatives. They shall be retained for no less than five (5) years.

CNE believes that either this section be removed from this regulation and placed in a more relevant regulation related to preservation of books and records. In the alternative, CNE believes that this section should match the language of 25 CFR §571.7(c) and the terms “Accounting” and “authorized agent(s)/representatives” be either clearly defined or removed in order to avoid a violation of §22(C) of the Gaming Act. CNE also suggest removing the phrase “required by CNGC and NIGC regulations” in order comply with the plain language of §571.7(c).

6. §B(5) “Duties of the Enterprise” This section states:

The Enterprise and/or gaming operation shall provide agent(s)/representative(s) of the external independent auditor:

a. Unrestricted access to all information of which management is aware that is relevant to the preparation and presentation of the financial statements, such as records, documentation and other matters;

b. Any additional information or access requested by the auditor for the purpose of the audit; and

c. Unrestricted access to any persons within the entity from whom the auditor determines necessary to obtain audit evidence.

There is nothing in the NIGC regulations, the Compact, or the Gaming Act that details this requirement and therefore CNE believes that this is a violation of §22(C) of the Gaming Act. Also, this section is unnecessary in a CNGC regulation as there has never been any resistance or obfuscation concerning any external audit performed on CNE's gaming operations. If it did exist, it would be noted in the final reports completed by the external auditors. As stated in #1 of these comments, CNE believes that providing "unrestricted and unfettered" access to the external auditors is overbroad and should be limited.

7. §C(2) "Duties of the CNGC." This section states:

In conjunction with the annual independent financial statement audit, required under paragraph (C)(1), the CNGC shall ensure the CPA/Firm performs an "Agreed-Upon Procedures" (AUP) assessment to verify that each gaming operation is in compliance with the MICS, and/or TICS and SICS. The CPA/Firm may rely on internal audit to perform work related to the assessment in accordance with the AUP Scope of Work.

This requirement is taken from the current CNGC TICS §2.7(E) which states:

In conjunction with the annual independent financial statement audit, the independent certified public accountant (CPA) shall perform an assessment to verify that the gaming operation is in compliance with the MICS, and / or the Tribal Internal Control Standards (TICS) or SICS.

The CNGC TICS section is based on requirements in NIGC MICS §§542.3(f) and 543.23(d)(1). CNGC staff seems to also include NIGC MICS §542.3(f)(3) for the language "The CPA/Firm may rely on internal audit to perform work related to the

assessment in accordance with the AUP Scope of Work.” While CNE has no issues with these requirements being in this Regulation, CNE feels that the requirements should also remain in the CNGC TICS to ensure compliance as stated in Part II of this document.

8. §C(3) “Duties of the CNGC.” This section states:

In addition, the CNGC shall ensure the CPA/Firm performs a separate audit and expresses an opinion on the operation’s Adjusted Gross Revenues and Exclusivity Fees, as required by the Tribal Gaming Compact for Covered Games.

This section has requirements from Part 5(F)(4) of the Compact. CNE does not object to its inclusion in this Regulation but requests that CNGC TICS section 2.7(B) remain in the CNGC TICS unaltered to ensure compliance as stated in Part II of this document.

9. §C(4) “Duties of the CNGC.” This section states:

The CNGC shall engage an independent CPA/Firm (external auditor), or agree upon a CPA/Firm with the Enterprise and/or Cherokee Nation Tribal government (if the audit is encompassed within the existing independent Tribal audit system or in conjunction with the audit of the Enterprise). The CNGC must ensure:

- a. The CPA/Firm selected is of known and demonstrable experience, expertise, and stature in conducting audits, of the kind and scope required under this regulation; and
- b. The CPA/Firm selected must be licensed by the State Board of Accountancy.

This section combines the requirements of 25 CFR§571.12(b), and CNGC TICS §2.7(A). CNE has two comments:

1. CNGC TICS §2.7(A) should remain in the CNGC TICS unaltered to ensure compliance as stated in Part II of this document; and
2. That the “the” in front of “State” in §C(4)(b) be replaced with an “a” so as not to limit a CPA/firm to just one state, (unless that is the intention of CNGC and then it would be advisable to list which state the board should belong to).

10. §C(5)(d) “Duties of the CNGC.” This section states:

The annual independent audit and related reports required under paragraph (C)(5) must be concluded and reports released to the CNGC within 120 days of the gaming operation's fiscal year end or as otherwise indicated; however, the CPA/Firm may request, within a reasonable time frame, an extension where the circumstances justifying the extension request are beyond the CPA's/Enterprises' control, which must be approved by the CNGC and communicated to the NIGC.

CNE feels that this section is problematic as the NIGC requires that reports must be provided to them in within 120 days. However there are no NIGC or Compact regulations which allow for extensions to be granted by a Tribal Gaming Regulatory Authority for the required reports in this section. The NIGC can grant

the exemption but there is no statutory or regulatory authority allowing CNGC to grant the exemption from this NIGC deadline.

11. §D(3) “Scope of Work” This section states:

In accordance with paragraph (B)(5), the CPA/Firm shall be granted unrestricted access to inspect, examine, photocopy, and audit all papers, books, and records (including computer records) or persons and facilities for the purpose of completing the audits required under this regulation.

a. The CPA/Firm will provide a listing of agent(s)/representative(s) assigned to the audit(s), which shall include the full legal name, job title, and contact number, to the Enterprise and the CNGC for security purposes.

b. The CPA/Firm’s agent(s)/representative(s) shall present official identification upon entering any secured location(s) necessary to perform the audits.

This section is not based on any NIGC or Compact requirement. CNE feels this section is completely unnecessary as CNE has never prevented any external auditor from accessing any materials or area in its gaming facilities. The annual external audit is required by the NIGC, CNGC, and the Compact and CNE understands that the Cherokee Nation would be out of compliance if it interfered with the duties of the auditors in any way. CNE also realizes that this would also be detailed in the final reports of the external auditors themselves.

CNE SICS SEC440 “Vendor Access –CNE Gaming Facilities” provides rules for entry for all vendors, with no exception, who enter CNE gaming facilities. These include checking in with Security onsite and providing photo ID and other identification materials for inclusion on a security log. Each vendor representative is issued a guest badge and they will require and employee escort unless prior arrangements have been made with CNE Security. The addition of security requirements for the external audit staff in this section is superfluous and CNE requests that it be removed from this Regulation.

12. §D(6) “Scope of Work” This section states:

All expenditures and/or transfers of Gaming Revenue are subject to the limited purposes permitted under IGRA.

CNE believes that this section should be removed from this Regulation for the following reasons:

1. This section is vague and unclear.
2. There is no definition in this document of “Gaming Revenue” or a reference to a definition that matches any definition under IGRA, NIGC regulations, or the Compact. Presumably, this section is a reference to §2710(b)(2)(B) of IGRA which requires gaming tribes to include a list of certain criteria for the use of net revenues from any tribal gaming for specific purposes.² This section states:

[N]et revenues from any tribal gaming are not to be used for purposes other than—
(i) to fund tribal government operations or programs;

² Cherokee Nation adopted this section in §38 of the Act.

- (ii) to provide for the general welfare of the Indian tribe and its members;
- (iii) to promote tribal economic development;
- (iv) to donate to charitable organizations;
- or
- (v) to help fund operations of local government agencies;

§2703(9) states:

The term “net revenues” means gross revenues of an Indian gaming activity less amounts paid out as, or paid for, prizes and total operating expenses, excluding management fees.

IGRA does not include all “Gaming Revenue” in its permissible uses restrictions under §§2710(b)(2)(B), but rather those funds that originate from gaming activity after prizes and total business expenses have been accounted for --the net revenue. Due to the imprecise language of this section, it is unclear whether the CNGC staff is proposing that the external auditors examine all transactions performed by CNE and apply these restrictions. If so, this would greatly expand the scope of the annual external audit and would logically include amounts transferred to the Cherokee Nation’s government and whether the expenditures approved by the Cherokee Nation’s government utilizing these funds met the restrictions of imposed by IGRA. This would essentially turn an audit of the gaming operations into a financial audit of the Cherokee Nation as a whole. This would be well beyond the regulatory requirements for the external audit in the NIGC regulations and the Compact and this would be a violation of 22(C) of the Act.

If the intention is otherwise, then CNE suggests either removing this section or that the language be modified to state the clear purpose and scope of this requirement.

13. §§D(7) & (8) “Scope of Work” These sections state:

7. In conjunction with the annual independent financial statement audit, the CPA/Firm shall perform an “Agreed-Upon Procedures” (AUP) assessment to verify that each gaming operation is in compliance with the MICS, and/or TICS and SICS. The CPA/Firm may rely on internal audit to perform work related to the assessment in accordance with the AUP Scope of Work.

8. [Reserved for scope of AUP].

CNE has the following concerns with these two sections:

1. The requirement stating is that the “CPA/Firm may rely on internal audit to perform work related to the assessment in accordance with the AUP Scope of Work” is redundant due to the fact that it was already stated in section C(2) of this Regulation.

2. CNGC staff has not included the requirements for the AUP from the NIGC MICS in this Regulation but instead has left §D(8) reserved for these items. In conjunction with removing these requirements from the CNGC TICS in the publishing of both the CNGC TICS and this Regulation’s revisions for public comment, Cherokee Nation will be out of compliance with the NIGC MICS if this is published without modification. As stated in Part II of these comments, the CNGC TICS are required to implement the NIGC MICS by 25 CFR §§543.3(h)(1) and 543.3(g)(1). CNGC staff has removed the implementation of the following NIGC MICS sections that are present in the current CNGC TICS regarding the Agreed-upon procedures:

§542.3(f)(1)

§542.3(f)(2)(i)

§542.3(f)(2)(ii)

§542.3(f)(2)(iii)
§542.3(f)(1)(i)
§542.3(f)(1)(ii)
§543.23(d)(3)(ii)
§542.3(f)(1)(iii)
§542.3(f)(1)(iii)(A)
§542.3(f)(1)(iii)(A)(1)
§542.3(f)(1)(iii)(A)(2)
§542.3(f)(1)(iii)(B)
§542.3(f)(1)(iii)(C)
§542.3(f)(1)(iii)(D)
§542.3(f)(1)(iii)(E)
§542.3(f)(3)(i)
§542.3(f)(3)(ii)
§542.3(f)(3)(ii)(A)
§542.3(f)(3)(ii)(B)
§542.3(f)(3)(ii)(B)(1)
§542.3(f)(3)(ii)(B)(2)
§542.3(f)(3)(ii)(B)(3)
§542.3(f)(3)(ii)(C)
§543.23(d)(3)(i)(D)
§543.23(d)(3)(i)(E)
§542.3(f)(3)(ii)(D)
§542.3(f)(3)(ii)(E)
§542.3(f)(3)(ii)(F)
§542.3(f)(4)(i)
§542.3(f)(4)(i)(A)
§542.3(f)(4)(i)(A)(1)
§542.3(f)(4)(i)(A)(2)

As CNGC staff have not provided suitable replacements, CNE suggests that CNGC TICS sections implementing the sections remain in the CNGC TICS in order to ensure compliance of the CNGC TICS.

B. Section 1 of the CNGC TICS “Definitions”

1. §1.2 This section states:

The definitions in this section shall apply to all sections of this document unless otherwise noted. These definitions are inclusive to terms used in Tribal-State compacts. ~~In the event of a discrepancy between these definitions and those found in a Tribal State Compact(s), the Compact(s) definition shall control.~~

CNE believes that the deleted section of this section should be restored as it clearly identifies the hierarchy as it applies to Compact terms in the CNGC TICS. The CNGC TICS includes numerous provisions from the Compact and in order for clarity, it is advisable to keep how these definitions relate to these provisions.

2. §1.2 “Adjusted Gross Revenues” This section states:

Adjusted gross revenues - the total receipts received from the play of all covered games

minus all prize payouts.

There is only one section in the current CNGC TICS that pertains to “Adjusted Gross Revenues” and it is CNGC TICS §2.7(A) which deals with the annual external audit. However, CNGC staff have removed this section from the proposed TICS and put this requirement in the newly revised CNGC Rules and Regulations, Chapter IV, Section H. If this requirement is to remain in that Regulation, then CNE suggests not adding this definition to the CNGC TICS as its inclusion in the TICS is not required by the NIGC MICS or the Compact and it will not be referring to any term. If the language located in CNGC TICS §2.7(A) regarding Adjusted Gross Revenues remains, CNE does not object to this definition’s inclusion.

3. §1.2 “Bill acceptor/validator” This section states:

Bill acceptor/validator - ~~means~~ the device that accepts and reads cash by denomination and cash equivalents in order to accurately register customer credits.

The NIGC MICS definition for Bill Acceptor in §542.2 states:

Bill acceptor means the device that accepts and reads cash by denomination in order to accurately register customer credits.

CNE believes that the additions provided by the CNGC staff are in violation of §22(C) and should be removed.

4. §1.2 “Bill acceptor drop” CNGC has removed this definition. CNE feels that since this definition is located in NIGC MICS §542.2, it should remain in the CNGC TICS to avoid noncompliance.

5. §1.2 “Cage Credit,” and “Cage Marker Form,” CNGC has included these definitions from the NIGC MICS. However, CNE is not allowed to offer credit per the Cherokee Nation Constitution, so the inclusion of these definitions is irrelevant and should not be included in the CNGC TICS.

6. §1.2 “Cash-out ticket/Voucher” This section states:

Cash-out ticket/Voucher – an instrument of fixed wagering value, usually paper, that can be used only to acquire an equivalent value of cashable credits or cash through interaction with a gaming system. ~~generated by a gaming machine representing a cash amount owed to a customer at a specific gaming machine.~~ This instrument may be wagered at other machines by depositing the cash-out ticket in the machine bill acceptor.

CNGC staff have combined two separate definitions:

§542.2 Cash-out ticket means an instrument of value generated by a gaming machine representing a cash amount owed to a customer at a specific gaming machine. This instrument may be wagered at other machines by depositing the cash-out ticket in the machine bill acceptor.

And

§543.2 Voucher. A financial instrument of fixed wagering value, usually paper, that can be used only to acquire an equivalent value of cashable credits or cash through interaction with a voucher system.

CNE believes that combining these two definitions in the manner proposed by CNGC staff is ill-advised as these are not the same item. Cash-out tickets refer to TITO tickets that can be redeemed at gaming machines while vouchers usually are referring to any paper representation of value (coupons, etc.) that can be redeemed through a voucher system, namely IGT advantage. CNE suggests keeping both definitions to avoid confusion.

7. §1.2 “Casino Management System” This section states:

Casino management system - A system that securely maintains records of cash-out tickets/vouchers and coupons; validates payment of cash-out tickets/vouchers; records successful or failed payments of cash-out tickets/vouchers and coupons; and controls the purging of expired cash-out tickets/vouchers and coupons.

CNGC staff modified the §543.2 definition of “Voucher System” which states:

Voucher system. A system that securely maintains records of vouchers and coupons; validates payment of vouchers; records successful or failed payments of vouchers and coupons; and controls the purging of expired vouchers and coupons.

CNGC staff has added gaming cash-out tickets to this definition, however as stated in Part IV(B)(6) of this document above, vouchers and cash-out tickets are not the same item nor are they treated the same in the CNGC TICS. CNE believes that combining these two definitions will lead to confusion and possible noncompliance.

8. §1.2 “Complimentary services and items” This section states:

Complimentary services and items – services and items provided at no cost, or at a reduced cost, to a patron at the discretion of an agent on behalf of the gaming operation or by a third party on behalf of the operation. Services and items may include, but are not limited to, travel, lodging, food, beverages, or entertainment expenses. ~~Complimentary services and items exclude any services and/or items provided, at no cost or at a reduced cost, to a person for business and/or governmental purposes, which are categorized and treated as business expenses of the gaming operation.~~

The language that the CNGC staff is proposing to remove was provided to Cherokee Nation on the advice of legal counsel. It is not a violation of §22(C) of the Gaming Act as it is not exceeding the NIGC MICS but excluding items that are not provided to patrons and do not fit the definition of complimentary items. The removed language details the legitimate operational and business expenses that occur with parties other than patrons. CNE suggests leaving the language and if there is an issue, a legal opinion can be requested from the Attorney General of the Cherokee Nation by CNGC and/or CNE.

9. §1.2 “Controls” CNGC staff have removed this definition. It states:

~~Controls—means Systems of Internal Control Standards, established by gaming operations or enterprise and subject to approve by CNGC.~~

CNE believes that this definition has value in that provides a clear relationship to any controls referred to in the TICS and SICS and places a duty on CNE to develop and maintain such controls for its gaming operations.

10. §1.2 “Count Room” This section states:

Count room – a secured room where the count is performed in which the cash drop cash and cash equivalents from gaming machines, table games, or other games are transported to and are counted.

CNGC staff have made changes to make this definition more in line with the Guidance and §543.3. However as stated, the current SICS were designed to place the more stringent requirements upon CNE based on a reading of both §542 and §543 of the NIGC MICS. By removing the language derived from §542, CNE feels that the CNGC staff are making the control less descriptive and more open to interpretation. For instance, by removing where the cash equivalents come from, it makes it sound like all cash equivalents are counted in the count room and that is not the case.

11. §1.2 “Covered Game” This section states:

~~Covered game – means the following games conducted in accordance with the standards, as applicable, set forth in Sections 11 through 18 of the State Tribal Gaming Act: an electronic bonanza-style bingo game, an electronic amusement game, an electronic instant bingo game, nonhouse-banked card games; any other game, if the operation of such game by a tribe would require a compact and if such game has been: (i) approved by the Oklahoma Horse Racing Commission for use by an organizational licensee, (ii) approved by state legislation for use by any person or entity, or (iii) approved by amendment of the State-Tribal Gaming Act; and upon election by the tribe by written supplement to this Compact, any Class II game in use by the tribe, provided that no exclusivity payments shall be required for the operation of such Class II game.~~

This definition is straight from Part 3 §(5) of the Compact and CNE feels that the language removed from this definition should be restored in order to fulfill the intent of the Compact. It also helps to provide that the definition is directly in relation to those games that are affected by the Compact.

12. §1.2 “Credit Limit” This sections states:

Credit limit - the maximum dollar amount of credit assigned to a customer by the gaming operation.

While this definition is §542.2 of the NIGC MICS, it was not included in the current version of the CNGC TICS due to the fact that CNE is prohibited from offering credit at its gaming facilities per the Cherokee Nation Constitution. It is therefore not applicable and should not be included in these definitions. CNE feels its inclusion will lead to confusion over whether credit practices can be allowed at CNE’s gaming operations.

13. §1.2 “Drop (for gaming machines)” This section states:

Drop (for gaming machines) ~~means~~the total amount of cash, cash-out tickets, and coupons, coins, and tokens removed from drop boxes/financial casino instrument storage components~~containers.~~

CNE objects to the creation of a new definition for drop box/financial instrument storage component. CNGC staff wish to call this item “casino instrument storage containers.” This

definition is not part of the NIGC MICS and therefore a violation of section 22(C) of the Act.

14. §1.2 “Drop (for Kiosks)” This section states:

Drop (for kiosks) – the total amount of ~~gaming instruments~~/financial instruments removed from an electronic kiosk.

CNE objects to the removal of the term “gaming instruments” from this definition as these are a part of the drop process for kiosks.

15. §1.2 “Drop (for table games)” This section states:

Drop (for table games) – means the total amount of cash, chips, coins, and tokens removed from ~~drop boxes/ casino financial instrument storage containers components~~, plus the amount of credit issued at the tables.

Again, CNE recommends that the changes to this definition be discarded. CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition. The reason why is unclear and potentially harmful as there are requirements that unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS.

16. §1.2 “Drop Box,” “Drop box content keys,” “drop box release keys,” “drop box storage rack keys” and “drop cabinet”

CNGC staff propose to remove these definitions:

Drop box – Drop box means a locked container affixed to the gaming table into which the drop is placed. The game type, table number, and shift are indicated on the box.

Drop box contents keys – the key used to open drop boxes.

Drop box release keys – the key used to release drop boxes from tables.

Drop box storage rack keys - the key used to access the storage rack where drop boxes are secured.

Drop cabinet – the wooden or metal base of the gaming machine that contains the gaming machine drop bucket.

Again, CNE recommends that the changes to this definition be discarded. CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition. The reason why is unclear and potentially harmful as there are unique requirements for each type of component and game/kiosk. All of these definitions are derived from §542. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS.

17. §1.2 “Drop proceeds” This section states:

Drop proceeds – the total amount of ~~financial casino~~ instruments removed from ~~drop boxes~~ and ~~financial casino~~ instrument storage ~~containers~~ ~~components~~.

Again, CNE recommends that the changes to this definition be discarded. CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition. The reason why is unclear and potentially harmful as there are unique requirements for each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS.

18. §1.2 “Casino Financial Instrument.” This section states:

~~Casino Financial~~ instrument – Any tangible item of value tendered in game play, including, but not limited to bills, coins, vouchers, and coupons.

CNGC staff are changing the definition of “financial instrument” to “Casino instrument.” The definition of “financial instrument” comes directly from NIGC MICS §543.2 and CNE believes that changing the name of this instrument is a violation of section 22(C) of the Gaming Act and it goes against the intention of the NIGC.

19. §1.2 “Casino Instrument Storage Container” This section states:

~~Casino Financial Instrument Storage Container Component~~ – Any ~~container component~~ that stores ~~casino financial~~ instruments, such as a drop box, but typically used in connection with gaming systems.

Again, CNE recommends that the changes to this definition be discarded. CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition. The reason why is unclear and potentially harmful as there are requirements that unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this component is a violation of section 22(C) of the Gaming Act and it goes against the intention of the NIGC.

20. §1.2 “Casino Financial instrument storage container release key” This section states:

~~Casino Financial instrument storage container component~~ release key - ~~means~~ the key used to release the storage ~~container component~~ from the acceptor device.

Again, CNE recommends that the changes to this definition be discarded. CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition. The reason why is unclear and potentially harmful as there are requirements that unique to each type of component and game/kiosk. The language of section, the use of the term “acceptor,” shows that is to applied to e-games more than table games/card games. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this key is a violation of section 22(C) of the Gaming Act and it goes against the intention of the NIGC.

21. §1.2 “Casino instrument storage container storage rack key” This section states:

Casino Financial instrument storage container component storage rack key - means the key used to access the storage rack where storage containers components are secured.

Again, CNE recommends that the changes to this definition be discarded. CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition. The reason why is unclear and potentially harmful as there are requirements that unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this key is a violation of section 22(C) of the Gaming Act and it goes against the intention of the NIGC.

22. §1.2 “Game Play Credits” This section states:

Game play credits - a method of representing value obtained from the exchange of cash or cash equivalents, or earned as a prize, in connection with electronic gaming. Game play credits may be redeemed for cash or cash equivalents;

This definition comes from the Guidance and not the Compact or the NIGC MICS. CNE believes that its inclusion in the proposed CNGC TICS would be a violation of section 22(C) of the Gaming Act for the reasons stated in Part III of these Comments.

23. §1.2 “Gaming Operation accounts receivable (for gaming operation credit)”
This section states:

Gaming operation accounts receivable (for gaming operation credit) - credit extended to gaming operation customers in the form of markers, returned checks, or other credit instruments that have not been repaid.

As stated before in these comments, CNE can't offer credit to its guests per the Cherokee Nation constitution therefore the inclusion of this definition is unnecessary and should not be included in the CNGC TICS. Alternatively, CNE suggests modifying this definition to include only items that are applicable to CNE's gaming operations, such as “returned checks.”

24. §1.2 “Gaming System” This section states:

Gaming system - all components, whether or not technologic aids in electronic, computer, mechanical, or other technologic form, that function together to aid the play of one or more Class II games or any Class III games, inclusive of any and all support systems, player tracking and gaming accounting functions.

CNGC staff replaced the definition in the current CNGC TICS with one from the Gaming Act to broaden the definition of “gaming system.” CNE believes that this is a violation of section 22(C) of the Gaming Act and that the current definition which is based on §543.2 of the NIGC MICS should remain untouched.

25. §1.2 “Generally Accepted Accounting Principles (GAAP)” This section states:
Generally Accepted Accounting Principles (GAAP) - A widely accepted set of rules, conventions, standards, and procedures for reporting financial information, as established by the Financial Accounting Standards Board (FASB), including, but not limited to, the

Audit & Accounting Guide for Gaming ~~the standards for casino accounting~~ published by the American Institute of Certified Public Accountants (AICPA).

CNGC staff are modifying this definition which came straight from NIGC MICS §543.2, by replacing the term “standards for casino accounting” with “Audit & Accounting Guide for Gaming.” CNE suggests leaving the current language as it is in order to comply with section 22(c) of the Gaming Act and for clarity’s sake.

26. §1.2 “Issue slip” This section states:

Issue slip - a copy of a credit instrument that is retained for numerical sequence control purposes.

While this definition is §543.2 of the NIGC MICS, it was not included in the current version of the CNGC TICS due to the fact that CNE is prohibited from offering credit at its gaming facilities per the Cherokee Nation Constitution. It is therefore not applicable and should not be included in these definitions. CNE feels its inclusion will lead to confusion over whether credit practices can be allowed at CNE’s gaming operations.

27. §1.2 “Jackpot payout” This section states:

Jackpot payout – ~~Jackpot payout means~~ the portion of a jackpot paid by gaming machine personnel. The amount is usually determined as the difference between the total posted jackpot amount and ~~the coins paid out~~ accumulated credit paid by the machine. May also be the total amount of the jackpot.

This is a modification of the definition located in §542.2 of the NIGC MICS. CNE believes that replacing the phrase “coins paid out” with “accumulated credit payed” may be a violation of §22(C) of the Gaming Act. Also, it does not make sense as the word “credit” should be plural in this context. CNE recommends leaving this definition as it is currently in the CNGC TICS.

28. §1.2 “Lines of Credit” This section states:

Lines of credit - the privilege granted by a gaming operation to a patron to:(1) Defer payment of debt; or(2) Incur debt and defer its payment under specific terms and conditions.

While this definition is in §543.2 of the NIGC MICS, it was not included in the current version of the CNGC TICS due to the fact that CNE is prohibited from offering credit at its gaming facilities per the Cherokee Nation Constitution. It is therefore not applicable and should not be included in these definitions. CNE feels its inclusion will lead to confusion over whether credit practices can be allowed at CNE’s gaming operations.

29. §1.2 “Marker Credit Play,” “Marker Inventory Form,” “Marker Transfer Form,” and “Master Credit Record” These sections state:

Marker credit play - players are allowed to purchase chips using credit in the form of a market.

Marker inventory form - a form maintained at table games or in the gaming operation pit that are used to track marker inventories at the individual table or pit. of markers from the pit to the cage.

Marker transfer form - a form used to document transfers of markers from the pit to the cage.

Master credit record - a form to record the date, time, shift, game, table, amount of credit given, and the signatures or initials of the persons extending the credit.

While these definitions are in §542.2 of the NIGC MICS, they were not included in the current version of the CNGC TICS due to the fact that CNE is prohibited from offering credit at its gaming facilities per the Cherokee Nation Constitution. These definitions are therefore not applicable and should not be included in these definitions. CNE feels their inclusion will lead to confusion over whether credit practices can be allowed at CNE's gaming operations.

30. §1.2 “Rim Credit” This section states:

Rim credit - extensions of credit that are not evidenced by the immediate preparation of a marker and does not include call bets.

While this definition is in §542.2 of the NIGC MICS, it was not included in the current version of the CNGC TICS due to the fact that CNE is prohibited from offering credit at its gaming facilities per the Cherokee Nation Constitution. It is therefore not applicable and should not be included in these definitions. CNE feels its inclusion will lead to confusion over whether credit practices can be allowed at CNE's gaming operations.

31. §1.2 “Soft Count” This section states:

Soft count ~~means~~ the count of the contents in a casino drop box/financial instrument storage container component.

CNE recommends that the changes to this definition be discarded. CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition. The reason why is unclear and potentially harmful as there are requirements that unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this key is a violation of section 22(C) of the Gaming Act and it goes against the intention of the NIGC.

32. §1.2 “Statistical drop” This section states:

Statistical drop – total amount of money, chips and tokens contained in the ~~drop boxes/financial-casino instrument storage components~~ containers, plus credit issued, minus pit credit payments in cash in the pit.

CNE recommends that the changes to this definition be discarded. CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition. The reason why is unclear and potentially harmful as there are requirements that unique to each type of component and game/kiosk. CNE recommends leaving the language

as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this key is a violation of section 22(C) of the Gaming Act and it goes against the intention of the NIGC

33. §1.2 “Table Games” This section states:

Table games – games that are non-house ~~banked by the house or a pool~~ games, including games played in tournament format, whereby all bets are placed in a common player’s pool, from which all player winnings, prizes and direct costs are paid; the house or the pool pays all winning bets and collects from all losing bets.

CNGC staff are significantly adding to the definition of “Table Games.” This definition originally came from NIGC MICS §542.2 and there was no language in this definition restricting it to those games played by a player’s pool or including the extra language CNGC staff are adding regarding tournaments and “direct costs.” These items are addressed in other sections of the CNGC TICS and CNE believes it is a violation of §22(C) of the Gaming Act to add this language to the NIGC definition. CNE also believes this would blur the line between Table and Card Games such as Poker contrary to the intentions of the NIGC.

34. §1.2 “Voucher” and “Voucher System” CNGC staff have removed these definitions in order to combine them with the definition of “cash-out tickets” As stated earlier in these comments, The term voucher and cash-out tickets refer to two separate instruments at times and there is a need for specificity in the CNGC TICS to match the requirements of the NIGC MICS. CNE suggests leaving the current definitions in the CNGC TICS.

C. Section 2 “Compliance.”

1. §2.1(B) “General” This section states:

The MICS are minimum standards and the CNGC shall establish controls as defined within these Tribal Internal Control Standards (TICS) ~~that do not conflict~~ are: (1) scrupulously consistent with those in the MICS; and (2) not impose additional standards not otherwise required under the Gaming Code, any Tribal-State Gaming Compact, MICS, NIGC regulations, or other applicable federal laws or regulations. with the MICS or the Compact.

CNE feels that the revisions of this section are unnecessary. Section 2.1(B) was written to implement the requirements of section 22(C) of the Gaming Act in the CNGC TICS. Section 22(C) states that CNGC shall not exceed or conflict with the regulations of the NIGC or any compact entered into by the Cherokee Nation. The term “scrupulously consistent” should be removed as its inclusion seems like a tool to add items that may be consistent with the NIGC MICS and the Compact, but actually exceed these requirements based on the interpretation of CNGC staff. Also, including the Gaming Act, or the “Gaming Code,” in this section is problematic as there may be sections of the Gaming Code that were constructively repealed by the passing of section 22(C) as is indicated in Opinion of the Cherokee Nation Attorney General, 2015-CNAG-06, pp. 9-11. CNE feels that the revisions of this section will confuse the otherwise straightforward language and lead to erroneous interpretations of this section and therefore suggests the revisions put forward by the CNGC staff should be rejected.

2. §2.1(C) “General” This section states:

For any overlapping areas within the internal control standards covered in 25 CFR 542 and/or related guidance for Class III, 25 CFR 543 for Class II, any additional internal controls required within any Tribal-State Gaming Compact(s), or other applicable standard, the more stringent requirement or most comprehensive standard shall prevail.

CNE believes that this section violates section 22(C) of the Gaming Act by putting forth a standard that exceeds or conflicts with the NIGC MICS for the following reasons:

1) The Guidance is not a regulation that is binding on Cherokee Nation and as stated in Part III of these comments, the Gaming Act would have to be amended to allow any Guidance requirement that exceeds, or is more “stringent,” than what is required by §§542, 543 and the Compact.;

2) NIGC MICS §542.4 states a) that if there is a direct conflict between a standard in the NIGC MICS and the Compact, then the Compact prevails, b) if the Compact standard provides a level of control that equals or exceeds what is in the NIGC MICS, then the Compact section prevails, and c) If the NIGC MICS standard equals or exceeds the level of control that what is in the Compact, than the NIGC MICS section prevails; CNE staff have not listed the conflict requirement in this section; and

3) This is a rule of what is to be included in the CNGC TICS and inclusion of this rule is superfluous versus simply making sure that the correct rule is included in the CNGC TICS in the first place.

For these reasons CNE suggests either removing this section or revising the language to more closely mirror the requirements in §542.4 without inclusion of the Guidance.

3. §2.3(A) “Tribal Internal Control Standards” This section states:

The CNGC must ensure that the Tribal Internal Control Standards (TICS) provide a level of control that does not exceed or conflict with the applicable standards set forth in 2.1(A-C) of this section. ~~the MICS and the Compact.~~ The CNGC shall, in accordance with the tribal gaming ordinance, determine whether and to what extent revisions are necessary to ensure compliance.

CNE disagrees with the removal of the language limiting the CNGC TICS to the NIGC MICS and the Compact and adding references to previous sections of the proposed TICS which allow for less strict boundaries than §22(C) allows. (See comments C(3) & (4) above). This section was written to ensure that CNGC followed the requirements of section 22(C) of the Act. This section is also based on NIGC MICS §§543.(b) & (b)(1) which state:

(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.

(1) Evaluation of existing TICS. Each TGRA must, in accordance with the tribal gaming ordinance, determine whether and to what extent their TICS require revision to ensure compliance with this part.

By replacing the standards with references to earlier sections, this section will violate Section 22(C)'s plain language that exceeding NIGC regulations or the Compact is prohibited.

4. §2.3(B) (1-4) “Tribal Internal Control Standards” These sections state:

The CNGC shall establish deadlines for compliance with these Tribal Internal Control Standards (TICS) and shall ensure compliance with those deadlines as set forth by the National Indian Gaming Commission (NIGC) and in accordance with the Cherokee Nation gaming ordinance, Title 4 of Cherokee Nation Code Annotated, ~~and shall establish, implement, and revise the control standards within this document as follows .~~ Tribal Internal Control Standards shall:

1. ~~These Tribal Internal Control Standards shall p~~ Provide a level of control that does not exceed or conflict with ~~those standards set forth in 25 CFR Part 542 and 543, the~~ minimum standards, as provided for in 2.1(B) of this part;
2. Contain standards for currency transaction reporting that comply with IRS regulations and 31 CFR Chapter X; and
3. Establish standards for games authorized that are not currently addressed. ~~in this part; and,~~
4. ~~Gaming operations. Each gaming operation shall develop and implement an internal control system that, at a minimum, complies with the tribal internal control standards and is approved by CNGC.~~

CNE disagrees with the proposed revisions for the following reasons:

1. In accordance with the NIGC MICS, the CNGC, and the Cherokee Nation Tribal Council, this section was included in the current CNGC TICS in order to ensure that the proper requirements of the NIGC MICS were being met and also that the intentions of the Cherokee Nation Tribal Council were being followed in the establishment of the CNGC TICS. It appears that CNGC staff are trying to remove these standards through its proposed revisions. Section 2.3(B) is based on two sections of the NIGC MICS, §543.3(b) and 543.3(b)(1). (See comment C(4) above). CNGC staff proposes to remove the language in this section “shall establish, implement, and revise the document as follows” by replacing it with sentence “Tribal Internal Control Standards shall. . .” Even though this is a small change, coupled with the changes to the following sections this change undermines the original purpose of these sections;

2. In the proposed §2.3B(1), CNGC staff proposes language that limits the CNGC TICS from “those standards set forth in 25 CFR Part 542 and 543” and replaces it with a reference to §2.1(B). CNE feels that this is a violation of section 22(C) of the Act as CNGC staff is proposing to replace a clear standard from the NIGC and the Act with the more nebulous standard of “scrupulously consistent” it has created in §2.1(B). See comment C(2) above;

3. CNGC staff remove §2.3(B)(4) which establishes the regulatory regime for CNE’s SICS as designed by the NIGC. The removed language is based on NIGC MICS §542.3(d) which states:

Gaming operations. Each gaming operation shall develop and implement an internal control system that, at a minimum, complies with the tribal internal control standards. This section was put in here in order to ensure compliance with the regulatory regime that

requires CNE's to implement a System of Internal Control Standards in order to comply with the CNGC TICS. It does not make any sense why the CNGC staff would remove this requirement from the CNGC TICS. CNE suggests leaving the language of this section intact.

5. **§2.7 “CPA Testing and Guideline”** See Part II and A(13) of these comments.

D. Section 4 “General Provisions” CNGC staff proposed revisions for Section 4 in two separate tables that covered the same sections. CNE is responding to those items that it was able to ascertain were actual proposed revisions.

1. **§4.2 “General Provisions” (first table)** This section states:

The CNGC has established TICS that are applicable to all ~~employees~~ agents permitted and/or licensed by the CNGC.

Throughout the proposed revision to the CNGC TICS, CNGC staff have replaced the term “employee” with “agents” where the language is not similar in the NIGC MICS. CNE believes that this will lead to confusion and is not entirely accurate. Agency implies being able to act on the behalf of the gaming operation. While employees do have some limited agency, it is not complete and is limited by CNE's internal policies and procedures. Also, the term “agent” is used in many instances in IRS and Title 31 compliance to denote someone who is executing a transaction on behalf of another party. CNE spends a lot of time to ensure compliance in how these agents are treated and specifically states that employees are not agents for compliance purposes. Therefore, CNE believes that all substitutions of “agents” for “employees” should be removed from the proposed SICS where the language has not been changed in the NIGC MICS.

2. **§4.5 “Currency and Cash Equivalent Controls” (both tables)** In the first table, this section states:

Each gaming operation shall establish internal control systems sufficient to ensure that currency (other than tips or gratuities) received from a patron in the gaming area is promptly placed in a locked container in the table, or, in the case of a cashier, in the appropriate place in the cashier's cage, or on those games which do not have a locked casino instrument storage container (CISC) or on card game tables, in an appropriate place on the table, in the cash register or in another approved repository.

In the second table, this section states:

Each gaming operation shall establish internal control systems sufficient to ensure that currency (other than tips or gratuities) received from a patron in the gaming area is promptly placed in a locked ~~box~~ container in the table, or, in the case of a cashier, in the appropriate place in the cashier's cage, or on those games which do not have a locked casino instrument storage container (CISC) ~~drop box~~, or on card game tables, in an appropriate place on the table, in the cash register or in another approved repository.

Both of these proposed revisions use the language of NIGC MICS §542.19(e). However, both proposed sections replace the terms “box” and “drop box” with the term “casino instrument storage container (CISC).” As stated in Comments B(12-16) and B(18-21) of this document, CNGC staff are exceeding the NIGC MICS by combining all of the drop

boxes and other financial storage components into one definition, “casino instrument storage container.” For the reasons stated in those sections of these Comments, CNE suggests discarding these revisions and utilizing the plain language of NIGC MICS §542.19(e) for this section.

3. §4.8 “Signature Attestation” (first table) This section states:

When the standards in this document address the need for signature authorizations, unless otherwise specified, that signature shall be the full name of the employee agent or initials (as required), and employee agent's identification number, in legible writing.

Same as comment D(1) above.

4. §4.9 “Supervisory Line of Authority” (first table) This section states:

For each area of the gaming operation, supervision must be provided as needed by an agent(s) with authority equal to or greater than those being supervised.

CNGC staff have removed the contents from this section from various sections of the CNGC TICS and has applied it to all areas of the gaming operation. This is not what the NIGC MICS require. The NIGC MICS applies this language in §543.8(a) (Bingo), §543.9(a) (Pull Tabs), §542.12(h) (Pit supervisory personnel), §543.10(a) (Card Room operations), §543.17(a) (Drop & Count), §543.18 (Cage), §543.12(a) (gaming promotions & player tracking), §543.13(a)(complimentaries), §543.20(a)(1) & (2) (Information Technology), §543.24 (revenue audit), and §543.21 (Surveillance). While exhaustive, this is not all the personnel that make up CNE’s gaming operations and it was not the intention of the NIGC to apply this standard to all personnel in a gaming operation or they would have done so. CNE also believes that by having this section apply to the entire gaming operation, there would be confusion over whether these Standards applied to nongaming departments and activities. Since this section exceeds the NIGC MICS, CNE believes it should be removed as it is a violation of §22(C) of the Gaming Act.

5. §4.9(C) “Supervisory Line of Authority” (first table) This section states:

The gaming operation shall provide the CNGC with a chart of the supervisory lines of authority (i.e. organizational charts) with respect to those directly responsible for the conduct of gaming at least annually, and shall promptly notify the CNGC of any material changes. The CNGC shall provide the SCA with the proper organization charts and notify the SCA of any changes.

CNGC staff modify the language of Part 5(H) of the Compact and add it to this section. Part 5(H) states:

Supervisory Line of Authority. The enterprise shall provide the TCA and SCA with a chart of the supervisory lines of authority with respect to those directly responsible for the conduct of covered games, and shall promptly notify those agencies of any material changes thereto.

CNE suggests modifying the proposed language to replace “conduct with gaming” to “conduct of covered games” in order to not exceed the requirements of the Compact. The Compact does not govern all gaming at CNE’s gaming facilities; only those “covered games” as defined by the Compact, namely Class III games. CNE also has Class II games

and it would not be in the SCA’s jurisdiction to receive that information. In fact, it would be a breach of the sovereignty of the Cherokee Nation to provide this information to the State of Oklahoma if it was not specifically detailed in the agreement between the two governments. The proposed section also adds an annual requirement that is not required by Part 5(H) of the Compact. By including all gaming and this added requirement in this section, the proposed language would be a violation of §22(C) of the Gaming Act.

In the second table the following language from Part5(H) of the Compact is added:

Supervisory Line of Authority. The enterprise operation shall provide the CNGC and State with a chart of the supervisory lines of authority with respect to those directly responsible for the conduct of covered games, and shall promptly notify both agencies of any material changes.

Here the CNGC staff acknowledges that this section only relates to the conduct of “covered games” as stated in the Compact. So, if CNGC staff are choosing between the two proposed revisions, CNE suggests the latter to ensure compliance with the Compact and to avoid a violation of §22(C) of the Gaming Act.

6. §4.9(D) “Supervisory Line of Authority” (first table) This section states:

Agent(s) of the gaming operation must comply with the licensing requirements outlined in CNGC Rules & Regulations, Chapter V.

Again, CNGC staff uses the term “agent” instead of “employee.” See comment D(1) above.

7. §4.10 “Records” (first table) This section states:

~~In addition to other recordkeeping requirements contained in the TICS, the CNGC shall keep a record of, and shall report at least quarterly to the SCA, the number of covered games in each facility, by the name or type of each and its identifying number.~~ The gaming operation shall maintain the following records for no less than three (3) years from the date generated:

The proposed language removes a task required of CNGC as stated in Part 5M of the Compact which states:

Records of Covered Games. The TCA shall keep a record of, and shall report at least quarterly to the SCA, the number of covered games in each facility, by the name or type of each and its identifying number.

CNE strongly suggests that this language not be removed in order to make sure that Cherokee Nation is not in violation of the Compact.

8. §4.10 “Records” (first table) CNGC staff removes the following section from the CNGC TICS:

~~Payout from the conduct of all covered games;~~

CNE strongly suggests that this language not be removed in order to make sure that Cherokee Nation is not in violation of the Compact. The Compact requires that a record of this information be kept in Part 5(C)(2).

E. Section 5 “Live Bingo” CNGC staff change the title of this section to “Live Bingo” to

differentiate it from electronic bingo or class II games that are “technological aids” for the play of bingo. However, the NIGC does not separate “live” bingo from any other form of bingo. This is supported by findings in the recent NIGC Internal Control Assessment. For the sake of Compliance with §543 of the NIGC MICS, CNE suggests keeping the title of this section as “Bingo.”

1. §5.1 “Supervision” This section states:

~~Supervision must be provided as needed for bingo operations by an agent(s) with authority equal to or greater than those being supervised.~~

As stated in Comment D(4), the NIGC MICS are specific on what departments this language applies to. Removing the language from this section, as required by NIGC MICS §543.8(a), and putting the language for all departments of the gaming operation is not the intent of the NIGC MICS. Therefore, CNE believes that this language should be restored.

2. §5.5(I) “Prize Payouts” This section states:

Manual prize payouts above the following threshold (or a lower threshold, as authorized by management and approved by ~~CNGC TGRA~~) must require one of the two signatures and verifications to be a supervisory or management employee independent of the operation of ~~Class II Gaming System~~ bingo:

CNE believes that the reference to Class II gaming system bingo should be restored. The removal of this qualifying language leads to the concept that this section and the subsequent thresholds could be applied to all bingo games, including live bingo. However, NIGC MICS §54308(e)(5)(i) is very clear that this section applies to Class II Gaming System bingo. To apply this standard beyond what was intended from the clear language of the NIGC MICS would exceed the standards of the MICS and therefore would be a violation of 22(C) of the Act. For these reasons, this language should be restored to its current form.

3. §5.5(L)(2) “Prize Payouts” This section states:

Amount of the payout (~~alpha & numeric for player interface payouts~~); and

This section is based on NIGC MICS §543.8(e)(6)(ii) and CNE believes that the removed language should be restored in order to comply with this section of the NIGC MICS.

4. §5.5(L)(2) “Prize Payouts” This section states:

Bingo card identifier or ~~player interface identifier~~.

This section is based on NIGC MICS §543.8(e)(6)(iii) and CNE believes that the removed language should be restored in order to comply with this section of the NIGC MICS.

5. §5.5(M) “Prize Payouts” CNGC removed this section which states:

~~Cash payout limits shall be established in accordance with the Gaming machine payout standards in Section 11—Casino Instruments.~~

It is unclear why CNGC staff removed this section. Section 11 of the CNGC MICS does

deal with Gaming machine payout standards. While CNGC staff has made changes to Section 11, CNE believes that the payout standards for Class II gaming machines that are present in Section 11 should remain to ensure compliance with NIGC MICS §543.

6. §5.6(A) “Technological Aids and Bingo Equipment” This section states:

Controls must be established and procedures implemented to safeguard the integrity of technological aids and bingo equipment used in the play of live bingo during installations, operations, modifications, removal and retirements. ~~Such procedures must include shipping and receiving; access credential control methods; recordkeeping and audit processes; software system signature verification; installation testing; display of rules and necessary disclaimers; CNGC approval of technological aids before they are offered for play; compliance with Class II Technical Standards 25 CFR Part 547; and dispute resolution.~~

CNE believes that the removed sections should be restored. This language includes requirements straight from NIGC MICS §§543.8(g)(1-9). This language was included in this version of the CNGC TICS in order to address mistakes pointed out by the NIGC auditors during their Internal Control Assessment (“ICA”). The auditors pointed out that Cherokee Nation was not following section 543’s requirements for class II technological aids for bingo. While CNGC staff suggests breaking these requirements out in proposed CNGC TICS §§5.6(B)(1-7), they remove the requirement of NIGC MICS §543.8(8) that requires that all “Class II gaming equipment must comply with 25 CFR part 547, Minimum Technical Standards for Gaming Equipment Used With the Play of Class II Games” and put it in Section 7 “Gaming Systems.” However, as these are requirements for aids that are specifically in reference to the play of Bingo, CNE believes this requirement should remain in this section.

7. §5.6(D) “Technological Aids and Bingo Equipment” CNGC staff remove the following section from the proposed CNGC TICS:

Class II gaming system bingo card sales. In order to adequately record track and reconcile sales of bingo cards, the following information must be documented from the server (this is not required if the system does not track the information, but the system limitation(s) must be noted):

1. Date;
2. Time;
3. Number of Bingo Cards sold;
4. Dollar amount of bingo card sales; and,
5. Amount in, amount out, and other associated meter information.

This language is straight from NIGC MICS §543.8(c)(4) and in order to avoid non-compliance with the NIGC MICS, CNE suggests that the removal of this language be rejected in the proposed CNGC TICS.

8. §5.7(A) “Variances” This section states:

The operation must establish, as approved by the CNGC, the threshold level at which a variance, ~~including deviations from the mathematical expectations required by 25 C.F.R. 547.4,~~ will be reviewed to determine the cause. Any such review must be documented.

This language is straight from NIGC MICS §543.8(I) and in order to avoid non-compliance with the NIGC MICS, CNE suggests that the removal of this language be rejected in the proposed CNGC TICS.

F. Section 6 “Pull Tabs”

1. §6.1 “Supervision” This section states:

~~Supervision must be provided as needed for pull tab operations and over pull tab storage areas by an agent(s) with authority equal to or greater than those being supervised.~~

As stated in Comment D(4), the NIGC MICS are specific on what departments this language applies to. Removing the language from this section, as required by NIGC MICS §543.9(a), and putting the language for all departments of the gaming operation is not the intent of the NIGC MICS. Therefore, CNE believes that this language should be restored.

G. Section 7 “Gaming Systems”

1. §7.1(B) “Standards for Gaming Systems” This section states:

~~For this section only, credit or customer credit means a unit of value equivalent to cash or cash equivalent deposited, wagered, won, lost, or redeemed by a customer.~~

CNGC staff remove this section from the proposed CNGC TICS. The language in this section comes directly from NIGC MICS §542.13(a)(1) and includes important methods for interpreting certain terms when discussing gaming machines and system. By removing this language, CNGC staff remove this interpretation which can lead to confusion and noncompliance with the NIGC MICS. Therefore, CNE requests that the language of this section be restored to the proposed CNGC TICS.

2. §§7.1(C)(1-2), 7.11(M), 7.11(O), 7.11(R), 7.11(U), and 7.12(A). In all of these sections “employee” is replaced with “agent.”

Throughout the proposed revision to the CNGC TICS, CNGC staff have replaced the term “employee” with “agents” where the NIGC has not made this change in the MICS. CNE believes that this will lead to confusion and is not entirely accurate. Agency implies being able to act on the behalf of the gaming operation. While employees do have some limited agency, it is not complete and is limited by CNE’s internal policies and procedures. Also, the term “agent” is used in many instances in IRS and Title 31 compliance to denote someone who is executing a transaction on behalf of another party. CNE spends a lot of time to ensure compliance in how these agents are treated and specifically states that employees are not agents for compliance purposes. Therefore, CNE believes that all substitutions of “agents” for “employees” should be removed from the proposed SICS.

3. §7.2 “Certification and Approval” CNGC staff have added the following language to this section:

CNGC approval of all technologic aids before they are offered for play.

Besides being grammatically incorrect and unclear, CNGC staff have already added this language to proposed CNGC TICS section 5.5(C). In that proposed section, the language is clearer stating that CNGC must approve all technological aids utilized for the play of live bingo. CNE suggest keeping the change in section 5.5(C) and removing this language from section 7.

4. §7.2 “Certification and Approval” This section states:

All Class II gaming equipment must comply with 25 CFR part 547, Minimum Technical Standards for Gaming Equipment Used With the Play of Class II Games; and

See Comment E(7) above.

5. §7.3(E)(3) “Security of System Software” This section states:

Verification of duplicated EPROMs, game program or other equivalent game software media before being offered for play;

CNE does not disagree with the need for the CNGC TICS to be brought up to date to reflect current technology. However, CNGC staff is using language taken from the Guidance and due to the issues enunciated in Part III of these Comments, CNE believes that this proposed section may be in danger of running afoul of §22(C) of the Gaming Act. CNE does suggest that CNGC enlist the aid of the Cherokee Nation Attorney General to determine if this language meets the requirements of §22(C). CNE believes that in this instance, it does.

6. §§7.3(E)(4)&(5) “Security of System Software”

See Comment G(5) above.

7. §7.3(G) “Security of System Software” This section states:

Gaming machines ~~with potential jackpots in excess of \$100,000~~ shall have the game software circuit boards locked or physically sealed. The lock or seal shall necessitate the presence of a person independent of the gaming machine department to access the device game program EPROM, or other equivalent game software media. If a seal is used to secure the board to the frame of the gaming device, it shall be pre-numbered.

CNGC staff removed language that is required by NIGC MICS §542.13(g)(4). CNE does believe that the removal of this language is a violation of the §22(C) of the Gaming Act in that exceeds the original standard set by the NIGC in this section. For this reason and the reasons contained in Part III of these comments, CNE suggests restoring the language to its current form.

8. §7.4(C) “Installation” This section states:

The gaming operation must maintain the following records, as applicable, related to install ~~gaming e-servers and player interfaces~~ machine components (including game servers, as applicable):

CNGC staff removed the specific language that this required by the NIGC to broaden the language of this section to potentially include other gaming items besides game servers and player interfaces. CNGC staff is trying to incorporate the standards from the Guidance. This exceeds the requirements of the original section of the NIGC MICS §543.8(g)(3)(i) and therefore is a violation of §22(C) of the Gaming Act. For these reasons and the reasons enunciated in Part III of these comments, CNE recommends that these changes be rejected in the proposed CNGC TICS.

9. §7.5(B) “Installation Testing” This section states:

Testing must be completed during the installation process to verify that the player interface/gaming machine component has been properly installed. This must include testing of the following, as applicable:

CNGC staff adds the term “component” to this section to conform with the Guidance. For the reasons enunciated in part III of these comments, CNE recommends that this change be rejected in the proposed CNGC TICS.

10. §7.5(B)(1) “Installation Testing” This section states:

Communication with the ~~Class II~~ gaming system;

CNGC staff removes the term “Class II” from this section. While the intention appears to be the inclusion of Class III games for testing purposes, this is removing a term taken directly from NIGC MICS §543.8(g)(5)(i)(A) to mirror the Guidance. For the reasons enunciated in Part III of these comments, CNE recommends that this change be rejected in the proposed CNGC TICS.

11. §7.5(B)(4) “Installation Testing” This section states:

Currency and vouchers/cash-out tickets to bill acceptor;

CNGC staff again are adding “cash-out tickets” to every instance where the term “voucher” is present. The language of this section comes directly from NIGC MICS §543.8(g)(5)(i)(D) and the term “cash-out tickets” is not used. Adding this term would be a violation of 22(C) of the Gaming Act. For this reason and the reasons enunciated in part IV(B)(6) of these comments, CNE recommends that these changes be rejected in the proposed CNGC TICS.

12. §7.5(B)(5) “Installation Testing” This section states:

Voucher/cash-out ticket printing;

See response G(11) above.

13. §7.5(B)(8) “Installation Testing” This section states:

Player interface/gaming machine denomination, for verification;

CNGC staff adds the term “gaming machine” to this section to conform with the Guidance.

For the reasons enunciated in part III of these comments, CNE recommends that this change be rejected in the proposed CNGC TICS.

14. §7.10 (B)(2)(a) “Retirement and/or Removal of Gaming Machines” This section states:

Uninstall, purge, destroy storage media, and/or return the software to the software license holder/owner; and

CNGC staff adds the term “uninstall” to this section to conform with the Guidance. The original language of this section comes from NIGC MICS § 543.8(h)(2)(ii)(A). For the reasons enunciated in Part III of these comments, CNE recommends that this change be rejected in the proposed CNGC TICS.

15. §§7.10 (B)(4)(a-b) “Retirement and/or Removal of Gaming Machines” These sections state:

~~For other related equipment such as blowers, cards, interface cards:
Remove and/or secure equipment; and
Document the removal or securing of equipment.~~

CNGC staff have removed these requirements from this section even though the NIGC requires these standards in the NIGC MICS in sections 543.8(h)(2)(iii)(A-B). These sections apply to automated bingo and it is conceivable that CNE may provide this offering in the future. In order to maintain compliance with the NIGC MICS, CNE suggests restoring these sections to the proposed CNGC TICS.

16. §7.11 “Standards for Evaluating Theoretical and Actual Hold Percentages.” CNGC staff have crossed out the title to this section and it is not clear whether they want to remove the title or the entire section. CNE suggests no changes either way as this section is required by the NIGC MICS and the Compact.

17. §7.11(M) “Standards for Evaluating Theoretical and Actual Hold Percentages.” This section states:

The ~~employee~~ agent who records the in-meter reading shall either be independent of the ~~soft~~ count team or shall be assigned on a rotating basis, unless the in-meter readings are randomly verified quarterly for all gaming machines and bill acceptors by an ~~person~~ agent other than the regular in-meter reader.

CNGC staff are again replacing “employee” with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

18. §7.11(O) “Standards for Evaluating Theoretical and Actual Hold Percentages.” This section states:

Prior to final preparation of statistical reports, meter readings that do not appear reasonable shall be reviewed with gaming machine department ~~employees~~ agents or other appropriate designees, and exceptions documented, so that meters can be repaired or clerical errors in

the recording of meter readings can be corrected.

See §G(17) of these comments.

19. §7.11(R) “Standards for Evaluating Theoretical and Actual Hold Percentages.” This section states:

The statistical reports shall be reviewed by both gaming machine department management and management ~~employees~~ agents independent of the gaming machine department on at least a monthly basis.

See §G(17) of these comments.

20. §7.11(S) “Standards for Evaluating Theoretical and Actual Hold Percentages.” This section states:

For those ~~Class III~~ gaming machines that have experienced at least one hundred thousand (100,000) or a level of wagering transactions (as established by the gaming operation and approved by the TGRA), large variances (three percent (3%) recommended) between theoretical hold and actual hold shall be investigated and resolved by a department independent of the gaming machine department with the findings documented and provided to the CNGC upon request in a timely manner. This does not include linked network games.

CNGC staff modified this section to come into conformance with the Guidance. This section was originally drafted to replicate the language of NIGC MICS §542.13(h)(19) as it applies to Class III gaming machines. Variance requirements for Class II gaming machines are located in CNGC TICS §7.11(T) which replicates the language of NIGC MICS §543.8(h) and states:

For Class II gaming machines, the operation must establish, as approved by the CNGC, 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.

It seems as though CNGC staff want to combine the Class II and Class III requirements in these two sections, however they leave CNGC TICS §7.11(T) unaltered. By doing this, they change the requirements of the NIGC MICS in these circumstances and therefore the proposed language is a violation of §22(C) of the Gaming Act. CNE recommends the rejections of the proposed modifications to this section.

21. §7.11(U) “Standards for Evaluating Theoretical and Actual Hold Percentages.” This section states:

Maintenance of the on-line gaming machine monitoring system data files shall be performed by a department independent of the gaming machine department. Alternatively, maintenance may be performed by gaming machine supervisory ~~employees~~ agents if sufficient documentation is generated and it is randomly verified on a monthly basis by ~~employees~~ agents independent of the gaming machine department.

See §G(17) of these comments.

22. §7.11(W) “Standards for Evaluating Theoretical and Actual Hold Percentages.” This section states:

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.

This language comes from NIGC MICS §543.8(h) and is what CNGC TICS §7.11(T) is based on. Since it does not appear that CNGC staff has eliminated or modified §7.11(T), adding this section is redundant and confusing. CNE suggests removal of this proposed section and keeping the requirements of §7.11(T).

23. §7.12(A) “Gaming System Performance Standards” This section states:
Gaming machine accounting/auditing procedures shall be performed by ~~employees~~ agents who are independent of the transactions being reviewed.

See §G(17) of these comments.

24. §7.12(C) “Gaming System Performance Standards” This section states:
For weigh scale and currency interface systems, for at least one drop period per month accounting/auditing ~~employees~~ agents shall make such comparisons as necessary to the system generated count as recorded in the gaming machine statistical report. Discrepancies shall be resolved prior to generation/distribution of gaming machine reports.

See §G(17) of these comments. CNE moved to ticket-in ticket-out over a decade ago and there is no coin and therefore no weigh scales or a weigh scale interface on which to perform this test. CNE suggests removing this section as it is no longer applicable to CNE’s gaming operations.

25. §7.12(F) “Gaming System Performance Standards” This section states:
For each drop period, accounting/auditing ~~employees~~ agents shall compare the bill-in meter reading to the total bill acceptor drop amount for the period. Discrepancies shall be resolved before the generation/distribution of gaming machine statistical reports.

See §G(17) of these comments.

26. §7.12(H) “Gaming System Performance Standards” This section states:
At least annually, accounting / auditing ~~personnel~~ agents shall randomly verify that game software media changes are properly reflected in the gaming machine analysis report.

See §G(17) of these comments.

27. §7.12(H)(1)? “Gaming System Performance Standards” This section states:
At least monthly, review statistical reports for any deviations from the mathematical expectations exceeding a threshold established by the CNGC.

CNGC creates a new section based on section 13(d)(4)(viii) of the Guidance. See Section III of these comments on why adopting this section into the CNGC TICS would be a violation of §22(C) of the Gaming Act. The content of this section is also redundant as the gaming machine statistical reports are already required to be analyzed for variances and mathematical deviation in CNGC TICS §§7.11(R) & (S) which state respectively:

(R) The statistical reports shall be reviewed by both gaming machine department management and employees independent of the gaming machine department on at least a monthly basis.

And

(S) For those Class III gaming machines that have experienced at least one hundred thousand (100,000) wagering transactions, large variances (three percent (3%) recommended) between theoretical hold and actual hold shall be investigated and resolved by a department independent of the gaming machine department with the findings documented and provided to the CNGC upon request in a timely manner. This does not include linked network games.

The language in these current CNGC TICS sections come directly from NIGC MICS §§542.13(H)(17) & (19) respectively. The CNGC TICS also has requirements for the review of discrepancies in class II gaming machines in CNGC TICS §7.11(T) which states: For Class II gaming machines, the operation must establish, as approved by the CNGC, 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.

This language comes directly from NIGC MICS §543.8(h) for Class II gaming machines. Therefore, since CNGC staff cannot adopt sections of the Guidance due to the reasons enunciated in Part III of these comments and the fact that the subject matter is already covered by current CNGC sections, CNE recommends that the addition of this section be removed.

28. §7.12(H)(2)? “Gaming System Performance Standards” This section states:

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.

As in Comment G(27) above, CNGC staff are proposing to adopt a section of the Guidance into the CNGC TICS. This section comes from the “auditing revenue” section as it applies to gaming machines in the Guidance. The current NIGC MICS has no such requirement for Class III machines except the requirement to foot certain jackpot tickets on a quarterly basis in NIGC MICS §542.13(n)(1). This is codified in the current CNGC TICS in section 11.4(B). There is a requirement for Class II machine vouchers to be footed on a sample basis in NIGC MICS §543.24(d)(1)(v) which is codified in the current CNGC TICS in section 21.2(E). By including this section, CNGC staff exceed the NIGC MICS by establishing a standard not included in the NIGC MICS or the Compact. For the reasons enunciated in part III of these comments, CNE recommends that this change be rejected in the proposed CNGC TICS.

29. §7.12(H)(3)? “Gaming System Performance Standards” This section states:

At least quarterly, unannounced weigh scale and weigh scale interface (if applicable) tests must be performed, and the test results documented and maintained. This test may be performed by internal audit or the CNGC. The result of these tests must be documented and signed by the agent(s) performing the test.

This section comes from the Guidance. However, NIGC MICS §543.24(d)(8)(ii) does have this requirement for drop and count. However, since CNE moved to ticket-in ticket-out over a decade ago, there is no coin and therefore no weigh scales or a weigh scale interface on which to perform this test. This is why this section was not included in the current CNGC TICS. For the reasons enunciated in part III of these comments and the reasons stated in this section, CNE recommends that this change be rejected in the proposed CNGC TICS.

30. §7.12(I) “Gaming System Performance Standards” This section states:

Accounting/auditing ~~employees~~ agents shall review exception reports for all computerized gaming machine systems on a daily basis for propriety of transactions and unusual occurrences.

See §G(17) of these comments.

31. §7.12(K) “Gaming System Performance Standards” This section states:

The operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

As stated before in these comments, this requirement in relation to gaming machines is already detailed numerous times in the current CNGC TICS. Adding it again is superfluous and CNE requests that this addition to the proposed CNGC TICS be removed.

H. Section 8 “Table Games”

1. §8.1(A)(1) “General Table Games Standards” This section states:

A supervisor may function as a dealer without any other supervision if disputes are resolved by supervisory ~~personnel~~ agents independent of the transaction or independent of the table games department; or

CNGC staff are again replacing a term for employee, in this case “personnel”, with the term “agent” or “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

2. §8.1(B) “General Table Games Standards” This section states:

An ante placed and collected shall be done in accordance with the posted rules.

CNGC staff use the language from NIGC MICS §542.9(c)(5) which refers to “card games” in a CNGC TICS section that is devoted to “table games.” The NIGC separates these two types of games into two different sections in §542 of the NIGC MICS; 542.9 for card games and 542.12 for table games. The NIGC also provides to separate, but similar definitions for table games and card games in NIGC MICS §542.2 “What are the definitions for this part?” They are:

Card game means a game in which the gaming operation is not party to wagers and from which the gaming operation receives compensation in the form of a rake, a time buy-in, or

other fee or payment from a player for the privilege of playing.

And,

Table games means games that are banked by the house or a pool whereby the house or the pool pays all winning bets and collects from all losing bets.

Traditionally, card games are considered to be games like poker while table games refer to those games like blackjack, etc. CNE has requested that CNGC ask for an interpretation from the NIGC of whether one casino game's standards can be applied to a different casino game. Until an interpretation is given, CNE suggests postponing any revision of the CNGC TICS that applies a separate game's standard to another game.

3. §8.1(C) “General Table Games Standards” This section states:

The operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

This section comes from §4(O) of the Guidance and is a standard not included in the current NIGC MICS. Therefore, for the reasons stated in part III of these comments, CNE suggests removal of this proposed addition to the CNGC TICS.

4. §8.2(B) “Fills and Credits” This section states:

Unissued and issued fill/credit slips shall be safeguarded and adequate procedures shall be employed in their distribution, use, and control. ~~Personnel~~ Agents from the cashier or pit departments shall have no access to the secured (control) copies of the fill/credit slips.

CNGC staff are again replacing a term for employee, in this case “personnel”, with the term “agent” or “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

5. §8.2(C) “Fills and Credits” This section states:

When a Fill/Credit slip is voided, the ~~cashier~~ agent shall clearly mark “void” across the face of the original and first copy, the cashier and one other ~~person~~ independent of the transactions shall sign both the original and first copy, and shall submit them to the accounting/revenue audit department for retention and accountability.

CNGC staff are again replacing a term for employee, in this case “cashier”, with the term “agent.” See §D(4) of these comments. CNGC staff also remove the term “person” without substituting another term. CNGC staff also add the term “revenue audit” which is not present in the NIGC MICS sections this section is based on and therefore its addition would be a violation of §22(C) of the Gaming Act. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

6. §8.2(D) “Fills and Credits” This section states:

Fill Transactions shall be authorized by pit supervisory ~~personnel~~ agents before the issuance of fill slips and transfer of chips, tokens, or cash equivalents. The fill request shall be communicated to the cage where the fill slip is prepared.

CNGC staff are again replacing a term for employee, in this case “personnel”, with the term “agent” or “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

7. §8.2(E)(1) “Fills and Credits” This section states:

One part shall be transported to the pit with the fill and, after the appropriate signatures are obtained, deposited in the CISC ~~table game drop box~~,

CNGC staff replace the term “table game drop box” with “CISC,” which is an acronym for “casino instrument storage container.” CNGC staff is combining all of the drop boxes/financial storage components into one definition—casino instrument storage container and the reason why is unclear and potentially harmful as there are requirements that are unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this component is a violation of §22(C) of the Gaming Act and it goes against the intention and the clear language of the NIGC MICS.

8. §8.2(E)(3) “Fills and Credits” This section states:

For computer systems, one part shall be retained in a secure manner to ensure that only authorized ~~persons~~ agents may gain access to it. For manual systems, one part shall be retained in a secure manner in a continuous unbroken form.

CNGC staff are again replacing a term for employee, in this case “persons”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

9. §8.2(F) “Fills and Credits” This section states:

For Tier C gaming operations, the part of the Fill slip that is placed in the ~~table game drop box~~ CISC shall be of a different color for fills than for credits, unless the type of transaction is clearly distinguishable in another manner (the checking of a box on the form shall not be a clearly distinguishable indicator).

See §H(7) of these comments.

10. §8.2(H) “Fills and Credits” This section states:

All fills shall be carried from the cashier's cage by an ~~person~~ agent who is independent of the cage or pit.

CNGC staff are again replacing a term for employee, in this case “person”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

11. §8.2(I) “Fills and Credits” This section states:

The fill slip shall be signed by at least the following ~~persons~~ agents (as an indication that each has counted the amount of the fill and the amount agrees with the fill slip):

CNGC staff are again replacing a term for employee, in this case “persons”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

12. §8.2(I)(4) “Fills and Credits” This section states:

Pit supervisory ~~personnel~~ agent who supervised the fill transaction; and,

CNGC staff are again replacing a term for employee, in this case “personnel”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

13. §8.2(K) “Fills and Credits” This section states:

A copy of the Fill slip shall then be deposited into the ~~table game drop box~~ CISC by the dealer, where it shall appear in the soft count room with the cash receipts for the shift.

See §H(7) of these comments.

14. §8.2(M)(1) “Fills and Credits” This section states:

Two parts of the credit slip shall be transported by the runner to the pit. After signatures of the runner, dealer, and pit supervisor are obtained, one copy shall be deposited in the ~~table game drop box~~ CISC and the original shall accompany transport of the chips, tokens, markers, or cash equivalents from the pit to the cage for verification and signature of the cashier.

See §H(7) of these comments.

15. §8.2(M)(2) “Fills and Credits” This section states:

For computer systems, one part shall be retained in a secure manner to ensure that only authorized ~~persons~~ agents may gain access to it. For manual systems, one part shall be retained in a secure manner in a continuous unbroken form.

CNGC staff are again replacing a term for employee, in this case “persons”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

16. §8.2(P) “Fills and Credits” This section states:

All chips, tokens, and cash equivalents removed from the tables and markers removed from the pit shall be carried to the cashier's cage by an agent ~~person~~ who is independent of the cage or pit.

CNGC staff are again replacing a term for employee, in this case “person”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

17. §8.2(Q) “Fills and Credits” This section states:

The credit slip shall be signed by at least the following agents ~~persons~~ (as an indication that each has counted or, in the case of markers, reviewed the items transferred)

CNGC staff are again replacing a term for employee, in this case “persons”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

18. §8.2(Q)(4) “Fills and Credits” This section states:

Pit supervisory ~~personnel~~ agent who supervised the credit transaction; and,

CNGC staff are again replacing a term for employee, in this case “persons”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

19. §8.2(Q)(5) “Fills and Credits” This section states:

The Credit slip shall be inserted in the ~~table game drop box~~ CISC by the dealer.

See §H(7) of these comments.

20. §8.3(D) “Table Inventory Forms” This section states:

If inventory forms are placed in the CISC ~~drop box~~, such action shall be performed by an ~~person~~ agent other than a pit supervisor.

CNGC staff are again replacing a term for employee, in this case “persons”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS. See also §H(7) of these comments for the substitution of “CISC” for “drop box.”

21. §§8.4(A), (C)(2), (C)(2)(a), and 8.4(C)(2)(b) “Table Games Computer Generated Documentation Standards.” In all of these sections, CNGC staff are again replacing the terms “employee” or “personnel” for the terms “agent” or “agents.” See §D(4) of these comments. CNE recommends leaving the language of these sections as it is in the current CNGC TICS.

22. §8.5(A)(3) “Standards for Playing Instruments” This section states:

The CNGC, or the gaming operation as approved by the CNGC, shall establish controls and ~~the operation shall comply with~~ procedures implemented that establish a reasonable time period, which shall not exceed seven (7) days, within which to mark, cancel or destroy cards or dice from play. This standard shall not apply where playing cards or dice are retained for an investigation.

CNGC staff are using language of the Guidance to establish new responsibilities for CNE in violation of §22(C) of the Gaming Act. See Part III of these comments.

23. §8.6 “Progressive Table Games” This entire section is new. CNGC staff apply NIGC MICS §549(H) which applies to “card games” to table games. CNE has written to the CNGC to request an opinion of whether §549 can apply to table games as it is originally

intended for card games. Until this issue is settled CNE suggests postponing the addition of this section to the CNGC TICS.

24. §8.6 “Analysis of Table Games Performance” CNGC Staff have removed this section. In order to maintain compliance, CNE suggests leaving this language in the current section. CNGC staff placed the language of this section in Section 22 “Auditing Revenue” See U(8) and U(9) of these comments.

25. §8.7 “Accounting and Auditing Standards” CNGC Staff have removed this section. In order to maintain compliance, CNE suggests leaving this language in the current section. CNGC staff placed the language of this section in Section 22 “Auditing Revenue” See U(8) and U(9) of these comments.

26. §8.7 “Marker Credit Play” CNGC staff add a new section to this section of the CNGC TICS. This section is for Marker credit play which is included in §542 of the NIGC MICS and the Guidance. However, the inclusion of this section is pointless as CNE cannot offer any form of credit per the Cherokee Nation Constitution’s prohibition against credit and it could cause confusion as to whether it is allowed being in the CNGC TICS. CNE suggests removal of this section as it does not apply to CNE’s gaming operations.

27. §8.8 “Name Credit Instruments Accepted in the Pit.” CNGC staff add a new section to this section of the CNGC TICS. This section is intended for name credit instruments accepted in the Pit which is included in §542 of the NIGC MICS and the Guidance. However, CNE does not accept any checks or other name credit instruments at its pits. CNE suggests removal of this section as it does not apply to CNE’s gaming operations.

29. §8.9 “Call Bets” CNGC staff add a new section to this section of the CNGC TICS. This section is for call bets accepted in the Pit which is included in §542 of the NIGC MICS and the Guidance. However, CNE does not accept call bets at its pits. CNE suggests removal of this section as it does not apply to CNE’s gaming operations.

30. §8.10 “Rim Credit” CNGC staff add a new section to this section of the CNGC TICS. This section is for Rim Credit in the Pit which is included in §542 of the NIGC MICS and the Guidance. However, CNE does not utilize rim credit in its pits. CNE suggests removal of this section as it does not apply to CNE’s gaming operations.

31. §8.11 “Foreign Currency” CNGC staff add a new section to this section of the CNGC TICS. This section is for accepting foreign currency in the Pit which is included in §542 of the NIGC MICS and the Guidance. However, CNE does not accept foreign currency in its pits. CNE suggests removal of this section as it does not apply to CNE’s gaming operations.

32. §§8.12 (C) & (D) “Other Standards” These sections state:

All relevant controls from Section 20 - Information Technology will apply.

And,

Standards for revenue audit of table games are contained in Section 22 - Revenue Audit.

CNE staff use the language of the Guidance to add these sections. However, this is a

violation of §22(C) of the Gaming Act as stated in Part III of these comments. Therefore, CNE suggests that these sections be removed from the proposed CNGC TICS.

33. §8.12(E) “Other Standards” This section states:

Variance. The operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

This is the second time CNGC staff have put this section in CNGC TICS section 8 for Table Games in these proposed TICS. See comment H(3) above. This section comes from §4(O) of the Guidance and is a standard not included in the current NIGC MICS. Therefore, for the reasons stated in Part III of these comments, CNE suggests removal of this proposed addition to the CNGC TICS.

I. Section 9 “Card Games”

1. §9.4(A) “Standards for Playing Instruments” CNGC staff removes this section even though it is directly from §543.10(c)(2) of the NIGC MICS. CNE suggests keeping the language of this section as it is in the current CNGC TICS.

2. §9.6(C) “Standards for Promotional Progressive Pots and Pools” This section states:

Promotional pool contributions shall not be placed in or near the rake circle, in the casino instrument storage container (CISC) ~~drop box / financial instrument storage component~~, or commingled with gaming revenue from card games or any other gambling game.

CNGC staff replace the term “drop box” with “casino instrument storage container.” CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition—casino instrument storage container. The reason why is unclear and potentially harmful as there are requirements that are unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this component is a violation of §22(C) of the Gaming Act and it goes against the intention and the clear language of the NIGC MICS.

3. §9.6(D) “Standards for Promotional Progressive Pots and Pools” This section states:

The ~~pool~~ amount of the pools ~~shall~~ must be conspicuously displayed in the card room and shall be updated to reflect the current pool amount.

It is unclear why the language has been changed in this proposed section of the CNGC TICS, but CNE suggests leaving it in its current form for compliance purposes.

4. §9.6(D) “Standards for Promotional Progressive Pots and Pools” This section states:

At least once a day, increases to the posted pool amount shall be reconciled to the cash

previously counted or received by the cage by ~~personnel~~ agents independent of the card room.

CNGC staff are again replacing a term for employee, in this case “personnel”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

5. §9.8(C) “Standards for Displaying Promotional Progressive Pools and Pots in Card Room” This section states:

The contents keys shall be maintained by ~~personnel~~ an agent independent of the card room and controlled in a manner as required in Section 14 – Key and Access Controls.

CNGC staff are again replacing a term for employee, in this case “personnel”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

6. §9.9(C) “Standards for Promotional Progressive Pots and Pools Where Funds are Maintained in the Cage CNGC replace a term for employee, in this case “persons” or “personnel”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of these sections as they are in the current CNGC TICS with respect with terms for employees.

7. §9.10 “Foreign Currency” CNGC staff add a new subsection to this section of the CNGC TICS. This section is for accepting foreign currency in the Pit which is included in §542 of the NIGC MICS. However, CNE does not accept foreign currency. CNE suggests removal of this section as it does not apply to CNE’s gaming operations.

J. Section 10 “Pari-Mutuel Racing”

1. §10.2(A)(1) “Exemptions” This section states:

The simulcast service provider utilizes its own ~~employees~~ agents for all aspects of the pari-mutuel wagering operation;

CNGC staff are again replacing a term for employee, in this case “employees”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

2. §10.2(A)(2) “Exemptions” This section states:

The gaming operation posts, in a location visible to the public, that the simulcast service provider and its ~~employees~~ agents are wholly responsible for the conduct of pari-mutuel wagering offered at that location;

CNGC staff are again replacing a term for employee, in this case “employees”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

3. §10.2(B) “Exemptions” This section states:

Gaming operations that contract directly with a state regulated racetrack as a simulcast service provider, but whose on-site pari-mutuel operations are conducted wholly or in part by tribal operation ~~employees~~ agents, shall not be required to comply with paragraphs ~~210.89(EC)~~ through ~~210.89(IG)~~ of ~~this section~~ TICS.

CNGC staff are again replacing a term for employee, in this case “employees”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS. CNE would also like to point out that CNE has removed “accounting and auditing” functions that were originally part of this section and moved them to Section 21 “Accounting” See comments J(40) and U(12) of these comments.

4. §10.3(B)(1) “General Standards” This section states:

The following logs shall be maintained as written or computerized records and shall be available for inspection by the Oklahoma State Bureau of Investigation and/or the Office of State Finance.

This revision is adding the language of section 9(A) of the Off-Track Wagering Compact to the CNGC TICS. It states:

The Nation shall maintain the following logs as written or computerized records available for inspection by the OSBI and/or the OSF in accordance with this compact.

CNE suggests adding the language “in accordance with the Off-Track Wagering Compact between Cherokee Nation and the State of Oklahoma” to the proposed revisions. There are specific steps in Section 11 of the Off-Track Wagering Compact, including notice and non-interference requirements placed on the State of Oklahoma’s agencies, to protect Cherokee Nation’s gaming facilities. CNE believes that this should be part of this language as employees may not be aware of these rules for Oklahoma state agency monitoring.

5. §10.3(C)(2) “General Standards” This section states:

Any amendments or other modifications to the off-track wagering house rules must be authorized by the CNGC prior to implementation.

CNGC is adding this requirement for off-track betting house rules when it is not required by the Off-Track Betting Compact, the NIGC MICS, or the Compact. Therefore, this is a violation of §22(C) of the Gaming Act and should be removed from the proposed CNGC TICS.

6. §10.4(A)(2) “Computer System” This section states:

Provide sufficient hard disk storage with magnetic tape backup storage at a minimum of 2.1 gigabytes each or some other storage of similar or greater capacity, as approved by the CNGC;

The language is taken from section C of Appendix A Parimutuel Standards of the Off-Track Wagering Compact (“Appendix”). However, CNGC staff has changed the language to include the requirement of CNGC approval for storage media. The Off-Track Wagering

Compact does not give CNGC this authority. The applicable section states:
The systems provide hard disk storage in the form of dual-disk disk drives of 2.1 gigabytes each, and 2.1 gigabytes of magnetic tape for backup data or some other storage of similar or greater capacity.

CNE suggests removing the approval requirements from the proposed language of this section in order to be compliant with §22(C) of the Gaming Act.

7. §10.4(A)(3) “Computer System” This section states:

Restrict access to program source code and source location hardware to authorized source location personnel or substitute entity personnel from the signal source locations; program source code shall not be available to gaming operation agents;

The language used by CNGC staff in this section does not make sense and fundamentally changes the requirement in which this section’s language is based on. As written, CNGC is requiring that the pari-mutuel wagering system itself, must restrict access to the program source code and restrict the source location hardware to authorized source location personnel. Section C of the Appendix states:

Program source code shall not be available to Gaming Employees, or to Nation's data processing employees.

And,

Access to the main processors located at the source location is limited to authorized simulcast provider personnel or substitute entity personnel from the signal source locations.

Neither of these paragraphs require that the pari-mutuel wagering system itself facilitate these restrictions. CNE suggests that instead of having these sections as part of §10.4(A), they be separated into two separate sections to more closely follow the language and requirements of section C of the Appendix.

8. §§10.4(B) & (C) “Computer System” In each of these sections, CNGC staff replace a term for employee, in this case “writer/cashier(s)”, with the term “agent(s).” See §D(4) of these comments. CNE recommends leaving the language of these sections as it is in the Off-Track Wagering Compact. This is also a violation of §22(C) of the Gaming Act as section C of the Appendix does not refer to anyone as an “agent” or “agents.”

9. §10.4(E) “Computer System” This section states:

The gaming operation shall establish and maintain a log of all routine and non-routine maintenance, which shall include the following information, at a minimum:

1. Date maintenance was performed;
2. Reason for maintenance;
3. Description of maintenance performed;
4. Printed name, signature, and employee number of the person performing maintenance.

CNGC staff add requirements that are not present in the Off-Track Wagering Compact for maintenance logs. Sections 9(a) and 9(a)(1) state:

Logs. The Nation shall maintain the following logs as written or computerized records available for inspection by the OSBI and/or the OSF in accordance with this compact.

...

2. Maintenance logs in relation to all gaming equipment pertaining to off-track wagering.

There are no requirements as to the content of these logs present in the Off-Track Wagering Compact requirement and therefore the addition of any would be a violation of §22(C) of the Gaming Act. CNE populates the log per normal industry standards and therefore suggests that the added restriction be removed from the proposed CNGC TICS.

10. §10.4(F) “Computer Systems” This section states:

Any service agreement entered into by the gaming operation with a third-party to provide simulcast services or provide pari-mutuel wagering/totalizer services must contain provisions sufficient to establish and maintain compliance with these internal controls, the rules and regulations of the CNGC, and any tribal-state compact to which the Nation is a party. All such service agreements must be on file with the CNGC, along with any subsequent amendments or modifications.

There is nothing in the Compact, the NIGC MICS, or the Off-Track Wagering Compact that requires that service agreements for pari-mutuel wager totalizer services be submitted to CNGC. Therefore, adding this language to the CNGC TICS would be a violation of §22(C) of the Gaming Act. CNE suggests removing this section from the proposed CNGC TICS.

11. §10.5(B) “Betting Ticket Issuance and Controls” This section states:

Whenever a betting station is opened for wagering or turned over to a new writer/cashier, Upon completion of bank opening procedures (the ticket agent must have received his/her bank from the cage, verified the funds, and entered bank amount on a log verifying by signature) the writer/cashier agent shall sign on by entering his/her operator code/number and password and the computer shall document and print a ticket that contains the sign-on designation, gaming operation name (or identification number), station number, the writer/cashier agent identifier (user name or operator number), and the date and time.

CNGC staff are again replacing a term for employee, in this case “writer/cashier”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

12. §10.5(C)(1) “Betting Ticket Issuance and Controls” This section states:

An original, which shall be transacted and issued through a printer and given to the customer patron; and,

CNGC suggests removing the substitution of “patron” and leaving it as it is in the original NIGC MICS section 542.11(c)(3)(i), “customer” in order to maintain compliance with the NIGC MICS.

13. §10.5(C)(2) “Betting Ticket Issuance and Controls” This section states:

A copy that shall be recorded concurrently with the generation of the original ticket either on paper or other storage media (e.g., tape or diskette) and retained internally within the system and shall not be accessible by pari-mutuel agents.

CNGC staff are again replacing a term for employee, in this case “personnel”, with the term “agents.” The term “personnel” is the term used in the corresponding section in the Off-Track Wagering Compact. See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

14. §10.5(C)(3) “Betting Ticket Issuance and Controls” This section states:

The computer system must print a number on each ticket which identifies each ~~writer~~ agent station.

CNGC staff are again replacing a term for employee, in this case “writer”, with the term “agent.” The term “writer” is the term used in the corresponding section in the Off-Track Wagering Compact. See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

15. §10.5(C)(5) “Betting Ticket Issuance and Controls” This section states:

All unused tickets will be stored in the pari-mutuel storage room or other secure location approved by the CNGC. These forms are serially numbered by the computer and do not require the "sensitive" forms inventory control procedures.

This section is based on section E of the Appendix which states in the applicable paragraph: Unused tickets will be stored in the pari-mutuel Gaming Facility storage room. These forms are serially numbered by the computer and do not require the "sensitive" forms inventory control procedures.

CNGC staff add a requirement that the other “secure location” of the unused tickets must be approved by CNGC. Inclusion of this new requirement is a violation of §22(C) of the Gaming Act, as the Appendix does not allow for another “secure location.” Therefore, CNE suggests removal of this language.

16. §10.5(E) “Betting Ticket Issuance and Controls” This section states:

The computer system will not allow a ticket to be voided after a race event post time.

This section is based on section E of the Appendix which states in the applicable paragraph: The computer system will not allow a ticket to be voided after a race event is locked out. CNGC staff replace “locked out” in the original Appendix language with “post time” in the new CNGC TICS section. This is a violation of §22(C) of the Gaming Act and CNE suggests using the original term as it is in the Appendix.

17. §10.6(A)(2) “Equipment Standards” This section states:

When a patron wishes to redeem a voucher, the ~~writer/cashier~~ agent will validate the voucher by scanning the bar code or other unique identifier. The system will generate a paid ticket and the ~~writer/cashier~~ agent will pay the patron. All other procedures described concerning payouts of winning wagers will be complied with, as applicable

CNGC staff are again replacing a term for employee, in this case “writer/cashier”, with the

term “agent.” The term “writer/cashier” is the term used in the corresponding section in the Appendix. See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

18. §10.7(A) “Payout Standards” This section states:

Prior to making payment on a ticket, the ~~writer/cashier~~ agent shall ~~input~~ insert the ticket into the bar code reader for verification and payment authorization.

CNGC staff are again replacing a term for employee, in this case “writer/cashier”, with the term “agent.” The term “writer/cashier” is the term used in the corresponding section in the Appendix. See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

19. §§10.7(B) & (C) “Payout Standards” In both of these sections CNGC staff are again replacing a term for employee, in this case “writer/cashier”, with the term “agent.” The term “writer/cashier” is the term used in the corresponding section in the Appendix. See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

20. §§10.7(I)(1) & (2) “Payout Standards” These sections state:

The patron must report the loss of the ticket no later than the third day following the day the race was completed, unless the patron can show circumstances where this is not possible, or unless approved by gaming facility operation management.

And,

A lost ticket report will be prepared by the gaming facility operation from information supplied by the patron and must contain the following information:

In each of these sections, CNGC staff replace the word “facility” with the word “operation.” CNE suggests eliminating this substitution in order to match the source sections’ language from sections J(1) & (2) of the Appendix.

21. §10.7(I)(3) “Payout Standards” This section states:

The lost ticket report will be delivered to the controller who will instruct an accounting agent to research the unpaid ticket tile.

CNGC staff are again replacing a term for employee, in this case “clerk”, with the term “agent.” The term “clerk” is the term used in the corresponding section in the Appendix. See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

22. §10.7(I)(3)(a) “Payout Standards” This section states:

If an unpaid ticket that matches the information on the lost ticket report cannot be located, the lost ticket report will be returned to the gaming operation manager with instructions that no payment can-be made.

CNGC staff again replace “facility” with “operation.” It does not make sense as in other

sections of this document “facility” is used as well. CNE suggests eliminating this substitution in order to match the source sections’ language from section J(3)(a) of the Appendix.

23. §10.7(I)(3)(b) “Payout Standards” This section states:

If an unpaid ticket is found that matches the lost ticket report, the unpaid ticket will be "locked" in the computer system to prevent payment to other than the claimant for the holding period of one hundred twenty (120) days after the conclusion of the racing meet on which the wager was placed.

This section adds new requirements that are not present in the NIGC MICS, the Compact, or the Off-track Wagering Compact. Inclusion of this language in the proposed CNGC TICS would be violation of §22(C) of the Gaming Act and therefore CNE suggests its inclusion be removed.

24. §10.7(I)(5) “Payout Standards” This section states:

If the ticket is presented for payment within this one hundred twenty (120) day period by other than the patron represented on the lost ticket report; or if a dispute arises from the foregoing procedures, it will be the gaming Facility's operation's responsibility to resolve such disputes.

CNGC staff again replace “facility” with “operation.” It does not make sense as in other sections of this document “facility” is used as well. CNE suggests eliminating this substitution in order to match the source sections’ language from section J(5) of the Appendix.

25. §10.7(J)(3) “Payout Standards” This section states:

The mailed ticket shall be forwarded directly to the gaming facility manager where it is entered into an agent terminal for unpaid ticket update to indicate that the ticket is no longer outstanding.

CNGC staff are again replacing a term for employee, in this case “writer/cashier”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

26. §10.7(M) “Payout Standards” This section states:

The off-track wagering pari-mutuel pool distributions shall be based upon the order of finish posted at the track as 'official'. The determination of the Judges, stewards or other appropriate officials at the track shall be conclusive in determining the payoffs of the gaming operation.

CNGC staff leave out an important sentence from this section that appears in the Appendix that addresses liability for CNE’s Off-track betting operations. Section (H)(5) states:

The Gaming Facility bears no responsibility with respect to the actual running of any race or races upon which it accepts bets. In all cases, the off-track betting pari-mutuel pool distribution shall be based upon the order of finish posted at the track as 'official'. The

determination of the Judges, stewards or other appropriate officials at the track shall be conclusive in determining the payoffs of the Gaming Facility. (Emphasis added). CNE suggests inclusion of this language as it is originally written in the Appendix. Also, CNGC staff again replace “facility” with “operation.” It does not make sense as in other sections of this document “facility” is used as well. CNE suggests eliminating this substitution in order to match the source sections’ language from section (H)(5) of the Appendix.

27. §10.7(O) “Payout Standards” This section states:

The gaming operation reserves the right to refuse to accept bets on a particular entry or entries or in any or all pari-mutuel pools for what it deems good and sufficient reason.

CNGC staff again replace “facility” with “operation.” It does not make sense as in other sections of this document “facility” is used as well. CNE suggests eliminating this substitution in order to match the source sections’ language from section (H)(5) of the Appendix.

28. §§10.8(A), (B), (D), & (E) “Checkout Standards” In these sections, CNGC staff are again replacing a term for employee, in this case “writer/cashier”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

29. §10.8(D) “Checkout Standards” This section states:

The cash drawer must be counted by the closing agent and the shift supervisor evidenced by signing the count sheet. ~~Signature of two (2) employees who have verified the cash turned in for the shift.~~ Unverified transfers of cash and/or cash equivalents are prohibited.

This section is based on section (D)(2) of the appendix which states:

The cash drawer is then counted by the cashier/writer and the shift supervisor. Both sign the count sheet. **The computer terminal is accessed to determine the writer's total cash balance. This is compared to the count sheet and variations are investigated.** (Emphasis added).

CNGC staff did not include the requirement in the Appendix to check the count sheet against the computer total and to investigate any variance. CNE suggests including this language in this section in order to be in compliance with the Appendix.

30. §10.9 “Employee Wagering” This section states:

Pari-mutuel ~~employees~~ agents shall be prohibited from wagering on race events while on duty, including during break periods.

CNGC staff are again replacing a term for employee, in this case “employees”, with the term

“agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

31. §10.10 (C)(5) “Computer Report Standards” This section states:

Amount of wagers (by ticket, agent ~~writer/screen activated machine (SAM)~~kiosk,

track/event, and total);

The language of this section has been modified by CNGC staff to match section 3(e)(3)(v) of the Guidance. Please see Part III of these comments.

32. §10.10(C)(6) “Computer Report Standards” This section states:

Amount of wagers (by ticket, agent writer/screen activated machine (SAM)kiosk, track/event, and total);

The language of this section has been modified by CNGC staff to match section 3(e)(3)(vi) of the Guidance. Please see Part III of these comments.

33. §10.10(C)(7) “Computer Report Standards” This section states:

Tickets refunded (by ticket, agent writer, track/event, and total);

The language of this section has been modified by CNGC staff to match section 3(e)(3)(vii) of the Guidance. Please see Part III of these comments.

34. §10.10(C)(9) “Computer Report Standards” This section states:

Voucher sales/payments (by ticket, agent writer/SAMkiosk, and track/event);

The language of this section has been modified by CNGC staff to match section 3(e)(3)(ix) of the Guidance. Please see Part III of these comments.

35. §10.10(C)(10) “Computer Report Standards” This section states:

Voids (by ticket, agent writer, and total);

The language of this section has been modified by CNGC staff to match section 3(e)(3)(x) of the Guidance. Please see Part III of these comments.

36. §10.10(D)(4) “Computer Report Standards” This section states:

A Recap Report that provides daily amounts and contains information by track and total information regarding write, refunds, payouts, outs, payments on outs, and federal tax withholding for each track. The report will also contain information regarding kiosk voucher activity.

CNGC staff change “SAM voucher activity” to “kiosk voucher activity” in contradiction to section L of the Appendix. CNE suggest a rejection of this change.

37. §10.10(D)(6) “Computer Report Standards” This section states:

A Teller Balance Report that summarizes daily activity by track and writer/ cashier, and kiosks. The report will contain the following information: tickets sold, tickets cashed, tickets canceled, draws, returns, computed cash turn-in, actual turn-in, and over/short.

CNGC staff change “SAM terminals” to “kiosks” in contradiction to section L of the Appendix. CNE suggest a rejection of this change.

38. §10.10(D)(12) “Computer Report Standards” This section states:

A Kiosk Activity Report that contains a summary of kiosk activity including the kiosk number, ticket sales, ticket cash outs, voucher sales, and voucher cash outs.

Again, CNGC staff change “SAM” to “kiosk” in contradiction to section L of the Appendix.
CNE suggest a rejection of this change.

39. §10.11 “Variances” This section states:

The operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

The language of this section has been modified by CNGC staff to match section 3(h) of the Guidance. Please see Part III of these comments.

40. §10.8 “Accounting and Auditing Functions” CNGC staff have removed/moved this entire subsection from this section of the CNGC TICS and placed it in Section 21 “Auditing Revenue.” See U(12) of these comments.

K. Section 11 “Casino Instruments”

1. §11.1(B)(5) “Gaming Machine Prize Payouts” This section states:

Game outcome is not required if a computerized jackpot/~~fill~~ system is used provides a sufficient means of recording jackpots prizes won;

CNGC staff remove the term “fill” for no apparent reason. This language is based on NIGC MICS §542.13(d)(1)(iv) and in order to be in compliance with this section and §22(C) of the Gaming Act, CNE recommends rejecting its removal.

2. §11.1(B)(7) “Gaming Machine Prize Payouts” This section states:

Verification, Authorization, and Signatures

The language of this section has been modified by CNGC staff to match section 5(c)(6) of the Guidance. Please see Part III of these comments.

3. §11.1(B)(8). “Gaming Machine Prize Payouts” This section states:

~~For Class II games offering a prize payout of \$1,200 or more, as the objects are drawn, the identity of the objects is immediately recorded. Such records must be maintained for a minimum of 24 hours.~~

CNGC staff remove this section from the proposed CNGC TICS without justification. This

section is direct language from NIGC MICS §543.8(d)(4)(ii) and is a requirement for class II gaming machines. CNE strongly suggests that the proposed elimination of this section be rejected.

4. §11.1(F) “Gaming Machine Prize Payouts” This section states:

Computerized jackpot/~~fill~~ systems shall be restricted so as to prevent unauthorized access and fraudulent payouts by one person as required by Section 20-information Technology of this document.

CNGC staff remove the term “fill” for no apparent reason. This language is based on NIGC MICS §542.13(d)(3) and in order to be in compliance with this section and §22(C) of the Gaming Act, CNE recommends rejecting its removal.

5. §11.4 “Cash-out Tickets/Vouchers” This section states:

~~For gaming machines that utilize cash out tickets, the following standards apply. This standard is not applicable to Tiers A and B. Tier A and B gaming operations shall develop adequate standards governing the security over the issuance of the cash out paper to the gaming machines and the redemption of cash out slips.~~

CNGC staff remove this section from the proposed CNGC TICS without justification. This section is direct language from NIGC MICS §542.13(n). CNE strongly suggests that the proposed elimination of this section be rejected.

6. §11.4(A) “Cash-out Tickets/Vouchers” This section states:

~~Gaming machine accounting and auditing procedure standards in Section 7—Gaming Systems of this document shall apply.~~

CNGC staff remove this section from the proposed CNGC TICS without justification. Apparently, it is a move to consolidate all of the “accounting” TICS sections into Section 21 “Auditing Revenue.” However, this does not make sense as it is important that the regulated parties who view this section also understand that the accounting standards that are applicable to Gaming Systems also apply. See comment U(6) of these comments. CNE strongly suggests that the proposed elimination of this section be rejected.

7. §11.4(A) “Cash-out Tickets/Vouchers” This section states:

For cash-out tickets/vouchers, controls must be established, and procedures implemented that include these standards.

CNGC removed section 11.4 (O) which included this requirement and placed it at the beginning of this section. However, in doing so, it has exceeded the mandate of the NIGC MICS because this section, NIGC MICS §543.8(i)(1), specifically refers to three items only and not all the NIGC MICS sections that CNGC staff are trying to include here. By increasing the standards that must be included in the controls mentioned in this section, CNGC is violating §22(C) of the Gaming Act. The addition of this section is also redundant as CNE is already charged with implementing the applicable standards in the CNGC TICS by NIGC MICS §543.3(c).

8. §11.4(B) “Cash-out Tickets/Vouchers” This section states:

~~On a quarterly basis, the gaming operation shall foot all jackpot cash-out tickets equal to or greater than \$1,200 and trace totals to those produced by the host validation computer.~~

CNGC staff remove this section from the proposed CNGC TICS without justification. Apparently, it is a move to consolidate all of the “accounting” TICS sections into Section 21 “Auditing Revenue. However, this does not make sense as it is important that the regulated parties who view this section also understand that the accounting standards that are applicable to Gaming Systems also apply. See comment U(6) of these comments. CNE strongly suggests that the proposed elimination of this section be rejected.

9. §11.4(C) “Cash-out Tickets/Vouchers” This section states:

~~The customer may request a cash-out ticket from the gaming machine that reflects all remaining credits. The cash-out ticket shall be printed at the gaming machine by an internal document printer. The cash-out ticket/vouchers shall be valid for a time period specified by the CNGC, or the gaming operation as approved by the CNGC. Cash-out tickets may be redeemed for payment or inserted in another gaming machine and wagered, if applicable, during the specified time period.~~

CNGC staff remove the the first sentence in this section for no apparent reason. This language is based on NIGC MICS §542.13(n)(2) and in order to be in compliance with this section CNE recommends rejecting its removal.

10. §11.4(E) “Cash-out Tickets/Vouchers” This section states:

The information in paragraph ~~E~~D of this section shall be communicated to the host computer. The host computer shall verify the authenticity of the cash-out ticket and communicate directly to the cashier (redeemer) ~~of the cash-out ticket.~~

CNGC staff remove the phrase “of the cash-out ticket” from this section for no apparent reason. This language is based on NIGC MICS §542.13(n)(5) and in order to be in compliance with this section, CNE recommends rejecting its removal.

11. §11.4(F) “Cash-out Tickets/Vouchers” This section states:

If valid, the cashier (redeemer) pays the customer the appropriate amount and the cash-out ticket/voucher is electronically noted “paid” in the system. ~~The “paid” cash-out ticket shall remain in the cashier’s bank for reconciliation purposes.~~ The host validation computer system shall electronically reconcile the cashier’s banks for the paid cashed-out tickets/vouchers.

CNGC staff remove the second sentence in this section. Apparently, the removal has been made to more closely resemble the requirements in the Guidance. Please see Part III of these comments. This language is based on NIGC MICS §542.13(n)(6). Although the Guidance matches the language of the applicable 543 section of the NIGC MICS in reference to these requirements, the inclusion of NIGC MICS §542.13(n)(6) was made to have more stringent requirements for this process. Therefore, in order to be in compliance with this section, CNE recommends rejecting its removal.

12. §11.4(J) “Cash-out Tickets/Vouchers” This section states:

To document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated (e.g., mutilated, expired, lost, or stolen voucher) or if the host validation computer system temporarily goes down, cashiers may redeem cash-out tickets at a cashier's station after recording the following:

CNGC staff move current CNGC TICS §11.4(O)(3) and combine it with another section. Apparently, this was needed to address the issue in comment K(8) of these comments in the movement of the requirement in CNGC TICS §11.4(O) to the beginning of this subsection. However, combining this section with material on when the host validation system goes down provides new standards for the documentation of mutilated tickets that exceed the NIGC MICS. Therefore, this move would violate §22(C) of the Gaming Act. CNE suggests that this modification be rejected.

13. §11.4(K) “Cash-out Tickets/Vouchers” This section states:

Unredeemed vouchers can only be voided in the voucher system by supervisory employees. The accounting department will maintain the voided voucher, if available.

CNGC staff move the current §11.4(S) of the CNGC TICS and makes it §11.4(K) of the proposed CNGC TICS. There does not seem to be a valid reason justifying this move and therefore CNE suggest this move be rejected in the proposed CNGC TICS.

14. §11.4(M) “Cash-out Tickets/Vouchers” This section states:

~~If the host validation computer system is down for more than four (4) hours, the gaming operation shall promptly notify the CNGC or its designated representative.~~

CNGC staff remove this section from the proposed CNGC TICS without justification. This section is direct language from NIGC MICS §542.13(n)(11). CNE strongly suggests that the proposed elimination of this section be rejected.

15. §11.4(M) “Cash-out Tickets/Vouchers” This section states:

~~These gaming machine systems~~ Cash-out ticket.voucher, and related systems shall comply with all other standards (as applicable) in this document.

CNGC staff remove this phrase “these gaming systems” from the proposed CNGC TICS and replace it with “cash-out ticket.voucher, and related systems.” By doing so, not only are they eliminating language that comes directly from NIGC MICS §542.13(n)(12), but they also exceed the NIGC MICS by including other systems under the phrase “and related systems.” This would be a violation of §22(C) of the Gaming Act and CNE strongly suggests that the proposed modification of this section be rejected.

16. §11.4(O)(1-5) “Cash-out Tickets/Vouchers” CNGC staff removed these sections and tried to expand its requirements for controls over other section of the CNGC TICS that was not originally intended under the NIGC MICS. See comments K(8), K (13), and K(14) of these comments. By doing so, CNGC staff risk noncompliance with 543 of

the NIGC MICS on top of violating §22(C) of the Gaming Act.

17. §11.4(S) “Cash-out Tickets/Vouchers” See comment K(13) above.

L. Section 12 “Drop and Count”

1. §12.1(A) “General Standards” This section states:

~~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.~~

CNGC staff remove this language from this section as it put an overall requirement for supervision in section 4 “General Provisions” of the proposed CNGC TICS and CNE believes that this would be a violation of §22(C) of the Gaming Act to do. Consequently, this language should remain in this section as drop and count is an area where the NIGC specifically applied this requirement in NIGC MICS §543.17(a).

2. §12.1(A) “General Standards” This section states:

~~All table games/card games drop boxes and financial casino instrument storage components containers (CISC) may be removed only at the time previously designated by the gaming operation and reported to the CNGC. If an emergency drop is required, surveillance must be notified before the drop is conducted and the CNGC must be informed within twenty-four hours of the emergency drop.~~

See B(19) of these comments. CNGC staff is combining all of the drop boxes/financial storage components into one definition. CNE believes this is potentially harmful as there are requirements that are unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this component is a violation of section 22(C) of the Gaming Act and it goes against the intentions of the NIGC.

3. §12.1(B)(1) “General Standards” This section states:

Security shall be provided over the ~~financial instrument storage components~~ CISC at all times during the drop process.

See comment L(2) above.

4. §12.1(C)(2) “General Standards” This section states:

For Tier B gaming operations, the count shall be viewed live, or on video recording and/or digital record, within seven (7) days by an ~~employee~~ agent independent of the count.

CNGC staff are again replacing a term for employee, in this case “employee”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

5. §12.1(C)(2) “General Standards” This section states:

Count room ~~personnel~~ agents shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. Surveillance shall be notified

whenever count room ~~personnel~~ agents exit or enter the count room during the count.

CNGC staff are again replacing a term for employee, in this case “personnel”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

6. §12.1(D)(4)(a) & (b) “General Standards” These sections state:

~~The surveillance system must monitor and record with sufficient clarity a general overview of all areas where cash or cash equivalents may be stored or counted; and, The surveillance system must provide coverage of count equipment with sufficient clarity to view any attempted manipulation of the recorded data.~~

CNGC staff remove these sections from the proposed CNGC TICS. Presumably, these have been moved to the Surveillance section. However, since these sections are so intimately tied with drop and count standards, CNE suggest that their removal from this section be rejected.

7. §12.1(D)(2) “General Standards” This section states:

Access to stored full ~~financial instrument storage components~~ CISC must be restricted to:

See comment L(2) above.

8. §12.1(D)(2)(a) “General Standards” This section states:

Authorized ~~members~~ agents of the drop and count teams; and

CNGC staff are again replacing a term for employee, in this case “members”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

9. §12.2(A)(2) “Drop Standards” This section states:

At least two agents must be involved in the removal of the CISC, at least one of whom is independent of the card games department.

This section is being added in but CNE believes its insertion is redundant as the subsequent section states the same requirement. Also, the use of the term “CISC” in this section is confusing due to the fact that it can refer to any “Casino Instrument Storage Container” as defined by CNGC staff including those for kiosks, table games, card games, or gaming machines.

10. §12.2(A)(3) “Drop Standards” This section states:

~~Table Games/Card game drop boxes / financial instrument storage components~~ CISC must be removed and 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 and department being dropped, until the count takes place.

See comment L(2) above for the use “CISC.” CNE also wants to point out that the use of the term “CISC” confuses which areas this standard applies to without the qualifying language of “table games” and “card games.” It also expands the requirement of one person being independent of the department and shift being dropped to include others that use a CISC, such as e-games, which does not have a shift restriction. This would be exceeding the NIGC MICS for e-games and a violation of §22(C) of the Gaming Act. Therefore, again, CNE suggests the abandonment of the CISC naming convention for financial instrument storage containers.

11. §12.2(A)(5)(a) “Drop Standards” This section states:

All locked card game ~~drop boxes / financial instrument storage components~~ CISC must be removed from the tables by an agent independent of the pit/card game shift being dropped;

See comment L(2) above.

12. §12.2(A)(5)(b) “Drop Standards” This section states:

For any tables opened during the shift, a separate ~~drop box / financial instrument storage component~~ CISC must be placed on each table, or a gaming operation may utilize a single ~~drop box / financial instrument storage component~~ CISC with separate openings and compartments for each shift; and

See comment L(2) above.

13. §12.2(A)(5)(c) “Drop Standards” This section states:

~~Table Games / Card game drop boxes / financial instrument storage components~~ CISC must be transported directly to the count room or other equivalently secure area with comparable controls 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. The ~~drop boxes / financial instrument storage components~~ CISC shall be locked in a secure manner until the count takes place.

See comment L(2) above.

14. §12.2(A)(6) “Drop Standards” This section states:

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

The addition of the term “cards” could lead to confusion as it widely assumed and established by the NIGC regulatory structure that this term refers to “card” games such as Poker and not Table Games. CNE suggests removing this term to avoid confusion.

15. §12.2(A)(7) “Drop Standards” This section states:

All ~~table game / card game drop boxes / financial instrument storage components~~ CISC 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.

See comment L(2) above.

16. §12.2(A)(8) “Drop Standards” This section states:

If ~~drop boxes / financial instrument storage components~~ CISC are not placed on all tables, then the pit department shall document which tables were open during the shift.

See comment L(2) above.

17. §12.2(B) “Drop Standards” This section states:

Gaming Machines and ~~Financial Instrument Storage Component~~ CISC Drop

See comment L(2) above.

18. §12.2(B)(1) “Drop Standards” This section states:

For Tiers A and B gaming operations, at least two agents must be involved in the removal/transportation of the gaming machine storage ~~component~~ container drop, at least one of whom is independent of the gaming machine department. For Tier C gaming operations, a minimum of three ~~employees~~ agents shall be involved in the removal of the gaming machine drop, at least one of who is independent of the gaming machine department.

The addition of the term “transportation” is not a NIGC MICS requirement and the addition of it in this section would be a violation of §22(C) of the Gaming Act.

For the replacement of the term “component” with the term “container,” see comment L(2) above. There is also the introduction of “gaming machine storage container” which is not consistent with the definitions section.

CNGC staff are again replacing a term for employee, in this case “employees”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

19. §12.2(B)(2) “Drop Standards” This section states:

The ~~financial instrument storage components~~ CISC must be removed by an agent independent of the gaming machine 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.

See comment L(2) above.

20. §12.2(B)(3) “Drop Standards” This section states:

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

It is unclear why CNGC staff removed this section as it is required by NIGC MICS §§542.21(e)(3)(i), 542.31(e)(4)(i), 542.41(e)(4)(i), and 543.17(e)(4)(i). CNE recommends

rejecting this section's removal from the proposed CNGC TICS.

21. §12.2(B)(4) “Drop Standards” This section states:

~~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.~~

It is unclear why CNGC staff removed this section as it is required by NIGC MICS §§542.21(e)(3)(ii), 542.31(e)(4)(ii), 542.41(e)(4)(ii), and 543.17(e)(4)(ii). CNE recommends rejecting this section's removal from the proposed CNGC TICS.

22. §12.2(B)(5) “Drop Standards” This section states:

~~All financial instrument storage components~~ CISC must be posted with a number corresponding to a permanent number on the player interface.

See comment L(2) above.

23. §12.3(A)(1) “Count Standards” This section states:

~~For instances in which the number of count team members agents refer to three (3) employees agents, Tier A and B gaming operations may utilize two (2) employees agents with no fewer than two (2) agents in the count room until the drop proceeds have been accepted into cage/vault accountability, as provided for in the gaming operation's SICS.~~

CNGC staff are again replacing a term for employee, in this case “employees”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

CNGC staff are also adding adding a requirement that is already present in the subsequent section of the CNGC TICS with the added language about employees being in the count room until the drop proceeds have been entered into vault accountability. This is unnecessary and repetitive and CNE suggests rejecting this insertion.

24. §12.3(A)(1) “Count Standards” This section states:

~~Count room personnel are not allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. Surveillance must be notified of each time.~~

It is unclear why CNGC staff removed this section as it is required by NIGC MICS § 543.17(b)(1). CNE recommends rejecting this section's removal from the proposed CNGC TICS.

25. §12.3(A)(6) “Count Standards” This section states:

Count team agents must be independent of the department being reviewed and counted and independent of the cage/vault department. A cage cashier/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.

CNGC staff modify this section to exceed the NIGC MICS standard. This section is based on NIGC MICS §543.17(c)(5) which states:

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

There is no requirement in the NIGC MICS that the count team agents be “independent of the cage/vault department” and the NIGC MICS specifically allow a cage cashier or vault agent to participate as a count team agent if they are not the sole recorder and do not participate in transfer of drop proceeds to the cage/vault. For this reason, CNE believes that added language is a violation of §22(C) of the Gaming Act and this modification should be rejected.

26. §12.3(E) “Count Standards” This section states:

~~Table Game/Cards drop boxes/financial~~ All CISC instrument storage components, kiosk and financial instrument storage must be individually emptied and counted in such a manner as to prevent the commingling of funds between containers and kiosks until the contents have been recorded. The count of each container shall adhere to the following:

Instead of the language put forward by the CNGC staff, CNE suggests using the language of the NIGC MICS section this section is based on. NIGC MICS §543.17(g)(8) states:

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.

This way, there will be no conflict with the NIGC MICS and a potential 22(C) of the Gaming Act violation.

27. §12.3(E)(1) “Count Standards” This section states:

The count of each ~~Table Game/Cards drop boxes/financial instrument storage components, kiosk and financial instrument storage components~~ CISC must be recorded in ink or other permanent form of recordation.

See comment L(2) above.

28. §12.3(E)(1) “Count Standards” This section states:

For counts that do not utilize a currency counter, A a second count must be performed by an agent member of the count team who did not perform the initial count. Separate counts of chips and tokens must always be performed by ~~members~~ agents of the count team.

CNGC staff are again replacing a term for employee where it has not been replaced by the NIGC MICS, in this case “member(s)”, with the term “agent(s).” See NIGC MICS § 543.17(f)(6)(ii). See also §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

29. §12.3(E)(3) “Count Standards” This section states:

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

CNE believes CNGC staff made a mistake here. This is actually CNGC TICS §12.3(E)(5) and it does not look like CNGC is intending to move this section from its current position to replace §12.3(E)(3). This section should state, as it does in the current CNGC TICS:

Coupons or other promotional items not included in gross revenue must be recorded on a supplemental document. All single-use coupons must be cancelled daily by an authorized agent to prevent improper recirculation.

Even though CNE believes that this replacement was not done intentionally, CNE recommends this section remain as it is in the current CNGC TICS.

30. §12.3(E)(4) “Count Standards” This section states:

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 (2) count team ~~members~~ agents. Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team ~~members~~ agents who verified the change.

CNE objects to the second substitution of “members” for “agents” in this section as it is not based on a substitution made in the NIGC MICS. NIGC MICS §§542.21(f)(4)(ii), 542.31(f)(4)(ii), and 542.41(f)(4)(ii) state:

Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change. (Emphasis added).

In order to follow the conditions of §22(C) of the Gaming Act, CNE suggests the second substitution be rejected.

31. §12.3(E)(5) “Count Standards” This section states:

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

CNGC staff are again replacing a term for employee where it has not been replaced in the NIGC MICS, in this case “member”, with the term “agent.” See NIGC MICS § 543.17(f)(7). See also §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

32. §12.3(E)(6) “Count Standards” This section states:

Two counts of the currency rejected by the currency counter must be recorded per CISC ~~casino instrument storage container~~, as well as in total. Rejected currency must be posted to the CISC ~~casino instrument storage container~~ from which it was collected.

See comment L(2) above.

33. §12.3(E)(7) “Count Standards” This section states:

Each ~~table games/cards drop box and financial instrument storage component~~ CISC, when empty, must be shown to another count team member, 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.

See comment L(2) above.

34. §12.3(F)(2) “Count Standards” This section states:

Pit marker issue and payment slips (if applicable) removed from the CISC ~~table game drop box / financial instrument storage component~~ shall either be:

See comment L(2) above.

35. §12.3(F)(3) “Count Standards” This section states:

Foreign currency exchange forms (if applicable) removed from the ~~table game drop boxes / financial instrument storage components~~ CISC shall be reviewed for the proper daily exchange rate and the conversion amount shall be recomputed by the count team. Alternatively, this may be performed by accounting/auditing employees.

See comment L(2) above.

36. §12.3(F)(4) “Count Standards” This section states:

The opening/closing table and marker inventory forms must be either:

While the addition of the term “marker” matches what is in the NIGC MICS, it is not applicable to CNE gaming operations as CNE does not use markers. CNE suggests either adding the same language used in the NIGC—“if applicable”—after the term “Marker” or removing it entirely from this section.

37. §12.3(F)(4)(b) “Count Standards” This section states:

If a computerized system is used, accounting personnel can trace the opening/closing table and marker inventory forms to the count sheet. Discrepancies must be investigated with the findings documented and maintained for inspection.

CNE does not use markers and suggests rejecting this addition as it is not applicable.

38. §12.3(G) “Count Standards” This section states:

The count sheet must be reconciled to the total drop by a count team ~~member~~ agent who may not function as the sole recorder, and variances shall be reconciled and documented. This standard does not apply to vouchers/cash-out tickets removed from CISC ~~financial instrument storage components~~.

CNE suggests returning this to the original language of NIGC MICS §543.17(g)(13) which

states:

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.

Otherwise, CNE believes that the modifications by CNGC staff will violate §22(C) of the Gaming Act. See comment L(2) above.

39. §12.5(A) “Kiosks” This section states:

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

See comment L(2) above. CNE suggests using the same language as NIGC MICS §543.17(h) which states:

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:

40. §12.5(A)(1) “Kiosks” This section states:

Surveillance must be notified prior to the CISC or currency cassettes being accessed in a kiosk.

This requirement is not present in any section of the NIGC MICS or the Compact. While this is best practice and CNE includes this requirement in its SICS for the drop process, adding this to the CNGC TICS would be a violation of §22(C) of the Act.

41. §12.5(A)(2) “Kiosks” This section states:

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

See comment L(2) above.

42. §12.5(A)(3) “Kiosks” This section states:

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

See comment L(2) above.

43. §12.5(A)(4) “Kiosks” This section states:

Redeemed vouchers/~~cash-out tickets~~ and pulltabs (if applicable) collected from the kiosk must be secured and delivered to the appropriate department (~~case or~~ accounting/revenue audit) for reconciliation.

In order to avoid a violation of §22(C) of the Gaming Act, CNE suggests using the language of NIGC MICS §543.17(h)(4), which states:

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

By eliminating the cage from the NIGC standard, CNGC staff are conflicting with the NIGC standards as spelled out in NIGC MICS §543.17(h)(4).

44. §12.5(B) “Kiosks” This section states:

Access to stored full kiosk ~~financial instrument storage components~~ CISC and currency cassettes must be restricted to:

See comment L(2) above.

45. §12.5(D) “Kiosks” This section states:

The kiosk ~~financial instrument storage components~~ CISC 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.

See comment L(2) above.

M. Section 13 “Cage Operations”

1. §13.1(A) “General Cage Standards” This section states:

~~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 CNGC, will be acceptable.~~

The language of this section is taken directly from NIGC MICS §542.14(a) which states: 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, will be acceptable. CNE does not understand why this section is removed from the proposed CNGC TICS and recommends that its removal be rejected in order to maintain compliance with the NIGC MICS.

2. §13.1(B) “General Cage Standards” This section states:

~~Supervision must be provided as needed for cage, vault, kiosk, and other operations using cash or cash equivalents by an agent(s) with authority equal to or greater than those being supervised.~~

CNGC staff have removed this language from this subsection because it is placing this requirement for all operational departments in section 4 “General Provisions.” However, this exceeds the requirements of the NIGC MICS and is a violation of §22(C) of the Gaming Act. The NIGC in NIGC MICS §543.18(a) specifically applies this section to cage operations, therefore CNE suggests rejecting this section’s removal from the proposed

CNGC TICS.

3. §13.1(F) “General Cage Standards” This section states:

Checks are not allowed to be held, that are not deposited in the normal course of business, as established by management, (held checks) are subject to standards in Section X Lines of Credit.

CNE is not allowed to offer credit due to the requirements of the Cherokee Nation constitution and therefore it is unable to hold checks. Adding this language that allows credit violates the Cherokee Nation constitution and therefore CNE believes that this section should remain as it is in the current CNGC TICS.

4. §13.1(D) “General Cage Standards” This section states:

The CNGC, or the gaming operation as approved by the CNGC, shall establish and the operation shall comply with a minimum bankroll formula to ensure the gaming operation maintains cash or cash equivalents (on hand and in the bank, if readily accessible) in an amount sufficient to satisfy obligations to the operation's customers patrons as they are incurred. ~~A suggested bankroll formula will be provided by the CNGC upon request.~~

When drafting the current CNGC TICS, it was decided that the more stringent requirements of the NIGC MICS would be included when deciding which comparable sections in §§542 or 543 would be used. This section is based on NIGC MICS §542.14(d)(3) which states: 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 a minimum bankroll formula to ensure the gaming operation maintains cash or cash equivalents (on hand and in the bank, if readily accessible) in an amount sufficient to satisfy obligations to the gaming operation's customers as they are incurred. A suggested bankroll formula will be provided by the Commission upon request. (Emphasis added).

CNGC staff deletes the sentence that provides that CNGC will provide a suggested bankroll formula if requested. CNE suggests instead of eliminating this sentence, that CNGC staff make clear that the “commission” being referred to in this sentence is the NIGC and not the CNGC, as this is consistent with the definition included in §542 of the MICS.

5. §13.4(B) “Kiosks” This section states:

Currency cassettes must be counted and filled by an employee agent and verified independently by at least one employee agent, who was not involved in the initial count and fill of the cassette, all of whom must sign each cassette.

CNGC staff are adding language from §10(d)(2) of the Guidance that is not included in the NIGC MICS section this subsection based on. The phrase “who was not involved in the initial count and fill of the cassette” is not included in 543.18(d)(2) which states: Currency cassettes must be counted and filled by an agent and verified independently by at least one agent, all of whom must sign each cassette. Therefore, CNE suggests, for the reasons illustrated in part III of these comments, that CNGC rejected the proposed insertion of this phrase.

6. §13.4(D) “Kiosks” This section states:

The CNGC or the gaming operation, subject to the approval of the CNGC, must develop and implement physical security controls and procedures that safeguard the integrity of the kiosk system. ~~over the kiosks.~~ Controls should address the following: forced entry, evidence of any entry, and protection of circuit boards containing programs.

CNGC staff add requirements to this section that exceed the NIGC MICS. The language of this section is based on 543.18(d)(4) which states:

The TGRA or the gaming operation, subject to the approval of the TGRA, must develop and implement physical security controls over the kiosks. Controls should address the following: forced entry, evidence of any entry, and protection of circuit boards containing programs.

CNGC staff add the phrase “and procedures that safeguard the integrity of the kiosk system.” This exceeds the NIGC MICS and therefore is a violation of §22(C) of the Gaming Act. CNE suggests the additional language be removed from this section.

7. §13.5(A) “Customer Deposited Funds” This section states:

A file for the ~~customer~~ patron shall be prepared prior to acceptance of a deposit.

CNGC staff replace “customer” with “patron” CNE suggests using the original language of the NIGC MICS section is based on. NIGC MICS § 542.14(c)(8) states:

A file for customers shall be prepared prior to acceptance of a deposit.

CNE suggests using the NIGC language to avoid noncompliance with the NIGC MICS. CNE also suggests removing this section as it is not applicable. CNE does not accept any customer deposits.

8. §13.5(B) “Customer Deposited Funds” This section states:

The CNGC, or the gaming operation as approved by the CNGC, shall establish and the operation shall comply with procedures that verify the ~~customer’s~~ patron’s identity, including photo identification.

CNGC staff replace “customer” with “patron” CNE suggests using the original language of the NIGC MICS section is based on. NIGC MICS §542.14(c)(7) states:

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 verify the customer’s identity, including photo identification.

CNE suggests using the NIGC language to avoid issues with noncompliance with the NIGC MICS. CNE also suggests removing this section as it is not applicable. CNE does not accept any customer deposits.

9. §13.5(C) “Customer Deposited Funds” This section states:

Only cash and approved cash equivalents/casino instruments shall be accepted from ~~customers~~ patrons for the purpose of a customer patron deposit.

CNGC staff replace “customer” with “patron” CNE suggests using the original language of the NIGC MICS section is based on. NIGC MICS §542.14(c)(6) states:

Only cash, cash equivalents, chips, and tokens shall be accepted from customers for the purpose of a customer deposit.

CNE suggests using the NIGC language to avoid issues with noncompliance with the NIGC MICS. CNE also suggests removing this section as it is not applicable. CNE does not accept any customer deposits.

10. §13.5(D) “Customer Deposited Funds” This section states:

All ~~customer~~ patron deposits and withdrawal transactions at the point of transaction shall be recorded on a cage accountability form on a per-shift basis.

CNGC staff replace “customer” with “patron” CNE suggests using the original language of the NIGC MICS section is based on. NIGC MICS § 542.14(c)(5) states:

All customer deposits and withdrawal transactions at the cage shall be recorded on a cage accountability form on a per-shift basis.

CNE suggests using the NIGC language to avoid issues with noncompliance with the NIGC MICS. CNE also suggests removing this section as it is not applicable. CNE does not accept any customer deposits.

11. §13.5(F)(7) “Customer Deposited Funds” This section states:

Dollar amount of deposit/withdrawal (for foreign currency transactions include the US dollar equivalent, the name of the foreign country, and the amount of the foreign currency by denomination);

CNGC staff add language from the NIGC MICS section addressing foreign currency, but this is not applicable to CNE’s gaming operations as CNE does not accept foreign currency for any reason. CNE also does not accept any customer deposits.

12. §13.5(F)(9) “Customer Deposited Funds” This section states:

~~Nature of deposit (cash, check, chips); however,~~

CNGC removes this section for no apparent reason. However, this section is based on required language in NIGC MICS §543.18(e)(2)(v) which states:

Nature of deposit/withdrawal; and

CNE suggests replacing this deletion with the language contained in §543.18(e)(2)(v)CNE also suggests removing this section as it is not applicable. Alternatively, CNE suggests removing this section as CNE does not accept any customer deposits.

13. §13.5(H) “Customer Deposited Funds” This section states:

The gaming operation, as approved by the CNGC, shall describe the sequence of the required signatures attesting to the accuracy of the information contained on the ~~customer~~ patron deposit or withdrawal form ensuring that the form is signed by the cashier.

CNGC staff replace “customer” with “patron” CNE suggests using the original language of the NIGC MICS section is based on. NIGC MICS § 542.14(c)(4) states:

The gaming operation, as approved by the Tribal gaming regulatory authority, shall describe the sequence of the required signatures attesting to the accuracy of the information

contained on the customer deposit or withdrawal form ensuring that the form is signed by the cashier

CNE suggests using the NIGC language to avoid issues with noncompliance with the NIGC MICS. CNE also suggests removing this section as it is not applicable. CNE does not accept any customer deposits.

14. §13.7(B) “Accounting/Auditing Standards” This section states:

A trial balance of gaming operation accounts receivable, including the name of the ~~customer~~ patron and current balance, shall be prepared at least monthly for active, inactive, settled or written-off accounts.

CNGC staff replace “customer” with “patron” CNE suggests using the original language of

the NIGC MICS section is based on. NIGC MICS § 542.14(g)(2) states:

A trial balance of gaming operation accounts receivable, including the name of the customer and current balance, shall be prepared at least monthly for active, inactive, settled or written-off accounts.

CNE suggests using the NIGC language to avoid issues with noncompliance with the NIGC MICS. CNE also suggests removing this section as it is not applicable. CNE does not accept any customer deposits.

N. Section 14 “Key and Access Controls”

1. §14.1(A) “General Standards” This section states:

Custody of all keys involved in the drop and count, including duplicates, must be maintained by a department independent of the count and the drop agents as well as those departments being dropped and counted.

CNGC staff add the phrase “including duplicates” to this section which is taken from §543.17(j)(4) of the NIGC MICS. The MICS section does not contain the phrase. It is also redundant as the “all keys” includes duplicates. CNE suggests that in order to avoid a violation of 22(C) of the Gaming Act, CNGC reject this insertion.

2. §§14.1(B)(1)(d-f) “General Standards” CNGC staff add additional sections taken from §§16(c)(1)(iv-vi) of the Guidance for these sections in violation of 22(C) of the Gaming Act. See Part III of these comments.

3. §§14.1(B)(1)(h) & (i) “General Standards” CNGC staff add additional sections taken from §§16(c)(1)(viii) & (ix) of the Guidance for these sections in violation of 22(C) of the Gaming Act. See Part III of these comments.

4. §14.2 “Table Games ~~Drop Box~~ / ~~Financial Casino~~ Instrument Storage Component Container (CISC) Keys.” CNGC staff modify the title of this section in order to use the “CISC” naming convention. See B(19) of these comments. CNE believes this is potentially harmful as there are requirements that are unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid

potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this component is a violation of section 22(C) of the Gaming Act and it goes against the intentions of the NIGC.

5. §14.2(B) “Table Games Drop Box / Financial Casino Instrument Storage Component Container (CISC) Keys.” This section states:

Procedures shall be developed and implemented to insure that unauthorized access to empty table game ~~drop boxes/financial instrument storage components~~ CISCs shall not occur from the time the ~~boxes~~ containers leave the storage racks until they are placed on the tables.

See comment N(4) above.

6. §14.2(F) “Table Games Drop Box / Financial Casino Instrument Storage Component Container (CISC) Keys.” This section states:

For Tier C operations, at least three (two for table game ~~drop box/financial instrument storage component~~ CISC keys in operations with three tables or fewer) count team members agents are required to be present at the time count room and other count keys are issued for the count.

See comment N(4) above.

7. §14.3 “Table gGame ~~drop box/financial instrument storage component~~ CISC Rrelease kKeys.” CNGC staff modify the title of this section in order to use the “CISC” naming convention. See comment N(4) above.

8. §14.3(B) “Table gGame ~~drop box / financial instrument storage component~~ CISC Rrelease kKeys.” This section states:

Only the ~~person~~ agent(s) authorized to remove table game ~~drop box / financial instrument storage components from the tables~~ CISC shall be allowed access to the table game drop box / ~~financial casino instrument storage component~~ CISC release keys; however, the count team ~~members~~ agents may have access to the release keys during the soft count in order to reset the ~~table game drop boxes / financial instrument storage components~~ containers.

See comment N(4) above.

9. §14.3(C) “Table gGame ~~drop box / financial instrument storage component~~ CISC Rrelease kKeys.” This section states:

~~Persons~~ Agents authorized to remove the table game ~~drop boxes / financial instrument storage components~~ CISC shall be precluded from having simultaneous access to the table game ~~drop box / financial instrument storage component~~ CISC contents keys and release keys.

See comment N(4) above.

10. §14.3(D) “Table gGame ~~drop box / financial instrument storage component~~ CISC Rrelease kKeys.”

CISC Release Keys. This section states:

For situations requiring access to a table game ~~drop box / financial instrument storage component~~ CISC at a time other than the scheduled drop, the date, time, and signature of employee agent signing out/in the release key must be documented.

See comment N(4) above. CNGC staff are again replacing a term for employee where it has not been replaced in the NIGC MICS, in this case “member”, with the term “agent.” See NIGC MICS §§543.17(j)(7), 542.41(n)(4), and 542.41(o)(4). See also §D(4) of these comments.

11. §14.5 “~~Financial Instrument Storage Component~~ CISC Release Key Controls.” CNGC staff modify the title of this section in order to use the “CISC” naming convention. See comment N(4) above.

12. §14.5(B) “~~Financial Instrument Storage Component~~ CISC Release Key Controls.” This section states:

Other than the count team, ~~Only the person~~ agent(s) authorized to remove ~~financial instrument storage components~~ CISC from the gaming machines shall be allowed access to the release keys.

CNGC staff add additional language taken from §16(c)(5) of the Guidance for these sections in violation of 22(C) of the Gaming Act. See Part III of these comments.

13. §14.5(C) “~~Financial Instrument Storage Component~~ CISC Release Key Controls.” This section states:

~~Persons~~ Agents authorized to remove the ~~financial instrument storage components~~ CISC shall be precluded from having simultaneous access to the financial instrument storage component CISC contents keys and release keys.

See comment N(4) above.

14. §14.5(D) “~~Financial Instrument Storage Component~~ CISC Release Key Controls.” This section states:

For situations requiring access to a ~~financial instrument storage component~~ CISCs at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

See comment N(4) above.

15. §14.6 ~~Financial Instrument Storage Component~~ CISC Transport Cart Keys CNGC staff modify the title of this section in order to use the “CISC” naming convention. See comment N(4) above.

16. §14.6(B) ~~Financial Instrument Storage Component~~ CISC Transport Cart Keys This section states:

For Tier C operations, an agent ~~person~~ independent of the gaming machine department shall be required to accompany the ~~financial instrument storage component~~ CISC storage rack keys and observe each time canisters are removed from or placed in storage racks.

See comment N(4) above. CNGC staff are again replacing a term for employee where it has not been replaced in the NIGC MICS, in this case “person”, with the term “agent.” See NIGC MICS §§542.41(p)(1) and 542.41(q)(2). See also §D(4) of these comments.

17. §14.6(B) ~~Financial Instrument Storage Component~~ CISC Transport Cart Keys This section states:

~~Persons~~ Agents authorized to obtain ~~financial instrument storage component~~ CISC storage rack keys and/or release keys shall be precluded from having simultaneous access to ~~financial instrument storage component~~ CISC contents keys with the exception of the count team.

See comment N(4) above.

18. §14.7 “~~Financial Instrument Storage Component~~ CISC Contents Keys” CNGC staff modify the title of this section in order to use the “CISC” naming convention. See comment N(4) above.

19. §14.7(B) “~~Financial Instrument Storage Component~~ CISC Contents Keys” This section states:

The physical custody of the keys needed for accessing stored, full ~~financial instrument storage component~~ CISC contents shall require involvement of ~~persons~~ agents from two separate departments, with the exception of the count team.

See comment N(4) above. CNGC staff are again replacing a term for employee where it has not been replaced in the NIGC MICS, in this case “persons”, with the term “agents.” See NIGC MICS §§542.41(r)(1) and 542.41(s)(1). See also §D(4) of these comments.

20. §14.7(C) “~~Financial Instrument Storage Component~~ CISC Contents Keys” This section states:

For Tiers A and B gaming operations, access to the ~~financial instrument storage component~~ CISC contents key at other than scheduled count times shall require the involvement of at least two ~~persons~~ agents from separate departments, one of whom must be a supervisor. For Tier C gaming operations, access to the ~~financial instrument storage component~~ CISC contents key at other than scheduled count times shall require the involvement of at least three ~~persons~~ agents, one of whom must be a supervisor. The reason for access shall be documented with the signatures of all participants and observers.

See comment N(4) above. CNGC staff are again replacing a term for employee where it has not been replaced in the NIGC MICS, in this case “persons”, with the term “agents.” See NIGC MICS §§542.41(r)(2) and 542.41(s)(2). See also §D(4) of these comments.

21. §14.7(D) “~~Financial Instrument Storage Component~~ CISC Contents Keys” This section states:

Only the count team ~~members~~ agents shall be allowed access to ~~financial instrument storage component~~ CISC contents keys during the count process.

See comment N(4) above. CNGC staff are again replacing a term for employee where it has not been replaced in the NIGC MICS, in this case “members”, with the term “agents.” See NIGC MICS §§542.41(r)(3) and 542.41(s)(3). See also §D(4) of these comments.

22. §14.11(A) “Computerized Key Systems” This section states:

Computerized key security systems which restrict access to ~~table games/cards and gaming machine drop and count keys~~ through the use of passwords, keys, or other means, other than a key custodian, must provide the same degree of control as indicated in the key control standards of this section. These standards shall be applicable to all tier levels.

CNGC staff remove the phrase “table games/cards and gaming machine drop and count keys” and expand this section beyond what is specifically required in §542 of the NIGC MICS. Sections 542.21(t), 542.21(u), 542.31(t), 542.31(u), 542.41(t), and 542.41(u), apply the requirements of these sections specifically to gaming machine and table games. CNE suggest rejection of the proposed modification of the language of this section to avoid a violation of §22(C) of the Gaming Act.

22. §14.11(B) “Computerized Key Systems” This section states:

The following ~~table games/cards and gaming machine drop and count~~ key control procedures shall apply:

CNGC staff remove the phrase “table games/cards and gaming machine drop and count keys” and expand this section beyond what is specifically required in §542 of the NIGC MICS. Sections 542.21(t)(1), 542.21(u)(2), 542.31(t)(1), 542.31(u)(2), 542.41(t)1, and 542.41(u)(2), apply the requirements of these sections specifically to gaming machine and table games. CNE suggest rejection of the proposed modification of the language of this section to a void a violation of §22(C) of the Gaming Act.

23. §14.11(B)(1) “Computerized Key Systems” This section states:

Management personnel independent of the operational department (i.e., system administrator) shall assign and control user access to keys in the computerized key security systems to ensure that sensitive keys are restricted to authorized ~~employees~~ agents.

CNGC staff are again replacing a term for employee where it has not been replaced in the NIGC MICS, in this case “members”, with the term “agents.” See NIGC MICS §§542.21(t)(2)(i), 542.21(u)(2)(i), 542.31(t)(2)(i), 542.31(u)(2)(i), 542.41(t)(2)(i), and 542.41(u)(2)(i). See also §D(4) of these comments.

24. §§14.11(C) & (D) “Computerized Key Systems” CNGC staff have removed these sections, which apply to controls used by accounting/audit personnel for the computerized control systems, from this section of the CNGC TICS, and put them Section 21 “Auditing Revenue.” CNE believes this is a mistake due to the fact that these controls specifically apply to the subject matter of this overall section of the CNGC TICS and taking

them out of context deprives operational personnel the ability to understand the requirements placed upon accounting/audit personnel of these systems and the effect of their actions in this area on other departments. See comments U(16) & (17) of these comments.

O. Section 15 “Gaming Promotions”

1. §15.1(A) “Standards for Gaming Promotions” This section states:
~~Supervision. Supervision must be provided as needed for gaming promotions by an agent(s) with authority equal to or greater than those being supervised.~~

CNGC staff have removed this language from this subsection because it is placing this requirement for all operational departments in section 4 “General Provisions.” However, this exceeds the requirements of the NIGC MICS and is a violation of §22(C) of the Gaming Act. The NIGC in NIGC MICS §543.12(a) specifically applies this section to gaming promotions, therefore CNE suggests rejecting this section’s removal from the proposed CNGC TICS.

P. Section 16 “Complimentaries”

1. §16.1 “General Standards for ~~Complimentary Services/Items~~” This section states:

~~Supervision. Supervision must be provided as needed for approval of complimentary services by an agent(s) with authority equal to or greater than those being supervised.~~

CNGC staff have removed this language from this subsection because it is placing this requirement for all operational departments in section 4 “General Provisions.” However, this exceeds the requirements of the NIGC MICS and is a violation of §22(C) of the Gaming Act. The NIGC in NIGC MICS §543.13(a) specifically applies this section to complimentaries, therefore CNE suggests rejecting this section’s removal from the proposed CNGC TICS.

CNE also does not understand why the term “General” has been added to this subsection as these requirements are for all comps and the NIGC does not make this distinction. CNE suggests returning to the original description of the current TICS as it conforms closer to NIGC standards.

2. §16.1(C)(1) “General Standards for ~~Complimentary Services/Items~~” This section states:

A listing of the agents authorized to approve the issuance of complimentary services or items, including levels of authorization;

This section is based on NIGC MICS §543.13(b)(1), however CNGC staff have added the phrase “a listing” which is not included in the original MICS section. CNE suggests removing the added phrase to avoid violating §22(C) of the Gaming Act.

3. §16.1(C)(1) “General Standards for ~~Complimentary Services/Items~~” This section states:

Complimentary services and items. Services and items provided at no cost, or at a reduced cost to a patron at the discretion of an agent on behalf of the gaming operation or by a third party on behalf of the gaming operation. Services and items may include, but are not limited to, travel, lodging, food, beverages, or entertainment expenses. ~~Complimentary services and items exclude any services and/or items provided, at no cost or at a reduced cost, to a person for business and/or governmental purposes, which are categorized and treated as business expenses of the gaming operation.~~

CNGC staff removes clarification that was specifically drafted and approved by the CNGC in the current CNGC TICS. CNE suggests leaving this language in to provide clarity for CNE's employees.

4. §16.1(E) “General Standards for Complimentary Services/Items” This section states:

At least monthly, accounting, information technology, or audit personnel that cannot grant or receive complimentary privileges shall prepare reports that include the following information for all complimentary items and services ~~equal to or exceeding \$100 or an amount established by the CNGC, which shall not be greater than \$100~~ that meet an established threshold approved by the CNGC:

CNGC staff are removing the threshold for monthly reporting of complimentary items established by NIGC MICS §542.17(b). However, the language used by CNGC staff, “that meet an established threshold approved by the CNGC” exceeds the NIGC MICS and therefore is a violation of §22(C) of the Gaming Act. NIGC MICS §542.17(b) states:

At least monthly, accounting, information technology, or audit personnel that cannot grant or receive complimentary privileges shall prepare reports that include the following information for all complimentary items and services equal to or exceeding \$100 or an amount established by the Tribal gaming regulatory authority, which shall not be greater than \$100. (Emphasis added).

NIGC MICS §543.13(b)(4)(i) states:

Records must include the following for all complimentary items and services equal to or exceeding an amount established by the gaming operation and approved by the TGRA (Emphasis added).

In these sections, the NIGC either requires that the threshold amount be \$100 if established by the Tribal Gaming Regulatory authority or it is an amount established by the gaming operation that is approved by the TGRA. By stating “that meet an established threshold approved by the CNGC,” the standard is left open-ended on who can establish the threshold and the amount. CNE suggests either leaving the language as it is in the current CNGC TICS or using the precise language of §543.13(b)(4)(i).

Q. Section 17 “Player Tracking Systems”

1. §17.1(A) “General Standards for Player Tracking System” This section states:

~~Supervision. Supervision must be provided as needed for player tracking by an agent(s) with authority equal to or greater than those being supervised.~~

CNGC staff have removed this language from this subsection because it is placing this requirement for all operational departments in section 4 “General Provisions.” However, this exceeds the requirements of the NIGC MICS and is a violation of §22(C) of the Gaming Act. The NIGC in NIGC MICS §543.12(a) specifically applies this section to player tracking, therefore CNE suggests rejecting this section’s removal from the proposed CNGC TICS.

2. §17.2(A) “Terms and Conditions” This section states:

Terms and conditions for player tracking (players club) membership must be submitted and approved by the CNGC.

There is nothing in the NIGC MICS or the Compact that requires CNE’s player’s club terms and conditions to be approved by CNGC. This is a violation of §22(C) of the Gaming Act and therefore CNE suggests this section be eliminated from the proposed CNGC TICS.

3. §§17.2(B)(1-3) “Terms and Conditions” & 17.3(C)(1-3) “Redemption Procedures” CNGC staff use the requirements of NIGC MICS §542.13(o)(4) “Customer account generation standards” to establish requirements for Player’s Club accounts. This is a violation of §22(C) of the Gaming Act as §542.13(o)(4) does not apply to player’s club accounts. §542.13(o) states

Account access cards. For gaming machines that utilize account access cards to activate play of the machine, the following standards shall apply: (Emphasis added).

These sections apply to gaming machines that require account access card to activate play of the games. CNE’s player’s club cards are not required to activate play on any gaming machine. If this were the case, every customer would be required to have an account access card. These account access cards usually require a deposit to be made on the accounts they represent. See §542.13(o)(4)(ii)(C). CNE’s player’s club accounts are not deposit accounts. CNE suggests removal of these section as they are a misapplication of NIGC MICS standards and therefore in violation of §22(C) of the Act.

R. Section 18 “Financial Transactions”

1. §18.1 “Definitions” “Customer” CNGC staff write:

“Modify - we will use Patron.”

CNE is pretty sure that this is a note for internal use for CNGC’s staff, but CNE believes that is an erroneous suggestion as the term customer is used by the U.S. federal government in its regulations for Bank Secrecy Act (“Title 31”) compliance. The definition for “customer” comes directly from 31 CFR §1021.100(c) and states:

Customer includes every person which is involved in a transaction to which this chapter applies with a casino, whether or not that person participates, or intends to participate, in the gaming activities offered by that casino.

CNE suggests leaving every instance of “customer” in this section as it is and not changing it to “patron” to ensure compliance with Title 31.

2. §18.1 “Definitions” “Knowledge of Cash Transaction or Suspicious Activity”

This section states:

~~“Knowledge of Cash Transaction or Suspicious Activity” In the case of a casino, multiple currency transactions shall be treated as a single transaction if the casino has knowledge that they are by or on behalf of any person and result in either cash in or cash out totaling more than \$10,000 during any gaming day. For purposes of this section, a casino shall be deemed to have the knowledge described in the preceding sentence, if: Any sole proprietor, partner, officer, director, or employee of the casino, acting within the scope of his or her employment, has knowledge that such multiple currency transactions have occurred, including knowledge from examining the books, records, logs, information retained on magnetic disk, tape or other machine-readable media, or in any manual system, and similar documents and information, which the casino maintains pursuant to any law or regulation or within the ordinary course of its business, and which contain information that such multiple currency transactions have occurred.~~

For some reason, CNGC staff have decided to eliminate this section with no apparent replacement. CNE feels that this is a major mistake as this section is directly from 31 CFR §1021.313 and establishes the primary standard of knowledge that a casino is deemed to have by the U.S. Treasury’s Financial Crimes Enforcement Division (“FinCEN”) and the IRS for reportable transactions and activity under Title 31. CNE strongly recommends that this section remain as it is currently in the CNGC TICS.

3. §§18.1(A)&(B) “Definitions” “Monetary Instruments” These sections state:

~~Monetary instruments. Monetary instruments include:~~

~~A. Currency~~

~~B. Traveler’s checks in any form;~~

CNGC staff, again, make the puzzling choice to remove items defined by FinCEN in their regulations that are essential to compliance with Title 31. These definitions come from 31 CFR §§1010.100(dd)(1), 1010.100(dd)(1)(i), and 1010.100(dd)(1)(ii). The current CNGC TICS were written with an intent to be absolutely clear in what was required by the federal regulations for Title 31 compliance and the haphazard removal of items defined as “monetary instruments” puts that compliance in jeopardy. CNE suggests the rejection of this deletion.

4. §18.1(C) “Definitions” “Negotiable Instruments” This section states:

~~Negotiable Instruments - All checks and drafts negotiable instruments (including personal checks, business checks, official bank checks, cashier's checks, third-party checks, promissory notes (as that term is defined in the Uniform Commercial Code), and money orders) that are either in bearer form, endorsed without restriction, made out to a fictitious payee (for the purposes of § 1010.340), or otherwise in such form that title thereto passes upon delivery;~~

CNE objects to the modification of this section of the CNGC TICS for the reasons stated in comment R(3) above.

5. §18.1(D) “Definitions” This section states:

~~Incomplete instruments (including personal checks, business checks, official bank checks,~~

~~cashier's checks, third party checks, promissory notes (as that term is defined in the Uniform Commercial Code), and money orders) signed but with the payee's name omitted; and~~

CNE objects to the modification of this section of the CNGC TICS for the reasons stated in comment R(3) above. Additionally, CNE may receive these types of instruments, even though it may be against policy, and it is important that CNE staff understand that these are “monetary instruments” for Title 31 compliance purposes.

6. §18.2 “General” This section states:

Pursuant to the Title 31/Bank Secrecy Act, ~~the gaming operation~~ each casino shall develop and implement a written Compliance Program and system of internal controls designed to assure and monitor compliance, which includes detailed procedures used to comply with these standards. The Compliance Program shall be approved by the CNGC. The gaming operation casino shall ensure that the system of internal controls and Compliance Program remain current in respect to any changes to Title 31 or other events could impact the validity and effectiveness of the system of internal controls or the Compliance program.

It appears that CNGC staff have modified this section to more closely match the requirements of 31 CFR §§1021.210(b)(1) & 1021.210(a). However, CNE staff leave out the word “reasonably” as it stated in 31 CFR §1021(b)(1):

Compliance programs. (1) Each casino shall develop and implement a written program reasonably designed to assure and monitor compliance with the requirements set forth in 31 U.S.C. chapter 53, subchapter II and the regulations contained in this chapter. (Emphasis added).

CNE suggests adding the term “reasonably” to the proposed modification in order to be in compliance with the federal standard.

7. §18.2(H) “General” This section states:

IRS/FinCEN Form 8300 – Any casino that is below One Million Dollars (\$1,000,000.00) in gross annual gaming revenues and non- gaming related businesses at a casino with over One Million Dollars (\$1,000,000.00) in gross annual revenue are required to file a Form 8300 for any one transaction or aggregated cash transactions that are over Ten Thousand Dollars (\$10,000.00).

CNGC staff misinterpret and misapply the requirements for FinCEN Form 8300 in this modification. It does not apply to “casinos” as stated in the first sentence, but to non-gaming-related businesses that may be housed in a casino. 31 CFR §1021.330(c) states: Reporting of currency received in a non-gaming business. Non-gaming businesses (such as shops, restaurants, entertainment, and hotels) at casino hotels and resorts are separate trades or businesses in which the receipt of currency in excess of \$10,000 is reportable under section 5331 and these regulations. Thus, a casino exempt under paragraph (a) or (b) of this section must report with respect to currency in excess of \$10,000 received in its non-gaming businesses.

The way it is written would require CNE’s casinos to file form 8300 for any cash transaction at the casino—not at just the non-gaming businesses, and this is incorrect. CNE

suggests re-writing this section to more clearly reflect the requirements of 31 CFR §1021.330(c).

8. §18.5(A)(8) “Currency Transaction Report (CTR) Procedures” This section states:

Exchanges of currency for currency, including foreign currency; and,

CNGC staff add foreign currency to this section. While in line with the federal requirements, CNE does not accept foreign currency. CNE intently focuses on keeping its employees in compliance with all regulatory requirements, however, it becomes more difficult when there are requirements added to the CNGC TICS for practices that are not allowed by CNE by policy. It sets up disagreements between staff and management and can lead to issues in employee hearings. CNE suggests keeping the language as it is in the current CNGC TICS for this section as it does not allow for something that CNE does not practice.

9. §18.5(B)(8) “Currency Transaction Report (CTR) Procedures” This section states:

Exchanges of currency for currency, including foreign currency;

See comment R(8) above.

10. §18.5(D) “Currency Transaction Report (CTR) Procedures” This section states:

“Add acceptable forms of identification. Consistent with IRS standards (omit military).”

This does not appear to be a revision but an internal note by CNGC staff for a future revision. CNE can’t comment on these internal notes, but reserves its right to comment on any future revision of this section.

11. §18.5(D)(2) “Currency Transaction Report (CTR) Procedures” This section states:

“Add”

This does not appear to be a revision but an internal note by CNGC staff for a future revision. CNE can’t comment on these internal notes, but reserves its right to comment on any future revision of this section.

12. §18.5(G) “Currency Transaction Report (CTR) Procedures” This section states:

~~A currency transaction report for each transaction or series of transactions, in currency, involving either cash in or cash out, of more than Ten Thousand Dollars (\$10,000.00) in a gaming day must be filed with the IRS in accordance with current IRS filing deadlines. Casinos may report both cash in and cash out transactions by or on behalf of the same customer on a single currency transaction report.~~

CNGC staff, again, make the puzzling choice to remove items defined by FinCEN in their regulations that are essential to compliance with Title 31. The language of this sections comes from 31 CFR §§1021.311 and 1021.313. The current CNGC TICS were written with an intent to be absolutely clear in what was required by the federal regulations for Title 31 compliance and the haphazard removal of items puts that compliance in jeopardy. CNE suggests the rejection of this deletion.

13. 18.7(A) “Negotiable Instruments Log (NIL) Procedures” This section states: Personal Checks (excluding instruments which evidence credit granted by a casino strictly for gaming, such as markers);

CNGC staff add “markers: to this section. While in line with the federal requirements, CNE

does not utilize “markers.” CNE intently focuses on keeping its employees in compliance with all regulatory requirements, however, it becomes more difficult when there are requirements added to the CNGC TICS for practices that are not allowed by CNE by policy. It sets up disagreements between staff and management and can lead to issues in employee hearings. CNE suggests keeping the language as it is in the current CNGC TICS for this section as it does not allow for something that CNE does not practice.

14. §18.8 “Suspicious Activity Report (SAR) Procedures” This section states:

Casinos shall be examined by FinCEN or its delegates for compliance with this section. Failure to satisfy the requirements of this section may be a violation of Title 31.

CNE suggests removal of this addition by the CNGC staff as CNE is not sure whether CNGC has the jurisdiction to regulate the actions of a federal agency. CNE also feels that the term “compliance with this section” is a troublesome phrase, as FinCEN or its delegates will not examine CNE’s Title 31 program based on section 18 of the CNGC TICS but rather the federal regulations concerning casino Title 31 compliance. Therefore, CNE suggests either removing this section or modifying the language to show that FinCEN or its delegates will examine a casino for its compliance with 31 CFR §1021.320, not the CNGC TICS.

S. Section 19 “Accounting”

1. §19.1(A) “General Standards” This section states:

All licensed gaming facilities shall be required to keep an approved gaming accounting system that shall comply with, but not be limited to the standards in this section and the regulations of the CNGC. Said accounting system shall reflect all business and financial transactions involved or connected in any manner with the gaming operation and conducting of gaming activities authorized by the CNGC. The CNGC and/or the NIGC or it's authorized agent(s) shall have access to and the right to inspect, examine, photocopy, and audit all papers, books, and records (including computer records).

CNGC staff use §40(A) of the Gaming Act, and 25 CFR §571.5 of the NIGC regulations as regulatory authority for this section. However, this does not preclude the operation of §22(C) of the Gaming Act which requires that any regulation not exceed or conflict with

the requirements of the compact or NIGC regulations. 25 CFR §571.5 of the NIGC regulations does not apply to TGRAs, such as CNGC. It is specifically addressing the powers of the NIGC itself and limits itself to those matters concerned with class II gaming. “Commission” is defined in 25 CFR §502.6 as the “National Indian Gaming Commission.” CNE suggests modifying the language of this section to remove the items concerning access to and the right to inspect/examine until CNGC can find proper authority for this power.

2. §19.1(B)(1-5) “Use of Net Revenues” CNGC staff utilize the language from IGRA and 25 CFR §§542.4(b)(2)(i-v) regarding the requirement of tribal gaming ordinances restrictions on the use of net revenues. While CNE does not doubt the need to abide by IGRA, this is a company and tribal matter with regard to how Net Revenues are used. The Accounting section of the CNGC TICS is not the appropriate place for these restrictions. CNE accounting does not deal with “net revenues” as defined by the NIGC; it deals with gross revenues from gaming and other activities. It also has no decision-making authority and does not observe/audit transactions that involve net revenue as all the transactions it observes or audits is connected with gaming revenue and gaming prize payouts and operation expenses. The Cherokee Nation, as a governmental entity, and Cherokee Nation Businesses is the body that makes decisions regarding the use of “Net Revenue” and these restrictions are already placed on them through the Gaming Act. Therefore, CNE requests that this regulation be removed.

3. §19.2(A)(2)(A) “Accounting Standards” This section states:

Prepares detailed records of gaming activity transactions in an accounting system to identify and track all revenues, expenses, assets, liabilities (indebtedness), and equity for each gaming operation;

CNE suggests removing the word “prepared” at the beginning of this section due to the fact that when this section is combined with the parent section 19.2(2), the text is basically using the verb prepares twice. CNE also believes that there is no need to add the term “indebtedness” after liability as this is not present in the NICS MICS and remedial language is not needed to explain the concept of liabilities to accountants.

4. §19.2(A)(2)(b) “Accounting Standards” This section states:

Prepares detailed records of all markers, IOU's, returned checks, held checks, or other similar credit instruments;

CNE suggests removing the word “prepared” at the beginning of this section due to the fact that when this section is combined with the parent section 19.2(A)(2), the text is basically using the verb prepares twice.

5. §19.2(A)(2)(c) “Accounting Standards” This section states:

Records journal entries prepared by the gaming operation and by any independent accountants;

In order to grammatically with parent section §19.2(A)(2), CNE suggests using the language from NIGC MICS §542.19(b)(6) which states:

Journal entries prepared by the gaming operation and by its independent accountants; and

Using this will avoid the grammar problems as well as indicate the records from independent accountant will be those accountants the operation actually uses and not simply “by any independent account” as the proposed language in this section states.

6. §19.2(B)(1) “Cage Accountability” This section states:

In addition to the standards listed in section (A)(2), the cage accountability shall be reconciled to the general ledger at least monthly.

The contents of this section are already included in CNGC TICS §13.7(A) (both current & proposed) of the Cage section. It does not make sense to add them twice to this document as Accounting must be aware of all CNGC TICS sections. Also there is no section labeled “Cage Accountability” in any sections of the NIGC MICS for Accounting. There are Accounting/Auditing sections in Cage Operations but this is confusing because it references all of CNGC TICS §19.2(A)(2) which contains tasks that should not be performed for the Cage such as “Complies with fee calculation requirements set forth by NICS and Tribal State Compact as outlined in CNGC Rules and Regulations, Chapter IV – C.”

7. §19.2(C)(1-5) “Cage Accountability” These sections pertain to customer accounts and credit issued by the cage. As stated before in these comments, CNE is prohibited from offering any credit at its gaming facilities by the constitution of the Cherokee Nation. There is no reason to include these requirements in the proposed CNGC TICS. As stated in NIGC MICS §543.3(b):

TIGRAs 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. (Emphasis added).

If in the future there is a change to the Cherokee Nation constitution and CNE decides to offer credit and/or customer accounts at the cage, then these sections will become applicable.

8. §19.2(D). “Cage Accountability” This section states:

All cage and credit accounting procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the CNGC upon request.

See comment S(7) above.

9. §19.3 “Chart of Accounts” This section states:

On at least a quarterly basis, the operation shall submit a uniform Chart of Accounts and accounting classifications, to ensure consistency, comparability, and effective disclosure of financial information.

This requirement is not from the Compact or any NIGC regulation. Therefore, CNGC is prohibited from including this in a regulation as it exceeds the Compact and the NIGC requirements. CNGC staff quote §43(D) of the Gaming Act as the authority for this section, however, there is no specific requirement regarding review of a CNE “Chart of Accounts” in 43(D) and CNE believes that § 22(C) of the Gaming Act is the controlling section. CNE believes that since the most recent expression of Tribal Council must be

interpreted as repealing the provisions of the Gaming Act that allow the Commission to promulgate regulations that exceed or conflict with the Compact or NIGC regulations, the sections cited by the CNGC staff, due to the fact that they conflict with §22(C), were impliedly repealed. If this section remains, CNE will request a hearing on this matter as part of the Cherokee Nation APA process.

10. §19.3(B) “Chart of Accounts” This section states:

The quarterly submission shall include all accounts related to the gaming financial statements and shall categorize each account as active/inactive, as well as identify all new/added accounts.

See comment S(9) above. CNE asks that this section be removed.

11. §19.3(C) “Chart of Accounts” This section states:

The Chart of Accounts shall include all information necessary to trace account balances to the corresponding financial statements (line items).

See comment S(9) above. CNE asks that this section be removed.

12. §19.4(A) “Reporting Requirements” This section states:

The operation shall present unaudited financial statements to the CNGC on a monthly basis.

See comment S(9) above. CNE asks that this section be removed.

13. §19.5(E) “Gross Gaming Revenue Computation Standards” This section states:

For each card games, table games, tournaments or ~~and any other game in which the gaming operation is not a party to a wager (non-house banked games)~~, gross revenue equals all money received by the operation as compensation for conducting the game (i.e. rake, ante, commissions, entry fee, and admission fees).

While the modifications to this section are technically correct, CNE suggests using the language of NIGC MICS §542.19(d)(4) to ensure that there are no issues with §22(C) of the Gaming Act.

14. §§19.5(I) & (J)(1-7) “Gross Gaming Revenue Computation Standards”

See comment S(7) above.

15. §19.5 (M)(1) “Gross Gaming Revenue Computation Standards” This section states:

For non-house banked table games, players compete against a pool, rather than the "house". Gross gaming revenue is reported in accordance with paragraph XX of this section.

This section does not make sense as there is no “XX” in this section.

16. §19.5(M)(2) “Gross Gaming Revenue Computation Standards” This section states:

For non-house banked table games, gross revenue net win (i.e. players pool liability) equals the closing table bankroll, plus credit slips for cash, chips, tokens or personal/payroll checks returned to the cage, plus drop, less opening table bankroll and fills to the table, and money transfers issued from the game through the use of a cashless wagering system.

CNE believes this section is in error as CNGC staff apply it to non-house banked table games. The NIGC is specific on the calculation of non-house banked games in NIGC MICS §542.19(d)(4) which states:

For each card game and any other game in which the gaming operation is not a party to a wager, gross revenue equals all money received by the operation as compensation for conducting the game.

CNE suggests using the language of this section in reference to non-house banked table games. CNGC staff have already quoted this language in §19.5(E) as well.

17. §19.6(A) “Maintenance and Preservation of Books, Records, and Documents” This section states:

The gaming operation shall maintain all accounting records and financial statements required by this section, or any other records specifically required (as applicable) in permanent form and as written or entered, whether manually or by computer, and which shall be maintained and made available for inspection by the CNGC, the NIGC, and/or the SCA (as applicable for covered games).

See comment S(1) above.

18. §19.6(B)(2) “Maintenance and Preservation of Books, Records, and Documents” This section states:

Payout records from all wagering activities;

This language in this section is a violation of §22(C) of the Gaming Act. Part 5(C)(2) “Records” states [p]ayout from the conduct of all covered games.” All “wagering activities” is significantly more than the covered games, or class III games, covered by the Compact and includes class II activities. CNE suggests either removing this proposed section or modifying it to match the Compact standard.

19. §19.6(6) “Maintenance and Preservation of Books, Records, and Documents”

There does not appear to be any language in this section and therefore CNE can’t comment. However, CNE reserves its right to comment when and if a proposed revision is offered per the Cherokee Nation APA process.

T. Section 20 “Information Technology”

1. §20.1 “General Information Technology (IT) Standards”. This section states:

Supervision. Controls must identify the supervisory agent in the department or area responsible for ensuring that the department or area is operating in accordance with established policies and procedures. The supervisory agent must be independent of the operation of gaming ~~activity-machines~~.

CNGC staff change the term “machine” to “activity” to match the wording of the Guidance. As stated in Part III of these comments, this is a violation of §22(C) of the Gaming Act. CNE suggests rejecting this modification of the proposed CNGC TICS.

2. §20.2 “Physical and Logical Security” This section states:

Gaming systems' physical and logical controls. Controls must be established and procedures implemented to ensure adequate:

CNGC staff change the phrase “Class II gaming systems” to “gaming systems in this section. This section is based on NIGC MICS §543.20(c) which states:
Class II gaming systems' physical and logical controls. Controls must be established and procedures implemented to ensure adequate:

Although CNE understand why this section should apply to class III gaming systems, the text of the section is clear. CNE suggests removing this modification in order to be compliant with the NIGC MICS and §22(C) of the Gaming Act.

3. §20.3(B) “Installations and/or Modifications” This section states:

Records must be kept of all new installations and/or modifications to ~~Class II~~ gaming systems. These records must include, at a minimum:

CNGC staff remove the term “Class II” to match the wording of the Guidance. As stated in part III of these comments, this is a violation of §22(C) of the Gaming Act. CNE suggests rejecting this modification of the proposed CNGC TICS.

U. Section 21 “Auditing Revenue”

1. §21.1(A) “General” This section states:

~~Supervision. Supervision must be provided as needed for bingo revenue audit/accounting operations by an agent with authority equal to or greater than those being supervised. SICS shall conform to the Supervisory Line of Authority as provided for in Section 4 – General Provisions.~~

CNGC staff have removed the language from this subsection because it is placing this requirement for all operational departments in section 4 “General Provisions.” However, this exceeds the requirements of the NIGC MICS and is a violation of §22(C) of the Gaming Act. The NIGC in NIGC MICS §543.24(a) specifically applies this section to auditing revenue, therefore CNE suggests rejecting this section’s removal from the proposed CNGC TICS.

2. §21.1(B) “General” This section states:

The performance of all revenue audit procedures, the exceptions noted, and the follow up of all revenue audit exceptions must be documented, ~~and~~ maintained for inspection, and provided to the CNGC upon request.

CNGC staff modify this section to include requirements in excess of the NIGC MICS. This section is based NIGC MICS §543.24(c) which states:

Documentation. The performance of revenue audit procedures, the exceptions noted, and the follow-up of all revenue audit exceptions must be documented and maintained.

While the NIGC MICS states that documentation showing the performance of revenue audit procedures should be provided to a TGRA upon request for table games and gaming machines in in NIGC MICS §§542.12(j)(5) and 542.13(m)(10) respectively, it does not apply this standard to all of revenue audit's procedures. CNGC is expanding these requirements. CNE suggests removal of the added language to this section in order to avoid a violation of §22(C) of the Gaming Act.

3. §21.2 “Live Bingo Audit Standards” This section states:

Each gaming operation shall perform the following auditing/accounting functions for Live Bingo operations:

CNGC staff changed the title of this section to read “live” Bingo audit standards. However, CNE believes that this title should remain as it addresses bingo auditing standards for both “live” and gaming-machine based bingo. CNGC staff changed the nature of this section to deal with only audits for “live bingo” The NIGC does not differentiate between the two types of Bingo in §543 of the NIGC MICS and in order to ensure compliance, CNE suggests leaving this section as it is and removing the qualifying text from the proposed CNGC TICS.

4. §21.2(C) “Live Bingo Audit Standards” This section states:

At least monthly, review variances related to bingo accounting data in accordance with an established threshold, including variances related to the receipt, issuance, and use of bingo card inventories. 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.

CNGC staff modifies this section to limit it to “live” bingo and focuses on the variances related to paper bingo card inventory. As stated in comment U(3) above, the NIGC does not differentiate between paper and electronic bingo for NIGC MICS purposes and the removal of this language compromises compliance. The modification of a NIGC MICS standard is also a violation of §22(C) of the Gaming Act. CNE suggests leaving this language as it is and if necessary, adding a subsection to §21.2 for the inventory of paper bingo cards based on NIGC MICS§543.24(d)(10)(i).

5. §§21.2(D) & (E) “Live Bingo Audit Standards” CNGC staff remove these sections that are in the NIGC MICS as they apply to the auditing of Bingo on gaming machines. CNE believes this a major error as these are requirements listed in NIGC MICS §§543.24(d)(1)(iv) and 543.24(d)(1)(v) of the NIGC MICS. It appears that CNGC

staff have moved these sections to section 21.4 “Gaming Systems Audit Standards” and modified the language of the requirements in violation of §22(C) of the Gaming Act. In order to maintain compliance with NIGC requirements, CNE suggests the rejection of these deletions/moves/modifications.

6. §§21.4(A-G) & (I) & (J) “Gaming Systems Audit Standards” CNGC staff has moved these sections from CNGC TICS section 7 “Gaming Systems” to this section. While this may be advantageous for Internal Auditors, CNE objects to this move because it does not follow the established regulatory placement of the NIGC MICS and it artificially “pigeonholes” these sections into revenue audit/accounting. The NIGC placed these sections in its gaming machine/system sections of the NIGC MICS. These sections are directly related to standards of gaming machines and all personnel who deal with gaming machines, from the operational side to accounting side, need to be aware of these requirements as they all have roles to play in ensuring the proper operation of these machines as well as the proper accounting of the income from their play. Corporate gaming personnel, for instance, need to understand what the meter readings and other actions performed by accounting/revenue audit in order to have a clear understanding of how their gaming machines are performing. Presumably, the NIGC understood this as well as they specifically put these sections in the gaming machine standards and not specifically in the “auditing revenue” sections of the NIGC MICS. CNE also believes that the random, haphazard placement of requirements that are pulled out of their original sections leads to confusion and possible omission of standards places Cherokee Nation in jeopardy of non-compliance. Therefore, in CNE’s opinion, the move of these sections is needless and is potentially harmful to the goal of maintaining compliance with these standards.

In §21.4(I), CNGC staff state that “accounting/auditing personnel” shall be the parties to foot all of the jackpot tickets. The NIGC MICS does not state this; §542.13(n)(1) states:

In addition to the applicable auditing and accounting standards in paragraph (m) of this section, on a quarterly basis, the gaming operation shall foot all jackpot cash-out tickets equal to or greater than \$1,200 and trace totals to those produced by the host validation computer system.

The NIGC does not specifically label the personell that must perform this task. CNE suggests using the language of NIGC MICS §542.13(n)(1) in order to avoid a violation of §22(C) of the Gaming Act.

7. §21.5 “Analysis of Gaming System Performance Standards” See comment U(6) above. This time, CNGC staff inexplicably move the standards for evaluating gaming machine theoretical and actual hold percentages from CNGC TICS section 7 “Gaming Systems” to this subsection (as well as §21.4(. CNE objects for the same reasons in comment U(6).

8. §21.5(M) “Analysis of Gaming System Performance Standards” This section states:

Auditing/accounting agents shall review exception reports for all computerized gaming machine systems on a daily basis for propriety of transactions and unusual occurrences.

CNGC staff are again replacing a term for employee where it has not been replaced in the NIGC MICS, in this case “employees”, with the term “agents.” See NIGC MICS §542.13(m)(9). See also §D(4) of these comments.

9. §21.6 “Table Games Standards” Much like the sections detailed in comments U(6) & (7), this time the CNGC staff took the “accounting” sections from CNGC TICS section 8 “Table Games” and placed them in this subsection, specifically §§21.6(A-E). Then CNGC uses section 4(O) from the Guidance in violation of §22(C) of the Gaming Act in §21.6(F). Finally, CNGC staff wrongly incorporates NIGC MICS Card game standards for Table Games in §§21.6(G)(2). For these reasons and the reasons indicated in comment U(6) above, CNE suggests rejection of the changes in the proposed CNGC TICS.

10. §21.7 “Analysis of Table Games Performance Standards” Much like the sections detailed in comments U(6), (7), and (9), this time the CNGC staff took the “table games performance” sections from CNGC TICS section 8 “Table Games” and placed them in this subsection, specifically §§21.7(C-E) (although it seems that CNGC staff left out the requirement for records for hold percentages). Then CNGC uses section 4(O) from the Guidance in violation of §22(C) of the Gaming Act in §21.7(F). For these reasons and the reasons indicated in comment U(6) above, CNE suggests rejection of the changes in the proposed CNGC TICS.

11. §21.8 “Card Games Audit Standards” This section states:

Each gaming operation shall perform the following auditing / accounting functions for Card Games operations:

This language is not part of a NIGC MICS or Compact requirement and therefore is in violation of §22(C) of the Gaming Act. CNE suggests its removal from the proposed CNGC TICS.

12. §21.8(6) “Card Games Audit Standards” This section states:

At least monthly, verify the receipt, issuance, and use of playing cards, keys, and pre-numbered and/or multi-part forms related to card games operations.

This section comes from NIGC MICS §543.24(d)(10)(i), however CNGC staff have placed it in this section multiple times. CNE suggests just putting it in this section once like it is in the current CNGC TICS under §21.10 “Inventory Audit Standards.”

13. §21.9 “Pari-Mutuel Audit Standards” Much like the sections detailed in comments U(6), (7), (9), and (10) this time the CNGC staff took the “Pari-Mutuel Audit Standards” sections from CNGC TICS section 10 “Pari-Mutuel” and placed them in this subsection, specifically §§21.9(A-G) (although it seems that CNGC staff left out the NIGC requirement in §542.11(h)(1) that the audit shall be conducted by personnel independent of the pari-mutuel operation). However, while CNGC uses the requirements in NIGC MICS for these sections, it uses the language from the Guidance in violation of §22(C) of the Gaming Act. For these reasons and the reasons indicated in comment U(6) above, CNE suggests rejection of the changes in the proposed CNGC TICS.

14. §21.10 “Keno Audit Standards” The majority of this section is taken from NIGC MICS §542.10(k) “Keno Audit Standards,” but like the sections detailed in comments U(6), (7), (9), (20), and (13) above, the CNGC staff took the auditing sections from the main §542.10 section and placed them in this subsection. CNGC staff also use the language from the Guidance as evidenced in §§21.10(A), (D), (E), (F), (G), and (K)(3) in violation of 22(C) of the Gaming Act. See part III of these comments. CNE suggests placing this entire section back in its proper place in the proposed Keno section and using the language of §542.10 instead of the guidance in the proposed CNGC TICS.

14. §21.12(A) “Complimentary Services or Items Audit Standards” This section states:

~~At least monthly, review the reports required in Section 16 – Complimentaries. These reports must be made available to those entities authorized by the CNGC or by tribal law or ordinance.~~

The language of this section comes direct from NIGC MICS §543.24(d)(5) which states: Complimentary services or items. At least monthly, review the reports required in §543.13(c). These reports must be made available to those entities authorized by the TGRA or by tribal law or ordinance.

CNGC has moved this language to §21.12(B)(2) of this section. CNE suggests leaving this language in this section of the proposed CNGC TICS to ensure compliance with the NIGC MICS and for the reasons stated in comment U(15) below.

15. §§21.12(B)(1) & (C) “Complimentary Services or Items Audit Standards” Much like the sections detailed in comments U(6), (7), (9), (10), and (13) CNGC staff took sections from CNGC TICS section 16 “Complimentaries” and placed them in these subsections, specifically §§21.9(A-G) For these reasons indicated in comment U(6) above, CNE suggests rejection of these changes in the proposed CNGC TICS.

16. §21.14(B)(1) “Drop and Count audit Standards” This section states:

~~At least quarterly~~ Daily, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes users’ access within the system (i.e., system administrator). Determine whether the transactions completed by the system administrator provide adequate control over the access to the drop and count keys. Also, determine whether any drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized;

CNGC staff remove the requirement “quarterly” and replace it with “daily” to reflect the daily requirements of NIGC MICS §542.41(t)(3)(i) and 542.41(u)(3)(i). However, this section is based on NIGC MICS§543.24(d)(8)(iii)(A) which provides a quarterly requirement for this standard. CNE suggests leaving this language as it is as it meets the §543 standard of the NIGC MICS and it also more practical for CNE’s gaming operations.

17. §21.14(B)(2) “Drop and Count audit Standards” This section states:

~~At least quarterly,~~ For at least one day each month, review the report generated by the computerized key security system indicating all transaction performed to determine whether any unusual drop and count key removals or key returns occurred; and

CNGC staff remove the requirement “at least quarterly” and replace it with “for at least one day each month” to reflect the daily requirements of NIGC MICS §542.41(t)(3)(ii) and 542.41(u)(3)(ii). However, this section is based on NIGC MICS §543.24(d)(8)(iii)(B) which provides a quarterly requirement for this standard. CNE suggests leaving this language as it is as it meets the §543 standard of the NIGC MICS and it also more practical for CNE’s gaming operations.

18. §§21.15(A) & (B) “Cage, Vault, Cash, and Cash Equivalents Audit Standards” CNGC removed these sections and put them in sections §19.2 (B)(1) & (2) “Accounting. CNE recommends returning them to this section.

19. §21.15(F) “Cage, Vault, Cash, and Cash Equivalents Audit Standards” This section states:

~~At least monthly, review a sample of returned checks to determine that the required information was recorded by cage employee(s) when the check was cashed.~~

CNGC staff removed this section and moved to section 19 “Accounting” for the sections regarding credit. As stated before in these comments, CNE is not allowed to offer credit by Cherokee law. CNE suggests restoring this section in the proposed CNGC TICS.

20. §21.16(A) “Inventory Audit Standards” See comment U(11) above.

21. §21.17 “Maintenance and preservation of books, records and documents” CNGC staff inexplicably adds this entire group of standards a second time into CNGC TICS section 21 “Auditing Revenue” when it is already in CNGC TICS section 19 “Accounting.” CNE suggests removing this entire section from the proposed CNGC TICS to avoid duplicate standards.

V. Section “Surveillance”

1. §22.2(A)(3) “Surveillance Staffing” This section states:

~~Supervision. Supervision must be provided as needed for surveillance by an agent(s) with authority equal to or greater than those being supervised.~~

CNGC staff have removed the language from this subsection because it is placing this requirement for all operational departments in section 4 “General Provisions.” However, this exceeds the requirements of the NIGC MICS and is a violation of §22(C) of the Gaming Act. The NIGC in NIGC MICS §543.21(a) specifically applies this section to auditing revenue, therefore CNE suggests rejecting this section’s removal from the proposed CNGC TICS.

2. §22.3(A)(1) “Equipment Standards” This section states:

The surveillance system must be maintained and operated ~~from~~ from a secured location, such as a locked cabinet. The surveillance system ~~shall~~ must include date and time generators that ~~possess the capability~~ to accurately record and display the date and time of recorded events on video and/or digital recordings. The displayed date and time shall not significantly obstruct the recorded view.

CNGC staff remove language from this section that is based on NIGC MICS standards. §§542.23(d), 542.33(e), and 542.42(f) all contain the phrase “possess the capability” in this requirement. In order to avoid a violation of §22(C) of the Gaming Act, CNE suggests restoring the removed language.

3. §22.4(B) “Surveillance Activity Logs” This section states:

~~For Tiers B and C,~~ Surveillance personnel shall maintain a log of all surveillance activities. Such log shall be maintained by Surveillance operation room personnel and shall be stored securely within the Surveillance department. At a minimum, the following information shall be recorded in a surveillance log:

CNGC staff remove the term “[F]or Tiers B and C.” However, this is a violation of §22(C) of the Gaming Act as it exceeds the NIGC MICS by adding the standards for Tier B and C casinos to all casinos, including Tier A. The NIGC does not require this standard for Tier A casinos. CNE suggests restoring this language as it is in the current CNGC TICS.

4. §22.7(C) “Bingo” This section states:

The surveillance system shall monitor and record the drawing device, the game board, and the activities of the employees responsible for drawing, calling, and entering the balls drawn or numbers selected

CNGC staff add the term “the drawing device” to this section. This term is not present in NIGC MICS §§542.23(i), 542.33(j)(2), and 542.43(k)(2) that this section is based on. This is a violation of §22(C) of the Gaming Act and therefore, CNE suggests removing this addition.

5. §22.8(A)(1) “Gaming Machines” CNGC staff arbitrarily change the name of “customers” even though this change is not based on any corresponding language in the NIGC MICS sections this requirement is based on. This is a violation of 22(C) of the Gaming Act and CNE suggest rejecting this modification.

6. §22.8(A)(1) “Gaming Machines” See comment V(5) above.

7. §22.8(C)(1)(A) “Gaming Machines” See comment V(5) above.

8. §22.9(A) “Table Games” This section states:

Except as otherwise provided in Section 22.11 below, the surveillance system of gaming operations operating four (4) or more table games shall provide at a minimum a dedicated camera(s), one (1) pan-tilt-zoom camera per two (2) tables, and surveillance must be

capable of taping:

CNGC staff use the language of §15(c)(4)(i) of the Guidance to include a “dedicated camera” in this requirement. As stated in part III of these comments, this is a violation of §22(C) of the Gaming Act. CNE suggests removing the addition from this section.

9. §22.9(A)(1) “Table Games” See comment V(5) above.

10. §22.9(C)(2) “Table Games” This section states:

Have one (1) ~~overhead~~ dedicated camera at each table.

CNGC staff use the language of §15(c)(4)(i) of the Guidance to include a “dedicated camera” in this requirement. As stated in part III of these comments, this is a violation of §22(C) of the Gaming Act. CNE suggests removing the addition from this section.

11. §22.9(D)(2) “Table Games” See comment V(5) above.

12. §22.10(A)(2) “Card Games” See comment V(5) above.

13. §22.10(C) “Card Games” See comment V(5) above.

14. §22.12 “Tournaments” This section states:

For card and table game tournaments, a dedicated camera(s) must be used to provide an overview of tournament activities, and any area where cash or cash equivalents are exchanged.

CNGC staff inserts “and table” to have this section apply to table games tournaments, but this is a violation of 22(C) of the NIGC MICS. CNGC staff base this insertion on §15(c)(4)(ii) of the Guidance. CNE suggests removing this insertion.

15. §§22.14(A) & (B) “Keno” CNGC staff add requirements for Keno. CNE suggests using the language of the NIGC MICS for these standards and not the language from the Guidance as has been used here to avoid a violation of 22(C) of the Gaming Act. See part III of these comments.

16. §22.15(A)(3) “Main Cage/Vaults/Soft Count/Drop and Issue” This section states:

~~For Tiers B and C only,~~ The surveillance system shall provide an overview of cash transactions. This overview should include the customer, the employee, and the surrounding area.

CNGC staff remove the term “[F]or Tiers B and C.” However, this is a violation of §22(C) of the Gaming Act as it exceeds the NIGC MICS by adding the standards for Tier B and C casinos to all casinos, including Tier A. The NIGC does not require this standard for Tier A casinos. CNE suggests restoring this language as it is in the current CNGC TICS.

17. §22.15(C)(2)(c) “Main Cage/Vaults/Soft Count/Drop and Issue” This

section states:

Monitoring and recording of soft count room, including all doors to the room, all table game drop box / ~~financial casino~~ instrument storage ~~components containers~~, safes, and counting surfaces, and all count team personnel. The counting surface area must be continuously monitored and recorded by a dedicated camera during the soft count.

See B(19) of these comments. CNGC staff is combining all of the drop boxes/financial storage components into one definition. CNE believes this is potentially harmful as there are requirements that are unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this component is a violation of section 22(C) of the Gaming Act and it goes against the intentions of the NIGC.

W. Section 23 “Internal Audit”

1. §23.1(A) “Departmental Standards” This section states:

Controls must be established and procedures implemented that, at a minimum, address the standards required within this section.

CNGC staff use §14(C) of the Guidance as authority for this section. As stated in part III of these comments, this is a violation of §22(C) of the Gaming Act. CNE suggests the removal of this section.

2. §23.1(B) “Departmental Standards” This section states:

The internal audit personnel shall report directly to the CNGC and/or evaluate compliance on behalf of the CNGC, on all areas of regulatory oversight. ~~Internal auditor(s) report directly to the Cherokee Nation, CNGC, audit committee, or other entity designated by the Cherokee Nation.~~

The language of this section is based on NIGC MICS §543.23(c)(3) which states: Internal auditor(s) report directly to the Tribe, TGRA, audit committee, or other entity designated by the Tribe.

CNGC staff remove this language and substituted language that exceeds this standard in violation of §22(C) of the Act. See part III of these comments. It is also not clear that Cherokee Nation has designated CNGC Audit as the body responsible for “all areas of regulatory oversight.” This presumably would take an act by Tribal Council specifically stating that CNGC Audit has these specific powers. CNGC staff quote §20 of the Gaming Act, which is the broad appointment of CNGC to carry out the Nation’s “responsibilities under the IGRA . . .” to authorize their appointment of the body responsible for all areas of regulatory oversight. Cherokee Nation has appointed other bodies for auditing responsibility over its businesses, such as CNB Audit services through its charter and the Operating Agreement of CNB is the controlling document in relation to CNB’s business responsibilities and reporting structure. CNE requests that the this section be restored to the version contained in the current CNGC TICS.

3. §23.1(B) “Departmental Standards” This section states:

~~For Tiers A and B gaming operations, a separate internal audit department must be maintained. Alternatively, designating personnel (who are independent with respect to the departments/procedures being examined) to perform internal audit work satisfies the requirements of this paragraph. For Tier C gaming operations, a separate internal audit department shall be maintained whose primary function is performing internal audit work and that is independent with respect to the departments subject to audit.~~

CNGC staff remove these sections from the proposed CNGC TICS. It is questionable as these are requirements of NIGC MICS §§542.22(a)(1), 542.32(a)(1), and 542.42(a)(1). CNE suggests that this section be restored in order to maintain compliance with the NIGC MICS.

4. §23.1(D) “Departmental Standards” This section states:

An Independent CPA shall be engaged on an annual basis to perform “Agreed-Upon Procedures”; the CPA must determine compliance by the gaming operation with the NIGC MICS, TICS, and SICS by testing the internal audit requirements set forth in part 23.8 of this section.

There is no part 23.8 of this section. CNGC staff did not put it in this document. As stated in comment A(13), CNGC staff have removed and have not replaced many NIGC MICS requirements for the Agreed-Upon Procedures. Please see comment A(13) for the full listing.

5. §23.2 “CPA Review of Internal Audit” CNGC staff have removed this entire section from the proposed CNGC TICS. As stated in comments W(4) and A(13), they have not replaced these requirements with alternative sections either. These are NIGC MICS requirements and it is extremely problematic if these are not observed by CNGC. CNE strongly suggests the restoration of this section to any revision of the CNGC TICS.

6. §23.2(A) “Audits” This section states:

~~Controls must be established and procedures implemented to ensure that~~ Internal auditor(s) personnel shall perform audits of all major gaming areas of the gaming operation, including each department of a gaming operation, at least annually, to review compliance with TICS, SICS, and the NIGC MICS, which include at least the following areas:

CNGC staff eliminate the requirement for controls to be established and procedures implemented for their audits. This is a NIGC MICS requirement as stated in 543.23(c) which states:

Internal audit. Controls must be established and procedures implemented to ensure that: CNE suggests rejecting this removal of required language in order for the proposed CNGC TICS to remain in compliance with the NIGC MICS.

7. §23.2(A)(4) “Audits” This section states:

Pari-Mutuel Wagering – including, but not limited to, supervision, exemptions, betting ticket and equipment standards, write and payout procedures, check-out standards, computer report standards, and pari-mutuel auditing procedures.

CNGC staff add terms from §14(c)(1)(ii) of the Guidance to this section. As stated in part III of these comments, this is a violation of §22(C) of the Gaming Act. The requirements of this audit are in NIGC MICS §§542.22(b)(1)(v), 542.32(b)(1)(v), and 542.42(b)(1)(v). They all state:

Pari-mutual wagering, including write and payout procedures, and pari-mutual auditing procedures;

CNE suggests removing the added language from the Guidance from this section.

8. §23.2(A)(4) “Audits” This section states:

Table games - including but not limited to, supervision, fill and credit procedures, table inventory forms, pit credit play procedures, including, rim credit procedures, marker credit play, name credit instruments, call bets, as well as foreign currency, ~~drop/count procedures and the subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface~~, standards for playing cards and dice, plastic cards, analysis of table games performance, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies;

CNGC staff add the terms “supervision,” “standards for playing cards and dice,” “plastic cards,” “analysis of table games performance,” and “standards for playing cards and dice, plastic cards, analysis of table games performance” from §14(c)(1)(iii) of the Guidance. As stated in part III of these comments, this is a violation of §22(C) of the Gaming Act. The requirements of this audit are in NIGC MICS §§542.22(b)(1)(vi), 542.32(b)(1)(vi), and 542.42(b)(1)(vi). They all state:

Table games, including but not limited to, fill and credit procedures, pit credit play procedures, rim credit procedures, soft drop/count procedures and the subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies;

CNE suggests removing the added language from the Guidance from this section.

9. §23.2(A)(6) “Audits” This section states:

Gaming machines - including but not limited to, supervision, access listing, gaming machine/player interface operations, manual prize jackpot payouts and gaming machine fill procedures, cash and cash equivalent controls, gaming machine components, standards for evaluating theoretical and actual hold percentages, in-house progressive gaming machine standards, wide-area progressive gaming machine standards, account access cards, ~~gaming machine drop/count and bill acceptor drop/count and subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, gaming machine drop cabinet access~~, tracing of source documents to summarized documentation and accounting records, reconciliation to restricted copies, location and control over sensitive keys, compliance with EPROM duplication procedures, certification and approval of games/technologic aids, and voucher/cash-out tickets and compliance with MICS procedures for gaming machines that accept currency or coin(s) and issue cash-out tickets or gaming machines that do not accept currency or coin(s) and do not return

currency or coin(s);

CNGC add the phrases “supervision, access listing, gaming machine/player interface operations, manual prize payouts and fill procedures,” “gaming machine components,” “standards for evaluating theoretical and actual hold percentages,” “in-house progressive gaming machine standards, wide-area progressive gaming machine standards, account access cards” from §14(c)(1)(iv) of the Guidance. As stated in part III of these comments, this is a violation of §22(C) of the Gaming Act. CNGC also added the phrase “certification and approval of games/technologic aids, and voucher/cash-out tickets.” This is also a violation of §22(C) as the added language exceeds the NIGC MICS requirements. The requirements of this audit are in NIGC MICS §§542.22(b)(1)(vii), 542.32(b)(1)(vii), and 542.42(b)(1)(vii). They all state:

Gaming machines, including but not limited to, jackpot payout and gaming machine fill procedures, gaming machine drop/count and bill acceptor drop/count and subsequent transfer of funds, unannounced testing of weigh scale and weigh scale interface, unannounced testing of count room currency counters and/or currency interface, gaming machine drop cabinet access, tracing of source documents to summarized documentation and accounting records, reconciliation to restricted copies, location and control over sensitive keys, compliance with EPROM duplication procedures, and compliance with MICS procedures for gaming machines that accept currency or coin(s) and issue cash-out tickets or gaming machines that do not accept currency or coin(s) and do not return currency or coin(s);

The requirements for the internal audit of bingo are located in NIGC MICS §543.23(c)(1)(i) which states:

Bingo, including supervision, bingo cards, bingo card sales, draw, prize payout; cash and equivalent controls, technologic aids to the play of bingo, operations, vouchers, and revenue audit procedures

CNE suggests removing the added language from this section.

10. §23.2(A)(14) “Audits” This section states:

Keno, including but not limited to, supervision, game play standards, rabbit ear or wheel system, random number generator, game write and payout procedures, cash and cash equivalents, promotional payouts or awards, statistical reports, system security, documentation, equipment, document retention, multi-race tickets, and manual keno, sensitive key location and control, and a review of keno auditing procedures;

CNGC staff add terms from §14(c)(1)(i) of the Guidance to this section. As stated in part III of these comments, this is a violation of §22(C) of the Gaming Act. The requirements of this audit are in NIGC MICS §§542.22(b)(1)(iv), 542.32(b)(1)(iv), and 542.42(b)(1)(iv). They all state:

Keno, including but not limited to, game write and payout procedures, sensitive key location and control, and a review of keno auditing procedures;

CNE suggests removing the added language from the Guidance from this section.

11. §23.2(B) “Audits” This section states:

Any other internal audits as required by the ~~Cherokee Nation~~, CNGC, audit committee, ~~or other entity designated by the Cherokee Nation~~.

CNGC staff removes language required by the NIGC MICS. The language in this section is based on language in NIGC MICS §§542.22(b)(1)(xi), 542.32(b)(1)(xi), and 542.42(b)(1)(xi) which state:

Any other internal audits as required by the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.

Section 542 of the NIGC MICS were drafted solely for Class III Guidance. §20 of the Gaming Act, which CNGC staff cite as authority for these changes, did not negate the requirements of the NIGC nor did it establish that only the CNGC can require audits to be performed by an Internal Audit group for CNGC TICS purposes. §20 of the Gaming Act Establishes the CNGC as the governmental body responsible for carrying out the responsibilities of IGRA as well as “the NIGC regulations at 25 C.F.R. §501 et. seq.,” which the NIGC MICS are a part of, and to implement the provisions of the Act. It is not specific authority to deny any section of the NIGC MICS, and as stated in §22(C) of the Gaming Act, CNGC is prohibited from producing regulations that conflict or exceed these standards. §20 of the Gaming Act did not establish CNGC internal audit as the only internal audit body of the Cherokee Nation, nor did it restrict its power to do so. For these reasons, CNE feels that this Section is in violation of 22(C) of the Gaming Act and requests that this section be restored to its form in the current CNGC TICS.

12. §23.2(C) “Audits” This section states:

Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without the employees being forewarned that their activities will be observed). Additionally, ~~if the independent accountant also performs the internal audit function, the accountant shall perform separate unannounced observations of the table games/gaming machine drops and counts to satisfy the internal audit observation requirements~~ “Agreed-Upon Procedures” engagement and independent accountant tests of controls as required by the American Institute of Certified Public Accountants guide. and as required in Section 2 – Compliance, CPA Testing.

CNGC staff removes language required by the NIGC MICS as well as adds language exceeding NIGC MICS requirements. This is a violation of §22(C) of the Gaming Act. The language in this section is based on language in NIGC MICS §§542.22(b)(3), 542.32(b)(3), and 542.42(b)(3) which state:

Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without the employees being forewarned that their activities will be observed). Additionally, if the independent accountant also performs the internal audit function, the accountant shall perform separate observations of the table games/gaming machine drops and counts to satisfy the internal audit observation requirements and independent accountant tests of controls as required by the American Institute of Certified Public Accountants guide.

CNE suggests a rejection of the modifications by CNGC staff.

13. §23.2(D) “Audits” This section states:

Annual compliance/regulatory audits must encompass a portion or all of the most recent business year.

This is a misstatement of the requirements of the NIGC MICS for regulatory audits performed by Internal Audit. NIGC MICS §543.23(c)(1) states:
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: (Emphasis added)

This section does not mention a “business year,” it states that all of the audits must be completed at least annually. The NIGC MICS §542.3(f)(3)(ii) cited by CNGC staff as authority for this section applied to the “agreed upon procedures” performed by the CPA during the annual audit for the past 12 months must encompass a portion or all of the most recent business year. It states:

Agreed-upon procedures are to be performed by the CPA to determine that the internal audit procedures performed for a past 12-month period (includes two 6-month periods) encompassing a portion or all of the most recent business year has been properly completed. The CPA will apply the following Agreed-Upon Procedures to the gaming operation's written assertion

This section is in reference to whether the independent auditor, or CPA, can rely on the work of Internal Audit and the conditions it can so, including the time period it is to examine. It is not establishing a time period in which Internal Audit must perform those audits, that is established by NIGC MICS §543.23(c)(1) above.

14. §23.3(B) “Documentation” This section states:

~~The internal audit department shall operate with audit programs, which, at a minimum, address the MICS. Additionally, the department Internal audit shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. Institute of Internal Auditors standards are recommended but not required.~~

CNGC staff remove key requirements for internal audit in this section. This is a violation of §22(C) of the Gaming Act. The language in this section is based on language in NIGC MICS §§542.22(c)(2), 542.32(c)(2), and 542.42(c)(2) which state:

The internal audit department shall operate with audit programs, which, at a minimum, address the MICS. Additionally, the department shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. Institute of Internal Auditors standards are recommended but not required.

In order to maintain compliance with the NIGC MICS, CNE suggests the rejection of the deletion of the language in this proposed section of the CNGC TICS.

15. §23.6(B) “Role of Management” This section states:

~~Management shall be required to responded to internal audit findings by management stating the corrective measures to be taken to avoid recurrence of the audit exception, within established deadlines, and included in the report delivered to management, the~~

~~Cherokee Nation, CNGC, audit committee, or other entity designated by the Cherokee Nation for corrective action.~~

CNGC staff have added language to this section that exceed the requirements of the NIGC MICS. This is a violation of §22(C) of the Gaming Act. The language of this section is based on NIGC MICS §543.23(C)(7) which states:

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. And NIGC MICS §§542.22(f)(1), 542.32(f)(1), and 542.42(f)(1) which state:

Internal audit findings shall be reported to management.

And NIGC MICS §§542.22(f)(2), 542.32(f)(2), and 542.42(f)(2) which state:

Management shall be required to respond to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception.

CNE requests that the modified language be removed to remain compliant with the NIGC MICS and to ensure that there is no violation of §22(C) of the Gaming Act.

16. §23.6(C) “Role of Management” This section states:

Such management responses shall be included in the internal audit report that will be delivered to management, ~~the Nation, audit committee, the CNGC, Tribal Council, Tribal Administration, or other entity designated by the Nation, as would be privy to the report and designated on the report distribution list to be maintained.~~

CNGC staff modify the language of this section which result in exceeding the requirements of the NIGC MICS and therefore, is a violation of 22(C) of the Gaming Act. This section is based on NIGC MICS §§542.22(f)(3), 542.32(f)(3), and 542.42(f)(3) which state:

Such management responses shall be included in the internal audit report that will be delivered to management, the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.

CNE suggests removing the modified language of this section to remain compliant with the NIGC MICS and to ensure that there is no violation of §22(C) of the Gaming Act.

X. Proposed Section X “Lines of Credit.” As stated throughout these comments, CNE is prohibited from offering lines of credit due to the prohibition against credit in Cherokee Nation Constitution. This means that this entire section is inapplicable to gaming operations at Cherokee Nation. CNE suggests rejection of this entire proposed section.

Y. Proposed Section XX “Keno” CNE suggests ensuring that all language of this section is based on applicable NIGC MICS or Compact sections and not any language derived from the Guidance. This would be a violation of 22(C) as detailed in part III of these comments.



October 9, 2019

Dear Chairperson Sparks,

The purpose of this letter is to introduce Cherokee Nation Entertainment, LLC (CNE's) comments to the proposed revision of the Cherokee Nation Gaming Commission ("CNGC") Tribal Internal Control Standards ("TICS"). CNE would like to thank the CNGC for the opportunity to review and the additional time allotted to CNE, allowing CNE the time to examine and properly comment on the proposed TICS revisions.

As you are aware, the regulatory structure required by the Indian Gaming Regulatory Act ("IGRA") and the National Indian Gaming Commission ("NIGC") Minimum Internal Control Standards ("MICS") requires that CNGC create TICS in order to establish tribal controls that meet or exceed the NIGC MICS for its tribal gaming operations per §543.3. On July 18th, 2014 the Cherokee Nation Tribal Council passed L.A. 17-14 ("Gaming Act") which included Section 22(C) with the intent that the CNGC confine its regulations to the requirements contained in NIGC regulations and the Tribal State Gaming Compact between the State of Oklahoma and the Cherokee Nation (the "Compact"). After nearly three years following the passage of the Cherokee Nation Gaming Act, the CNGC established and approved the current CNGC TICS.

Revisions Made Absent Authority or Necessity

CNGC staff are now proposing large-scale changes to these rules, some of which if made, would violate Section 22(C) of the Gaming Act. It has been stated, in the Background of the proposed CNGC TICS revisions posting that "CNGC is mandated" to make certain changes by "virtue of the NIGC actions." CNGC staff include the issuance of Bulletin 2018-03 NIGC Class III Guidance standards ("Guidance") and the December 21, 2018 posting of revisions to the Class II NIGC MICS ("§543 Revisions"). While CNE agrees that certain changes are required, like the §543 Revisions that deal with Class II gaming, CNE does not believe that CNGC has the power to adopt new regulations related to Class III Guidance from the NIGC, Section 542 revisions, due to Cherokee law. With regard to 542 Guidance, the NIGC sets forth on their website that "[t]his part is suspended pursuant to the decision in *Colorado River Indian Tribes v. Nat'l Indian Gaming Commission*, 466 F.3d 134 (D.C. Cir. 2006). Updated non-binding guidance on Class III Minimum Internal Control Standards may be found at www.nigc.gov."

All of the proposed changes that are outside of the 543 Revisions are not legally mandated. These changes, based upon mere suggestion, are actually prohibited by Section 22(C) of the

Gaming Act and may affect tribal sovereignty. As stated in the Background, on August 13, 2018, the NIGC published a final rule suspending the Class III MICS contained in 25 CFR 542 and the next day issued the Guidance. The NIGC treats the Guidance as non-binding, as does the State of Oklahoma, even though it recommends tribes look at the Guidance for evaluation of its standards and adopt the more restrictive sections. However, §22(C) of the Gaming Act prevents CNGC from issuing regulations that exceed the NIGC MICS or Compact. Therefore, the CNGC cannot adopt sections of the Guidance if they exceed the standards of the NIGC MICS sections.

Concerns Regarding Audit Regulation and the Administrative Procedure Act

At the June 21, 2019 meeting, the CNGC staff received approval from the Commission to post the revisions of the CNGC TICS. However, once posted on June 28, 2019, there was another regulation attached to the front of the document with modifications. This regulation is Chapter IV Section H of the Cherokee Rules and Regulations entitled “External Audit”. This is an entirely separate regulation from the CNGC TICS with substantive changes and should be approved and posted separately from the TICS. By this letter, CNE is requesting that the CNGC pull the External Audit regulation from consideration and approval and post it separately for public comment.

CNGC TICS Issues

Attached to this letter is a large document containing over one hundred pages of CNE’s specific comments on the proposed CNGC TICS revisions. The proposed CNGC TICS revisions were extremely large and the format was difficult to navigate as we normally are afforded the opportunity to review changes to regulations in redline form. Using the large table format provided in the proposal document does not provide the context necessary to review the true impact of all suggested changes.

As CNE’s comments show, the proposed changes create several major issues that should prevent these revisions from adoption by the CNGC. The issues are:

1. The majority of the proposed revisions are based on adoption of the NIGC Guidance and Audit Bulletin 2003-4, which is a violation of §22(C) of the Gaming Act;
2. Many of the NIGC requirements that the CNGC proposed are not applicable to CNE’s gaming operations and therefore not required. Implementing regulations that are not applicable to the gaming operation could be confusing for individual employees. For example, we do not accept foreign currency at our facilities; therefore, introducing regulations referencing the acceptance and handling of foreign currency would be improper and confusing;
3. There are misinterpretations of Cherokee Nation law regarding the authority of CNGC’s staff;
4. It does not appear that the document was reviewed by anyone on the CNGC staff as one proposed record. Some of the sections seem incomplete, terms are used inconsistently, and

sections have mistakes or include CNGC internal notes. Portions of NIGC MICS requirements have been removed and are not replaced elsewhere in the document, threatening the Cherokee Nation's compliance with NIGC standards, and

5. The drafting of the document creates a concern, where phrases or sections are combined that were not meant to be combined creates a violation of 22 (C) of the Gaming Act.

Because the majority of these proposed revisions, if adopted, would violate Cherokee law and the additional issues stated above, CNE recommends a withdrawal of the proposed CNGC TICS until these issues have been resolved.

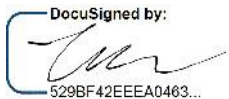
CNE is also very concerned that this version, which includes the removal of NIGC MICS requirements, was provided to NIGC representatives by CNGC staff during the NIGC ICA follow-up meeting at CNE on June 26, 2019.

CNE does recommend that a much smaller set of CNGC TICS revisions directly addressing the required §543 revisions be presented for posting for public comment as soon as possible to ensure compliance with the current NIGC MICS.

In the future, CNE respectfully suggests that before a new regulation is posted for public comment that a review be undertaken to determine if the proposed regulation violates §22(C) of the Gaming Act. CNE also suggests that CNGC staff utilize the provisions of Section 303 of the Cherokee Administrative Procedures Act to solicit comments from the public and/or establish a committee to comment on the subject matter before publishing a proposed regulation for public comment. CNE believes that these proscriptive actions would eliminate a lot the conflict and time in evaluating and commenting on proposed rules.

Thank you very much for your attention in this matter.

Sincerely,

DocuSigned by:

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Todd Hembree
Senior VP, Special Counsel to the CEO
(918) 739-7394

777 West Cherokee Street
Catoosa, Oklahoma 74015



To: Cherokee Nation Gaming Commission

From: Cherokee Nation Entertainment, LLC

Date: July 26, 2019

Re: CNE Comments on CNGC's Proposed TICS Revisions

I. Introduction

This is a memo to provide comments from Cherokee Nation Entertainment, LLC ("CNE") on the Cherokee Nation Gaming Commission's ("CNGC") proposed revisions to the CNGC Tribal Internal Control Standards ("TICS") published June 26, 2019.

CNE appreciates the fact that CNGC's staff has produced these proposed revisions to the CNGC TICS. However, CNE management believes that the submission of these TICS was in violation of the CN Administrative Procedures Act. CNE also believes that the justification for the submission of these revisions by CNGC staff, namely that these revisions are required by the State of Oklahoma, is also in error. CNE also believes that any adoption of NIGC Class III Guidance standards that differ from NIGC MICS §542 or §543 is prevented by Cherokee law. CNE believes that since these issues are material, CNE respectfully suggests that CNGC formally withdraw these revisions until these issues can be corrected.

Part II of this memo will address the APA violation. Part III will address the issues concerning the NIGC Guidance and the State of Oklahoma's view of implementation as well as the potential violation of Cherokee law. Part IV will address each individual revision suggested by CNGC staff.

Using the aforementioned regulations and the Cherokee Administrative Procedures Act as guidance, CNE management offers the following comments to the proposed Regulation in order to ensure a regulatory framework that is clear, efficient, and acceptable with both CNE management and CNGC.

Below are the sections of the Regulation and CNE's comments are in Blue font.

II. Cherokee Nation APA and Proposed Revisions

At the June 21 CNGC meeting, CNGC staff received approval for the posting of revisions to the CNGC TICS. However, once published, on June 28, 2019 there was another CNGC Regulation with revisions that was presented along with the CNGC TICS. This Regulation is Chapter IV Section H of the Cherokee Rules and Regulations entitled “External Audit.” This is an entirely separate regulation from the CNGC TICS. CNGC removed several requirements from Section 2 of the CNGC TICS and placed them in this Regulation with new requirements. While CNE believes it is in the power of CNGC to revise its own regulations, CNE believes that

1

this is a separate Regulation from the CNGC TICS and should have been published separately for public comment.

The NIGC and the Compact require an annual independent, external audit of CNE’s gaming operations’ financials. This is required generally by 25 CFR §571 and Part 5(F) of the Compact. The NIGC MICS also require a compliance review of the gaming operation based on the NIGC MICS, CNGC TICS, and CNE SICS in conjunction with the financial review. This review and the methodology based upon “agreed-upon procedures” is detailed in NIGC MICS §542.3(f) CPA testing” and 543.23(d)(1) “Annual requirements.” In their revised Regulation, CNGC staff has included the specific requirements for the financial and the general requirements of the compliance review while removing all of its detailed requirements from the CNGC TICS.

While there are other requirements in section 571, the majority of the requirements for this audit are located in the NIGC MICS sections 542 and 543. CNGC currently addresses the majority of these requirements in section 2.7 of the CNGC TICS. CNE believes, in order for consistency and to mirror the requirements of the NIGC MICS, the current placement of these requirements in the CNGC TICS should remain. CNE feels that removing these requirements from the CNGC TICS and adding new requirements not included in the NIGC MICS is also a violation of Section 22(C) of the Act.

The CNGC TICS are required to implement the NIGC MICS by 25 CFR §§543.3(h)(1) and 543.3(g)(1). The current CNGC TICS were written to implement both §542 and §543 requirements of the NIGC MICS. Sections were combined when necessary to ensure that the more stringent requirements remained in the CNGC TICS. CNE believes that by removing the details of the external compliance

review by CNGC staff from the CNGC TICS and placing them in summary form in a separate regulation is an error and a violation of the NIGC MICS. CNE has no issues with the inclusion of 25 CFR §571 requirements in the proposed revision of the Regulation and CNE does not have an issue with inclusion of some the requirements reflected in the current CNGC TICS, but CNE does not feel that removal these sections from the CNGC TICS is appropriate.

III. NIGC Guidance and the Cherokee Nation State of Oklahoma Compact

In the “Background” statement accompanying the CNGC TICS revisions, CNGC staff state that CNGC is “mandated” to make certain changes to the CNGC TICS by virtue of the publishing of the NIGC Guidance and the publishing of corrections to section 543 of the NIGC MICS. While this is true for any changes to section 543, this is not true for the NIGC Guidance.

In 2006, the D.C. Circuit Court of Appeals held that NIGC lacked authority to enforce or promulgate Class III MICS.³ On August 14, 2018, the NIGC published Guidance No. 2018-3 “Guidance of the Class III Minimum Internal Control Standards” (“Guidance”). The purpose of the Guidance was to provide “updated, non-binding Minimum Internal Control Standards (MICS) for Class III Gaming.” (Emphasis added). In the Guidance, the NIGC stated that “[t]his guidance is not intended to modify or amend any terms in a state compact.”

On August 28, 2018, the Oklahoma State Gaming Compliance Unit (“SCA”) issued a memo regarding the Guidance (SCA Opinion) on the effects of the Guidance on the current Tribal-State Compact (“Compact”). The SCA Opinion states:

Accordingly, it is the recommendation of the SCA that, where Part 542 and NIGC Guidance No. 2018-3 Guidance on the Class III Minimum Internal Control Standards are inconsistent or in conflict, the tribe consider adopting the standard it believes is the more stringent of the two. NIGC Guidance No. 2018-3 Guidance on the Class III Minimum Internal Control Standards reiterates this sentiment “This guidance is not intended to modify or amend any terms in a state compact.” “Tribes

³ Colorado River Indian Tribes v. Nat'l Indian Gaming Comm'n, 466 F.3d 134 (D.C. Cir. 2006).

are free to adopt any of the NIGC guidance it finds useful, but the tribal-state compact must be followed in any conflicts.”

It also stated that it is the opinion of the SCA that for compliance with Part 5(B) of the Compact, “all enterprises and facilities operating pursuant to the Compact should maintain a level of control that equals or exceeds those in 25 C.F.R. Part 542.” (Emphasis added). The State of Oklahoma is saying that it is up to individual tribes if they want to adopt standards contained in the Guidance and if a tribe decides to do so, it recommends adopting the more stringent requirements between the Guidance and Section 542. However, the State says that per the terms of the Compact, the Tribe’s regulations must either meet or exceed Section 542.

While the SCA leaves the choice up to individual tribes to adopt provisions of the Guidance, the Cherokee Nation has made its choice clear in the adoption of Section 22(C) of the Cherokee Nation Tribal Gaming Act, L.A. 17-14 (“Gaming Act”). The Gaming Act limits the CNGC from regulating anything outside of the scope or in excess of the National Indian Gaming Commission (“NIGC”) regulations and the requirements of the Compact. This section would prohibit CNGC from adopting any TICS from the Guidance that was “in excess” of what is required by NIGC MICS sections 542 and 543. Since the Guidance is not required by the SCA and adherence to section 542 is required by the Compact as stated in the SCA Opinion, any adoption of Guidance requirements would also be in excess of the Compact and therefore in violation of §22(C) of the Gaming Act. If Cherokee Nation wanted to adopt the more stringent requirements of the Guidance, then the Gaming Act would have to be amended by the Cherokee Nation Government.

IV. Individual Proposed TICS Revisions In the individual revised sections, proposed, new/revised text is underlined, while removed text shows strikethroughs. CNE Comments are in Blue.

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A. Chapter IV Section H of the Cherokee Rules and Regulations entitled “External Audit

1. As stated in Part II of this document, CNE believes the inclusion of this Regulation in the proposed CNGC TICS revisions is a violation of the APA and therefore believes this Regulation should be withdrawn and resubmitted for public comment in compliance with the APA.

2. **“Scope”** This section states:

The provisions of this Section shall apply to the Certified Public Accountant/Accounting Firm selected to perform the Annual Independent Audit, the Enterprise, in regard to providing unfettered, unrestricted access to the accounting systems and records, and the CNGC for overseeing the audit and submitting the result to the appropriate parties within the time frames established.

The requirements for an annual external audit of tribal gaming operations is established in 25 CFR §571.12(b) of the NIGC regulations. It states:

A tribe shall engage an independent certified public accountant to provide an annual audit of the financial statements of each class II and class III gaming operation on the tribe's Indian lands for each fiscal year. The independent certified public accountant must be licensed by a state board of accountancy. Financial statements prepared by the certified public accountant shall conform to generally accepted accounting principles and the annual audit shall conform to generally accepted auditing standards.

CNE believes that the inclusion of “unfettered, unrestricted access” for the external auditors is misplaced in the scope and is a troublesome requirement in this Regulation. CNE is the custodian of all of this accounting information and providing “unrestricted and unfettered” access could put information not associated with the subject of the audit at risk. This could include Guests personal information, employee information, and other sensitive information that no-one outside Cherokee Nation should be privy to. CNE suggests that if such language needs to be included, then it should be language that CNE shall be cooperative with all requests for access to systems and records necessary to fulfill the purpose of the audit.

CNE also believes the term “oversees” is beyond the scope of the Act, the NIGC regulations, and the Compact. Oversight implies supervision of the external audit, which is to be independent. CNGC is tasked with engaging and ensuring an annual external audit per §40 of the Act, not supervising the external audit. CNE suggests replacing “oversees” with “ensures.”

3. **§B(1) “Duties of the Enterprise”** This section states:

Each licensed gaming operation shall keep permanent books of account or records, including inventory records of gaming supplies, sufficient to establish the amount of gross and net income, deductions and expenses, receipts and disbursements, and other information required in any financial statement, report or other accounting prepared in connection with the operation. (Emphasis added).

This language is based on 25 CFR §571.7(a) “Maintenance and preservation of papers and records” of the NIGC regulations. CNE suggests that in order to avoid confusion and to adhere with §22(C) of the Act, CNGC should more clearly replicate the language of the original section of the NIGC regulation. It states:

A gaming operation shall keep permanent books of account or records, including inventory records of gaming supplies, sufficient to establish the amount of gross and net income, deductions and expenses, receipts and disbursements, and other information required in any financial statement, report, or other accounting prepared **pursuant to the Act or this chapter.** (Emphasis added).

The highlighted portion of §571.7(a) means pursuant to IGRA or the chapter containing the NIGC regulations. It does not mean “in connection with the operation” as this is vague and could mean other non-gaming areas that were not the intention of the NIGC regulations. CNE also feels that this section is out of place in this document as it is a general requirement by the NIGC and not one specifically in relation to the external audit. CNE suggests removing this language and either placing in the CNGC TICS or another CNGC Rule and Regulation of general applicability.

4. **§B(3) “Duties of the Enterprise”** This section states:

The CNGC, NIGC, and/or the SCA require the Enterprise to submit statements, reports, and/or accountings for each licensed gaming operation, and to keep specific records that will enable agent(s)/representatives to determine whether or not such operation:

- a. Is liable for fees payable and in what amount (refer to CNGC Rules & Regulations, Chapter IV – C);

b. Has properly and completely accounted for all transactions and other matters monitored by the CNGC, NIGC, and/or SCA in accordance with the established MICS, any Tribal Gaming Compact(s), TICS, and/or other laws, regulations, contracts and grants applicable to the operation; and

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c. Has designed, implemented, and maintains a system of internal controls (or SICS) relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

The language of this section is based on 25 CFR §571.17(B) “Maintenance and preservation of papers and records” which states:

(b) The Commission may require a gaming operation to submit statements, reports, or accountings, or keep specific records, that will enable the Commission to determine whether or not such operation:

(1) Is liable for fees payable to the Commission and in what amount; and

(2) Has properly and completely accounted for all transactions and other matters monitored by the Commission.

CNE believes that this section should either be removed from this regulation or should be modified for the following reasons.

1. There is no indication on who the “agents/representatives” are and who they represent. This is an addition by CNGC staff and is beyond the extent of NIGC regulations and should be removed to avoid a violation of §22(C) of the Gaming Act;

2. The Compact has no comparable language or section detailing the details of this section and therefore it should be removed in to avoid a violation of §22(C) of the Gaming Act;
3. The language in section (b), “and/or SCA in accordance with the established MICS, any Tribal Gaming Compact(s), TICS, and/or other laws, regulations, contracts and grants applicable to the operation; and . . .”, should be removed as it is in excess of what is required by the NIGC and the Compact to avoid a violation of §22(C) of the Gaming Act;
4. CNE is already required by the NIGC to implement the CNGC TICS as stated in CNGC TICS §2.1(C) and NIGC MICS §543(C) and their examination is detailed in the NIGC MICS and CNGC TICS regarding “Agreed-upon procedures.” This is not included

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in section 25 CFR §571.17(B) and therefore it is in excess of the NIGC regulation and should be removed to avoid a violation of §22(C) of the Gaming Act; and

5. This regulatory section would be better presented in Chapter IV (B) “Accounting” or Chapter IV (C) “NIGC & Compact Fee Payments” of the CNGC Rules and Regulations than in an a regulation concerning the External Audit as it is titled by the NIGC “Maintenance and preservation of papers and records.”

5. §B(4) “Duties of the Enterprise” This section states:

Accounting books or records required by the CNGC and NIGC regulations shall be kept at all times available for inspection by authorized agent(s)/representative(s). They shall be retained for no less than five (5) years.

This section is based on 25 CFR §571.7(c) which states:

Books or records required by this section shall be kept at all times available for inspection by the Commission's authorized representatives. They shall be retained for no less than five (5) years.

CNE believes that either this section be removed from this regulation and placed in a more relevant regulation related to preservation of books and records. In the alternative, CNE believes that this section should match the language of 25 CFR §571.7(c) and the terms “Accounting” and “authorized agent(s)/representatives” be either clearly defined or removed in order to avoid a violation of §22(C) of the Gaming Act. CNE also suggest removing the phrase “required by CNGC and NIGC regulations” in order comply with the plain language of §571.7(c).

6. §B(5) “Duties of the Enterprise” This section states:

The Enterprise and/or gaming operation shall provide agent(s)/representative(s) of the external independent auditor:

a. Unrestricted access to all information of which management is aware that is relevant to the preparation and presentation of the financial statements, such as records, documentation and other matters;

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b. Any additional information or access requested by the auditor for the purpose of the audit; and

c. Unrestricted access to any persons within the entity from whom the auditor determines necessary to obtain audit evidence.

There is nothing in the NIGC regulations, the Compact, or the Gaming Act that details this requirement and therefore CNE believes that this is a violation of §22(C) of the Gaming Act. Also, this section is unnecessary in a CNGC regulation as there has never been any resistance or obfuscation concerning any external audit performed on CNE’s gaming operations. If it did exist, it would be noted in the final reports completed by the external auditors. As

stated in #1 of these comments, CNE believes that providing “unrestricted and unfettered” access to the external auditors is overbroad and should be limited.

7. §C(2) “Duties of the CNGC.” This section states:

In conjunction with the annual independent financial statement audit, required under paragraph (C)(1), the CNGC shall ensure the CPA/Firm performs an “Agreed-Upon Procedures” (AUP) assessment to verify that each gaming operation is in compliance with the MICS, and/or TICS and SICS. The CPA/Firm may rely on internal audit to perform work related to the assessment in accordance with the AUP Scope of Work.

This requirement is taken from the current CNGC TICS §2.7(E) which states:

In conjunction with the annual independent financial statement audit, the independent certified public accountant (CPA) shall perform an assessment to verify that the gaming operation is in compliance with the MICS, and / or the Tribal Internal Control Standards (TICS) or SICS.

The CNGC TICS section is based on requirements in NIGC MICS §§542.3(f) and 543.23(d)(1). CNGC staff seems to also include NIGC MICS §542.3(f)(3) for the language “The CPA/Firm may rely on internal audit to perform work related to the assessment in accordance with the AUP Scope of Work.” While CNE has no issues with these requirements being in this Regulation, CNE feels that the requirements should also remain in the CNGC TICS to ensure compliance as stated in Part II of this document.

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8. §C(3) “Duties of the CNGC.” This section states:

In addition, the CNGC shall ensure the CPA/Firm performs a separate audit and expresses an opinion on the operation’s Adjusted Gross Revenues and Exclusivity Fees, as required by the Tribal Gaming Compact for Covered Games.

This section has requirements from Part 5(F)(4) of the Compact. CNE does not object to its inclusion in this Regulation but requests that CNGC TICS section 2.7(B) remain in the CNGC TICS unaltered to ensure compliance as stated in Part II of this document.

9. §C(4) “Duties of the CNGC.” This section states:

The CNGC shall engage an independent CPA/Firm (external auditor), or agree upon a CPA/Firm with the Enterprise and/or Cherokee Nation Tribal government (if the audit is encompassed within the existing independent Tribal audit system or in conjunction with the audit of the Enterprise). The CNGC must ensure:

a. The CPA/Firm selected is of known and demonstrable experience, expertise, and stature in conducting audits, of the kind and scope required under this regulation; and

b. The CPA/Firm selected must be licensed by the State Board of Accountancy.

This section combines the requirements of 25 CFR§571.12(b), and CNGC TICS §2.7(A). CNE has two comments:

1. CNGC TICS §2.7(A) should remain in the CNGC TICS unaltered to ensure compliance as stated in Part II of this document; and

2. That the “the” in front of “State” in §C(4)(b) be replaced with an “a” so as not to limit a CPA/firm to just one state, (unless that is the intention of CNGC and then it would be advisable to list which state the board should belong to).

10. §C(5)(d) “Duties of the CNGC.” This section states:

The annual independent audit and related reports required under paragraph (C)(5) must be concluded and reports released to the CNGC within 120 days of the gaming operation's fiscal year end or as otherwise indicated; however, the CPA/Firm may request, within a reasonable time frame, an extension where the circumstances justifying the extension request are beyond the CPA's/Enterprises' control, which must be approved by the CNGC and communicated to the NIGC.

CNE feels that this section is problematic as the NIGC requires that reports must be provided to them in within 120 days. However there are no NIGC or Compact

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regulations which allow for extensions to be granted by a Tribal Gaming Regulatory Authority for the required reports in this section. The NIGC can grant the exemption but there is no statutory or regulatory authority allowing CNGC to grant the exemption from this NIGC deadline.

11. §D(3) “Scope of Work” This section states:

In accordance with paragraph (B)(5), the CPA/Firm shall be granted unrestricted access to inspect, examine, photocopy, and audit all papers, books, and records (including computer records) or persons and facilities for the purpose of completing the audits required under this regulation.

a. The CPA/Firm will provide a listing of agent(s)/representative(s) assigned to the audit(s), which shall include the full legal name, job title, and contact number, to the Enterprise and the CNGC for security purposes.

b. The CPA/Firm’s agent(s)/representative(s) shall present official identification upon entering any secured location(s) necessary to perform the audits.

This section is not based on any NIGC or Compact requirement. CNE feels this section is completely unnecessary as CNE has never prevented any external auditor from accessing any materials or area in its gaming facilities. The annual external audit is required by the NIGC, CNGC, and the Compact and CNE understands that the Cherokee Nation would be out of compliance if it interfered with the duties of the auditors in any way. CNE also realizes that this would also be detailed in the final reports of the external auditors themselves.

CNE SICS SEC440 “Vendor Access –CNE Gaming Facilities” provides rules for entry for all vendors, with no exception, who enter CNE gaming facilities. These include checking in with Security onsite and providing photo ID and other identification materials for inclusion on a security log. Each vendor representative is issued a guest

badge and they will require an employee escort unless prior arrangements have been made with CNE Security. The addition of security requirements for the external audit staff in this section is superfluous and CNE requests that it be removed from this Regulation.

12. §D(6) “Scope of Work” This section states:

All expenditures and/or transfers of Gaming Revenue are subject to the limited purposes permitted under IGRA.

CNE believes that this section should be removed from this Regulation for the following reasons: 1. This section is vague and unclear.

2. There is no definition in this document of “Gaming Revenue” or a reference to a definition

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that matches any definition under IGRA, NIGC regulations, or the Compact. Presumably, this section is a reference to §2710(b)(2)(B) of IGRA which requires gaming tribes to include a list of certain criteria for the use of net revenues from any tribal gaming for specific purposes.⁴ This section states:

[N]et revenues from any tribal gaming are not to be used for purposes other than—

- (i) to fund tribal government operations or programs;
- (ii) to provide for the general welfare of the Indian tribe and its members;
- (iii) to promote tribal economic development; (iv) to donate to charitable organizations; or
- (v) to help fund operations of local government agencies;

⁴ Cherokee Nation adopted this section in §38 of the Act.

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§2703(9) states:

The term “net revenues” means gross revenues of an Indian gaming activity less amounts paid out as, or paid for, prizes and total operating expenses, excluding management fees.

IGRA does not include all “Gaming Revenue” in its permissible uses restrictions under §§2710(b)(2)(B), but rather those funds that originate from gaming activity after prizes and total business expenses have been accounted for ---the net revenue. Due to the imprecise language of this section, it is unclear whether the CNGC staff is proposing that the external auditors examine all transactions performed by CNE and apply these restrictions. If so, this would greatly expand the scope of the annual external audit and would logically include amounts transferred to the Cherokee Nation’s government and whether the expenditures approved by the Cherokee Nation’s government utilizing these funds met the restrictions of imposed by IGRA. This would essentially turn an audit of the gaming operations into a financial audit of the Cherokee Nation as a whole. This would be well beyond the regulatory requirements for the external audit in the NIGC regulations and the Compact and this would be a violation of 22(C) of the Act.

If the intention is otherwise, then CNE suggests either removing this section or that the language be modified to state the clear purpose and scope of this requirement.

13. §§D(7) & (8) “Scope of Work” These sections state:

7. In conjunction with the annual independent financial statement audit, the CPA/Firm shall perform an “Agreed-Upon Procedures” (AUP) assessment to verify that each gaming operation is in compliance with the MICS, and/or TICS and SICS. The CPA/Firm may rely on internal audit to perform work related to the assessment in accordance with the AUP Scope of Work.
8. [Reserved for scope of AUP].

CNE has the following concerns with these two sections:

1. The requirement stating is that the “CPA/Firm may rely on internal audit to perform work related to the assessment in accordance with the AUP Scope of Work” is redundant due to the fact that it was already stated in section C(2) of this Regulation.

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2. CNGC staff has not included the requirements for the AUP from the NIGC MICS in this Regulation but instead has left §D(8) reserved for these items. In conjunction with removing these requirements from the CNGC TICS in the publishing of both the CNGC TICS and this Regulation’s revisions for public comment, Cherokee Nation will be out of compliance with the NIGC MICS if this is published without modification. As stated in Part II of these comments, the CNGC TICS are required to implement the NIGC MICS by 25 CFR §§543.3(h)(1) and 543.3(g)(1). CNGC staff has removed the implementation of the following NIGC MICS sections that are present in the current CNGC TICS regarding the Agreed-upon procedures: §542.3(f)(1)

§542.3(f)(2)(i)

§542.3(f)(2)(ii)

§542.3(f)(2)(iii)

§542.3(f)(1)(i)

§542.3(f)(1)(ii)

§543.23(d)(3)(ii)

§542.3(f)(1)(iii)

§542.3(f)(1)(iii)(A)

§542.3(f)(1)(iii)(A)(1)

§542.3(f)(1)(iii)(A)(2)

§542.3(f)(1)(iii)(B)

§542.3(f)(1)(iii)(C)

§542.3(f)(1)(iii)(D)

§542.3(f)(1)(iii)(E)

§542.3(f)(3)(i)

§542.3(f)(3)(ii)

§542.3(f)(3)(ii)(A)

§542.3(f)(3)(ii)(B)

§542.3(f)(3)(ii)(B)(1)

§542.3(f)(3)(ii)(B)(2)

§542.3(f)(3)(ii)(B)(3)

§542.3(f)(3)(ii)(C)

§543.23(d)(3)(i)(D)

§543.23(d)(3)(i)(E)

§542.3(f)(3)(ii)(D)

§542.3(f)(3)(ii)(E)

§542.3(f)(3)(ii)(F)

§542.3(f)(4)(i)

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§542.3(f)(4)(i)(A)

§542.3(f)(4)(i)(A)(1)

§542.3(f)(4)(i)(A)(2)

As CNGC staff have not provided suitable replacements, CNE suggests that CNGC TICS sections implementing the sections remain in the CNGC TICS in order to ensure compliance of the CNGC TICS.

B. Section 1 of the CNGC TICS “Definitions”

1. **§1.2** This section states:

The definitions in this section shall apply to all sections of this document unless otherwise noted. These definitions are inclusive to terms used in Tribal-State compacts. ~~In the event of a discrepancy between these definitions and those found in a Tribal-State Compact(s), the Compact(s) definition shall control.~~

CNE believes that the deleted section of this section should be restored as it clearly identifies the hierarchy as it applies to Compact terms in the CNGC TICS. The CNGC TICS includes numerous provisions from the Compact and in order for clarity, it is advisable to keep how these definitions relate to these provisions.

2. **§1.2 “Adjusted Gross Revenues”** This section states:

Adjusted gross revenues - the total receipts received from the play of all covered games minus all prize payouts.

There is only one section in the current CNGC TICS that pertains to “Adjusted Gross Revenues” and it is CNGC TICS §2.7(A) which deals with the annual external audit. However, CNGC staff have removed this section from the proposed TICS and put this requirement in the newly revised CNGC Rules and Regulations, Chapter IV, Section H. If this requirement is to remain in that Regulation, then CNE suggests not adding this definition to the CNGC TICS as its inclusion in the TICS is not required by the NIGC MICS or the Compact and it will not be referring to any term. If the language located in CNGC TICS §2.7(A) regarding Adjusted Gross Revenues remains, CNE does not object to this definition’s inclusion.

3. **§1.2 “Bill acceptor/validator”** This section states:

Bill acceptor/validator - means the device that accepts and reads cash by denomination and cash equivalents in order to accurately register customer credits.

The NIGC MICS definition for Bill Acceptor in §542.2 states:

Bill acceptor means the device that accepts and reads cash by denomination in order to accurately register customer credits.

CNE believes that the additions provided by the CNGC staff are in violation of §22(C) and should be removed.

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4. **§1.2 “Bill acceptor drop”** CNGC has removed this definition. CNE feels that since this definition is located in NIGC MICS §542.2, it should remain in the CNGC TICS to avoid noncompliance.
5. **§1.2 “Cage Credit,” and “Cage Marker Form,”** CNGC has included these definitions from the NIGC MICS. However, CNE is not allowed to offer credit per the Cherokee Nation Constitution, so the inclusion of these definitions is irrelevant and should not be included in the CNGC TICS.
6. **§1.2 “Cash-out ticket/Voucher”** This section states:

Cash-out ticket/Voucher – an instrument of fixed wagering value, usually paper, that can be used only to acquire an equivalent value of cashable credits or cash through interaction with a gaming system. ~~generated by a gaming machine representing a cash amount owed to a customer at a specific gaming machine.~~ This instrument may be wagered at other machines by depositing the cash-out ticket in the machine bill acceptor.

CNGC staff have combined two separate definitions:

§542.2 Cash-out ticket means an instrument of value generated by a gaming machine representing a cash amount owed to a customer at a specific gaming machine. This instrument may be wagered at other machines by depositing the cash-out ticket in the machine bill acceptor. And

§543.2 Voucher. A financial instrument of fixed wagering value, usually paper, that can be used only to acquire an equivalent value of cashable credits or cash through interaction with a voucher system.

CNE believes that combining these two definitions in the manner proposed by CNGC staff is ill-advised as these are not the same item. Cash-out tickets refer to TITO tickets that can be redeemed at gaming machines while vouchers usually are referring to any paper representation of value (coupons, etc.) that can be redeemed through a voucher system, namely IGT advantage. CNE suggests keeping both definitions to avoid confusion.

7. §1.2 “Casino Management System” This section states:

Casino management system - A system that securely maintains records of cash-out tickets/vouchers and coupons; validates payment of cash-out tickets/vouchers; records successful or failed payments of cash-out tickets/vouchers and coupons; and controls the purging of expired cash-out tickets/vouchers and coupons.

CNGC staff modified the §543.2 definition of “Voucher System” which states:

Voucher system. A system that securely maintains records of vouchers and coupons; validates payment of vouchers; records successful or failed payments of vouchers and coupons; and

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controls the purging of expired vouchers and coupons.

CNGC staff has added gaming cash-out tickets to this definition, however as stated in Part IV(B)(6) of this document above, vouchers and cash-out tickets are not the same item nor are they treated the same in the CNGC TICS. CNE believes that combining these two definitions will lead to confusion and possible noncompliance.

8. §1.2 “Complimentary services and items” This section states:

Complimentary services and items – services and items provided at no cost, or at a reduced cost, to a patron at the discretion of an agent on behalf of the gaming operation or by a third party on behalf of the operation. Services and items may include, but are not limited to, travel, lodging, food, beverages, or entertainment expenses.

~~Complimentary services and items exclude any services and/or items provided, at no cost or at a reduced cost, to a person for business and/or governmental purposes, which are categorized and treated as business expenses of the gaming operation.~~

The language that the CNGC staff is proposing to remove was provided to Cherokee Nation on the advice of legal counsel. It is not a violation of §22(C) of the Gaming Act as it is not exceeding the NIGC MICS but excluding items that are not provided to patrons and do not fit the definition of complimentary items. The removed language details the legitimate operational and business expenses that occur with parties other than patrons. CNE suggests leaving the language and if there is an issue, a legal opinion can be requested from the Attorney General of the Cherokee Nation by CNGC and/or CNE.

9. §1.2 “Controls” CNGC staff have removed this definition. It states:

~~Controls—means Systems of Internal Control Standards, established by gaming operations or enterprise and subject to approve by CNGC.~~

CNE believes that this definition has value in that provides a clear relationship to any controls referred to in the TICS and SICS and places a duty on CNE to develop and maintain such controls for its gaming operations.

10. §1.2 “Count Room” This section states:

Count room – a secured room where the count is performed in which ~~the cash drop cash and cash equivalents from gaming machines, table games, or other games are transported to and~~ are counted.

CNGC staff have made changes to make this definition more in line with the Guidance and

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§543.3. However as stated, the current SICS were designed to place the more stringent requirements upon CNE based on a reading of both §542 and §543 of the NIGC MICS. By removing the language derived from §542, CNE feels that the CNGC staff are making the control less descriptive and more open to interpretation. For instance, by removing where the cash equivalents come from, it makes it sound like all cash equivalents are counted in the count room and that is not the case.

11. §1.2 “Covered Game” This section states:

~~Covered game – means the following games conducted in accordance with the standards, as applicable, set forth in Sections 11 through 18 of the State Tribal Gaming Act: an electronic bonanza-style bingo game, an electronic amusement game, an electronic instant bingo game, nonhouse-banked card games; any other game, if the operation of such game by a tribe would require a compact and if such game has been: (i) approved by the Oklahoma Horse Racing Commission for use by an organizational licensee, (ii) approved by state legislation for use by any person or entity, or (iii) approved by amendment of the State-Tribal Gaming Act; and upon election by the tribe by written supplement to this Compact, any Class II game in use by the tribe, provided that no exclusivity payments shall be required for the operation of such Class II game.~~

This definition is straight from Part 3 §(5) of the Compact and CNE feels that the language removed from this definition should be restored in order to fulfill the intent of the Compact. It also helps to provide that the definition is directly in relation to those games that are affected by the Compact.

12. §1.2 “Credit Limit” This sections states:

Credit limit - the maximum dollar amount of credit assigned to a customer by the gaming operation.

While this definition is §542.2 of the NIGC MICS, it was not included in the current version of the CNGC TICS due to the fact that CNE is prohibited from offering credit at its gaming facilities per the Cherokee Nation Constitution. It is therefore not applicable and should not be included in these definitions. CNE feels its inclusion will lead to confusion over whether credit practices can be allowed at CNE's gaming operations.

13. §1.2 “Drop (for gaming machines)” This section states:

Drop (for gaming machines) – ~~means~~ the total amount of cash, cash-out tickets, and coupons, ~~coins, and tokens~~ removed from ~~drop boxes/financial~~ casino instrument storage components containers.

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CNE objects to the creation of a new definition for drop box/financial instrument storage component. CNGC staff wish to call this item “casino instrument storage containers.” This definition is not part of the NIGC MICS and therefore a violation of section 22(C) of the Act.

14. §1.2 “Drop (for Kiosks)” This section states:

Drop (for kiosks) – the total amount of ~~gaming instruments~~/financial instruments removed from an electronic kiosk.

CNE objects to the removal of the term “gaming instruments” from this definition as these are a part of the drop process for kiosks.

15. §1.2 “Drop (for table games)” This section states:

Drop (for table games) – means the total amount of cash, chips, coins, and tokens removed from ~~drop boxes/~~ casino financial instrument storage containers ~~components~~, plus the amount of credit issued at the tables.

Again, CNE recommends that the changes to this definition be discarded. CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition. The reason why is unclear and potentially harmful as there are requirements that unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS.

16. §1.2 “Drop Box,” “Drop box content keys,” “drop box release keys,” “drop box storage rack keys” and “drop cabinet”

CNGC staff propose to remove these definitions:

Drop box – Drop box means a locked container affixed to the gaming table into which the drop is placed. The game type, table number, and shift are indicated on the box.

Drop box contents keys – the key used to open drop boxes.

Drop box release keys – the key used to release drop boxes from tables.

Drop box storage rack keys - the key used to access the storage rack where drop boxes are secured.

Drop cabinet – the wooden or metal base of the gaming machine that contains the gaming machine drop bucket.

Again, CNE recommends that the changes to this definition be discarded. CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition. The reason why is unclear and potentially harmful as there are unique requirements for each type of component and game/kiosk. All of these definitions are derived from §542. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS.

17. §1.2 “Drop proceeds” This section states:

Drop proceeds – the total amount of ~~financial casino~~ instruments removed from ~~drop boxes and financial casino~~ instrument storage containers ~~components~~.

Again, CNE recommends that the changes to this definition be discarded. CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition. The reason why is unclear and potentially harmful as there are unique requirements for each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS.

18. §1.2 “Casino Financial Instrument.” This section states:

Casino ~~Financial~~ instrument – Any tangible item of value tendered in game play, including, but not limited to bills, coins, vouchers, and coupons.

CNGC staff are changing the definition of “financial instrument” to “Casino instrument.” The definition of “financial instrument” comes directly from NIGC MICS §543.2 and CNE believes that changing the name of this instrument is a violation of section 22(C) of the Gaming Act and it goes against the intention of the NIGC.

19. §1.2 “Casino Instrument Storage Container” This section states:

Casino Financial Instrument Storage Container Component – Any container component that stores casino financial instruments, such as a drop box, but typically used in connection with gaming systems.

Again, CNE recommends that the changes to this definition be discarded. CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition. The reason why is unclear and potentially harmful as there are requirements that unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid

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potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this component is a violation of section 22(C) of the Gaming Act and it goes against the intention of the NIGC.

20. §1.2 “Casino Financial instrument storage container release key” This section states:

Casino Financial instrument storage container component release key - means the key used to release the storage container component from the acceptor device.

Again, CNE recommends that the changes to this definition be discarded. CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition. The reason why is unclear and potentially harmful as there are requirements that unique to each type of component and game/kiosk. The language of section, the use of the term “acceptor,” shows that is to applied to e-games more than table games/card games. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this key is a violation of section 22(C) of the Gaming Act and it goes against the intention of the NIGC.

21. **§1.2 “Casino instrument storage container storage rack key”** This section states:

Casino Financial instrument storage container component storage rack key - means the key used to access the storage rack where storage containers components are secured.

Again, CNE recommends that the changes to this definition be discarded. CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition. The reason why is unclear and potentially harmful as there are requirements that unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this key is a violation of section 22(C) of the Gaming Act and it goes against the intention of the NIGC.

22. **§1.2 “Game Play Credits”** This section states:

Game play credits - a method of representing value obtained from the exchange of cash or cash equivalents, or earned as a prize, in connection with electronic gaming. Game play credits may be redeemed for cash or cash equivalents;

This definition comes from the Guidance and not the Compact or the NIGC MICS. CNE believes that its inclusion in the proposed CNGC TICS would be a violation of section 22(C) of the Gaming Act for the reasons stated in Part III of these Comments.

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23. **§1.2 “Gaming Operation accounts receivable (for gaming operation credit)”** This section states:

Gaming operation accounts receivable (for gaming operation credit) - credit extended to gaming operation customers in the form of markers, returned checks, or other credit instruments that have not been repaid.

As stated before in these comments, CNE can't offer credit to its guests per the Cherokee Nation constitution therefore the inclusion of this definition is unnecessary and should not be included in the CNGC TICS. Alternatively, CNE suggests modifying this definition to include only items that are applicable to CNE's gaming operations, such as "returned checks."

24. §1.2 "Gaming System" This section states:

Gaming system - all components, whether or not technologic aids in electronic, computer, mechanical, or other technologic form, that function together to aid the play of one or more Class II games or any Class III games, inclusive of any and all support systems, player tracking and gaming accounting functions.

CNGC staff replaced the definition in the current CNGC TICS with one from the Gaming Act to broaden the definition of "gaming system." CNE believes that this is a violation of section 22(C) of the Gaming Act and that the current definition which is based on §543.2 of the NIGC MICS should remain untouched.

25. §1.2 "Generally Accepted Accounting Principles (GAAP)" This section states: Generally Accepted Accounting Principles (GAAP) - A widely accepted set of rules, conventions, standards, and procedures for reporting financial information, as established by the Financial Accounting Standards Board (FASB), including, but not limited to, the Audit & Accounting Guide for Gaming ~~the standards for casino accounting~~ published by the American Institute of Certified Public Accountants (AICPA).

CNGC staff are modifying this definition which came straight from NIGC MICS §543.2, by replacing the term "standards for casino accounting" with "Audit & Accounting Guide for Gaming." CNE suggests leaving the current language as it is in order to comply with section 22(c) of the Gaming Act and for clarity's sake.

26. §1.2 "Issue slip" This section states:

Issue slip - a copy of a credit instrument that is retained for numerical sequence control purposes.

While this definition is §543.2 of the NIGC MICS, it was not included in the current version of

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the CNGC TICS due to the fact that CNE is prohibited from offering credit at its gaming facilities per the Cherokee Nation Constitution. It is therefore not applicable and should not be included in these definitions. CNE feels its inclusion will lead to confusion over whether credit practices can be allowed at CNE’s gaming operations.

27. §1.2 “Jackpot payout” This section states:

Jackpot payout – ~~Jackpot payout means~~ the portion of a jackpot paid by gaming machine personnel. The amount is usually determined as the difference between the total posted jackpot amount and ~~the coins paid out~~ accumulated credit paid by the machine. May also be the total amount of the jackpot.

This is a modification of the definition located in §542.2 of the NIGC MICS. CNE believes that replacing the phrase “coins paid out” with “accumulated credit paid” may be a violation of §22(C) of the Gaming Act. Also, it does not make sense as the word “credit” should be plural in this context. CNE recommends leaving this definition as it is currently in the CNGC TICS.

28. §1.2 “Lines of Credit” This section states:

Lines of credit - the privilege granted by a gaming operation to a patron to:(1) Defer payment of debt; or(2) Incur debt and defer its payment under specific terms and conditions.

While this definition is in §543.2 of the NIGC MICS, it was not included in the current version of the CNGC TICS due to the fact that CNE is prohibited from offering credit at its gaming facilities per the Cherokee Nation Constitution. It is therefore not applicable and should not be included in these definitions. CNE feels its inclusion will lead to confusion over whether credit practices can be allowed at CNE’s gaming operations.

29. §1.2 “Marker Credit Play,” “Marker Inventory Form,” “Marker Transfer Form,” and “Master Credit Record” These sections state:

Marker credit play - players are allowed to purchase chips using credit in the form of a market.

Marker inventory form - a form maintained at table games or in the gaming operation pit that are used to track marker inventories at the individual table or pit. of markers from the pit to the cage.

Marker transfer form - a form used to document transfers of markers from the pit to the cage.

Master credit record - a form to record the date, time, shift, game, table, amount of credit given, and the signatures or initials of the persons extending the credit.

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While these definitions are in §542.2 of the NIGC MICS, they were not included in the current version of the CNGC TICS due to the fact that CNE is prohibited from offering credit at its gaming facilities per the Cherokee Nation Constitution. These definitions are therefore not applicable and should not be included in these definitions. CNE feels their inclusion will lead to confusion over whether credit practices can be allowed at CNE’s gaming operations.

30. §1.2 “Rim Credit” This section states:

Rim credit - extensions of credit that are not evidenced by the immediate preparation of a marker and does not include call bets.

While this definition is in §542.2 of the NIGC MICS, it was not included in the current version of the CNGC TICS due to the fact that CNE is prohibited from offering credit at its gaming facilities per the Cherokee Nation Constitution. It is therefore not applicable and should not be included in these definitions. CNE feels its inclusion will lead to confusion over whether credit practices can be allowed at CNE’s gaming operations.

31. §1.2 “Soft Count” This section states:

Soft count ~~means~~ the count of the contents in a casino drop box/financial instrument storage container ~~component~~.

CNE recommends that the changes to this definition be discarded. CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition. The reason why is unclear and potentially harmful as there are requirements that unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this key is a violation of section 22(C) of the Gaming Act and it goes against the intention of the NIGC.

32. §1.2 “Statistical drop” This section states:

Statistical drop – total amount of money, chips and tokens contained in the ~~drop boxes/financial~~ casino instrument storage ~~components~~ containers, plus credit issued, minus pit credit payments in cash in the pit.

CNE recommends that the changes to this definition be discarded. CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition. The reason why is unclear and potentially harmful as there are requirements that unique to each type of component and game/kiosk. CNE recommends leaving the

language as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this key is a violation of section 22(C) of the Gaming Act and it goes against the intention of the NIGC

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33. §1.2 “Table Games” This section states:

Table games – games that are non-house ~~banked by the house or a pool~~ games, including games played in tournament format, whereby all bets are placed in a common player's pool, from which all player winnings, prizes and direct costs are paid; ~~the house or the pool~~ pays all winning bets and collects from all losing bets.

CNGC staff are significantly adding to the definition of “Table Games.” This definition originally came from NIGC MICS §542.2 and there was no language in this definition restricting it to those games played by a player’s pool or including the extra language CNGC staff are adding regarding tournaments and “direct costs.” These items are addressed in other sections of the CNGC TICS and CNE believes it is a violation of §22(C) of the Gaming Act to add this language to the NIGC definition. CNE also believes this would blur the line between Table and Card Games such as Poker contrary to the intentions of the NIGC.

34. §1.2 “Voucher” and “Voucher System” CNGC staff have removed these definitions in order to combine them with the definition of “cash-out tickets” As stated earlier in these comments, The term voucher and cash-out tickets refer to two separate instruments at times and there is a need for specificity in the CNGC TICS to match the requirements of the NIGC MICS. CNE suggests leaving the current definitions in the CNGC TICS.

C. Section 2 “Compliance.”

1. §2.1(B) “General” This section states:

The MICS are minimum standards and the CNGC shall establish controls as defined within these Tribal Internal Control Standards (TICS) ~~that do not conflict~~ are: (1) scrupulously consistent with those in the MICS; and (2) not impose additional standards not otherwise required under the Gaming Code, any Tribal-State Gaming Compact, MICS, NIGC regulations, or other applicable federal laws or regulations. with the MICS or the Compact.

CNE feels that the revisions of this section are unnecessary. Section 2.1(B) was written to implement the requirements of section 22(C) of the Gaming Act in the CNGC TICS. Section 22(C) states that CNGC shall not exceed or conflict with the regulations of the NIGC or any compact entered into by the Cherokee Nation. The term “scrupulously consistent” should be removed as its inclusion seems like a tool to add items that may be consistent with the NIGC MICS and the Compact, but actually exceed these requirements based on the interpretation of CNGC staff. Also, including the Gaming Act, or the “Gaming Code,” in this section is problematic as there may be sections of the Gaming Code that were constructively repealed by the passing of section 22(C) as is indicated in Opinion of the Cherokee Nation Attorney General, 2015-CNAG-06, pp. 9-11. CNE feels that the revisions of this section will confuse the otherwise straightforward language and lead to erroneous interpretations of this section and therefore suggests the revisions put forward by the CNGC staff should be rejected.

2. §2.1(C) “General” This section states:

For any overlapping areas within the internal control standards covered in 25 CFR 542 and/or related guidance for Class III, 25 CFR 543 for Class II, any additional internal controls required within any Tribal-State Gaming Compact(s), or other applicable standard, the more stringent requirement or most comprehensive standard shall prevail.

CNE believes that this section violates section 22(C) of the Gaming Act by putting forth a standard that exceeds or conflicts with the NIGC MICS for the following reasons:

1) The Guidance is not a regulation that is binding on Cherokee Nation and as stated in Part III of these comments, the Gaming Act would have to be amended to allow any Guidance requirement that exceeds, or is more “stringent,” than what is required by §§542, 543 and the Compact.;

2) NIGC MICS §542.4 states a) that if there is a direct conflict between a standard in the NIGC MICS and the Compact, then the Compact prevails, b) if the Compact standard provides a level of control that equals or exceeds what is in the NIGC MICS, then the Compact section prevails,

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and c) If the NIGC MICS standard equals or exceeds the level of control that what is in the Compact, than the NIGC MICS section prevails; CNE staff have not listed the conflict requirement in this section; and

3) This is a rule of what is to be included in the CNGC TICS and inclusion of this rule is superfluous versus simply making sure that the correct rule is included in the CNGC TICS in the first place.

For these reasons CNE suggests either removing this section or revising the language to more closely mirror the requirements in §542.4 without inclusion of the Guidance.

3. §2.3(A) “Tribal Internal Control Standards” This section states:

The CNGC must ensure that the Tribal Internal Control Standards (TICS) provide a level of control that does not exceed or conflict with the applicable standards set forth in 2.1(A-C) of this section. ~~the MICS and the Compact~~. The CNGC shall, in accordance with the tribal gaming ordinance, determine whether and to what extent revisions are necessary to ensure compliance.

CNE disagrees with the removal of the language limiting the CNGC TICS to the NIGC MICS and the Compact and adding references to previous sections of the proposed TICS which allow for less strict boundaries than §22(C) allows. (See comments C(3) & (4) above). This section was written to ensure that CNGC followed the requirements of section 22(C) of the Act. This section is also based on NIGC MICS §§543.(b) & (b)(1) which state:

(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.

(1) Evaluation of existing TICS. Each TGRA must, in accordance with the tribal gaming ordinance, determine whether and to what extent their TICS require revision to ensure compliance with this part.

By replacing the standards with references to earlier sections, this section will violate Section 22(C)'s plain language that exceeding NIGC regulations or the Compact is prohibited.

4) **§§2.3(B) (1-4) “Tribal Internal Control Standards”** These sections state:

The CNGC shall establish deadlines for compliance with these Tribal Internal Control Standards (TICS) and shall ensure compliance with those deadlines as set forth by the National Indian Gaming Commission (NIGC) and in accordance with the Cherokee Nation gaming ordinance, Title 4 of Cherokee Nation Code Annotated, ~~and shall establish, implement, and revise the control standards within this document as follows .~~ Tribal Internal Control Standards shall:

~~1. These Tribal Internal Control Standards shall p~~ Provide a level of control that does not exceed or conflict with ~~those standards set forth in 25 CFR Part 542 and 543,~~ the minimum

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standards, as provided for in 2.1(B) of this part;

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2. Contain standards for currency transaction reporting that comply with IRS regulations and 31 CFR Chapter X; and
3. Establish standards for games authorized that are not currently addressed. ~~in this part; and,~~
4. ~~Gaming operations. Each gaming operation shall develop and implement an internal control system that, at a minimum, complies with the tribal internal control standards and is approved by CNGC.~~

CNE disagrees with the proposed revisions for the following reasons:

1. In accordance with the NIGC MICS, the CNGC, and the Cherokee Nation Tribal Council, this section was included in the current CNGC TICS in order to ensure that the proper requirements of the NIGC MICS were being met and also that the intentions of the Cherokee Nation Tribal Council were being followed in the establishment of the CNGC TICS. It appears that CNGC staff are trying to remove these standards through its proposed revisions. Section 2.3(B) is based on two sections of the NIGC MICS, §543.3(b) and 543.3(b)(1). (See comment C(4) above). CNGC staff proposes to remove the language in this section “shall establish, implement, and revise the document as follows” by replacing it with sentence “Tribal Internal Control Standards shall. . .” Even though this is a small change, coupled with the changes to the following sections this change undermines the original purpose of these sections;
2. In the proposed §2.3B(1), CNGC staff proposes language that limits the CNGC TICS from “those standards set forth in 25 CFR Part 542 and 543” and replaces it with a reference to §2.1(B). CNE feels that this is a violation of section 22(C) of the Act as CNGC staff is proposing to replace a clear standard from the NIGC and the Act with the more nebulous standard of “scrupulously consistent” it has created in §2.1(B). *See* comment C(2) above;
3. CNGC staff remove §2.3(B)(4) which establishes the regulatory regime for CNE’s SICS as designed by the NIGC. The removed language is based on NIGC MICS §542.3(d) which states:
Gaming operations. Each gaming operation shall develop and implement an internal control system that, at a minimum, complies with the tribal internal control standards.

This section was put in here in order to ensure compliance with the regulatory regime that requires CNE’s to implement a System of Internal Control Standards in order to comply with the CNGC TICS. It does not make any sense why the CNGC staff would

remove this requirement from the CNGC TICS. CNE suggests leaving the language of this section intact.

- 5) **§2.7 “CPA Testing and Guideline”** See Part II and A(13) of these comments.

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D. Section 4 “General Provisions” CNGC staff proposed revisions for Section 4 in two separate tables that covered the same sections. CNE is responding to those items that it was able to ascertain were actual proposed revisions.

1. **§4.2 “General Provisions” (first table)** This section states:

The CNGC has established TICS that are applicable to all ~~employees~~ agents permitted and/or licensed by the CNGC.

Throughout the proposed revision to the CNGC TICS, CNGC staff have replaced the term “employee” with “agents” where the language is not similar in the NIGC MICS. CNE believes that this will lead to confusion and is not entirely accurate. Agency implies being able to act on the behalf of the gaming operation. While employees do have some limited agency, it is not complete and is limited by CNE’s internal policies and procedures. Also, the term “agent” is used in many instances in IRS and Title 31 compliance to denote someone who is executing a transaction on behalf of another party. CNE spends a lot of time to ensure compliance in how these agents are treated and specifically states that employees are not agents for compliance purposes. Therefore, CNE believes that all substitutions of “agents” for “employees” should be removed from the proposed SICS where the language has not been changed in the NIGC MICS.

2. **§4.5 “Currency and Cash Equivalent Controls” (both tables)** In the first table, this section states:

Each gaming operation shall establish internal control systems sufficient to ensure that currency (other than tips or gratuities) received from a patron in the gaming area is promptly placed in a locked container in the table, or, in the case of a cashier, in the appropriate place in the cashier's cage, or on those games which do not have a locked casino instrument storage container (CISC) or on card game tables, in an appropriate place on the table, in the cash register or in another approved repository.

In the second table, this section states:

Each gaming operation shall establish internal control systems sufficient to ensure that currency (other than tips or gratuities) received from a patron in the gaming area is promptly placed in a locked ~~box~~ container in the table, or, in the case of a cashier, in the appropriate place in the cashier's cage, or on those games which do not have a locked casino instrument storage container (CISC) ~~drop box~~, or on card game tables, in an appropriate place on the table, in the cash register or in another approved repository.

Both of these proposed revisions use the language of NIGC MICS §542.19(e).

However, both proposed sections replace the terms “box” and “drop box” with the term “casino instrument storage container (CISC).” As stated in Comments B(12-16) and B(18-21) of this document,

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CNGC staff are exceeding the NIGC MICS by combining all of the drop boxes and other financial storage components into one definition, “casino instrument storage container.” For the reasons stated in those sections of these Comments, CNE suggests discarding these revisions and utilizing the plain language of NIGC MICS §542.19(e) for this section.

3. §4.8 “Signature Attestation” (first table) This section states:

When the standards in this document address the need for signature authorizations, unless otherwise specified, that signature shall be the full name of the employee agent or initials (as required), and employee agent's identification number, in legible writing.

Same as comment D(1) above.

4. §4.9 “Supervisory Line of Authority” (first table) This section states:

For each area of the gaming operation, supervision must be provided as needed by an agent(s) with authority equal to or greater than those being supervised.

CNGC staff have removed the contents from this section from various sections of the CNGC TICS and has applied it to all areas of the gaming operation. This is not what the NIGC MICS require. The NIGC MICS applies this language in §543.8(a) (Bingo), §543.9(a) (Pull Tabs), §542.12(h) (Pit supervisory personnel), §543.10(a) (Card Room operations), §543.17(a) (Drop & Count), §543.18 (Cage), §543.12(a) (gaming promotions & player tracking), §543.13(a)(complimentaries), §543.20(a)(1) & (2) (Information Technology), §543.24 (revenue audit), and §543.21 (Surveillance). While exhaustive, this is not all the personnel that make up CNE’s gaming operations and it was not the intention of the NIGC to apply this standard to all personnel in a gaming operation or they would have done so. CNE also believes that by having this section apply to the entire gaming operation, there would be confusion over whether these Standards applied to nongaming departments and activities. Since this section exceeds the NIGC MICS, CNE believes it should be removed as it is a violation of §22(C) of the Gaming Act.

5. §4.9(C) “Supervisory Line of Authority” (first table) This section states:
The gaming operation shall provide the CNGC with a chart of the supervisory lines of authority (i.e. organizational charts) with respect to those directly responsible for the conduct of gaming at least annually, and shall promptly notify the CNGC of any material changes. The CNGC shall provide the SCA with the proper organization charts and notify the SCA of any changes.

CNGC staff modify the language of Part 5(H) of the Compact and add it to this section. Part 5(H) states:

Supervisory Line of Authority. The enterprise shall provide the TCA and SCA with a chart of the supervisory lines of authority with respect to those directly responsible for the conduct of

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covered games, and shall promptly notify those agencies of any material changes thereto.

CNE suggests modifying the proposed language to replace “conduct with gaming” to “conduct of covered games” in order to not exceed the requirements of the Compact. The Compact does not govern all gaming at CNE’s gaming facilities; only those “covered games” as defined by the Compact, namely Class III games. CNE also has Class II games and it would not be in the SCA’s jurisdiction to receive that information. In fact, it would be a breach of the sovereignty of the Cherokee Nation to provide this information to the State of Oklahoma if it was not specifically detailed in the agreement between the two governments. The proposed section also adds an annual requirement that is not required by Part 5(H) of the Compact. By including all gaming and this added requirement in this section, the proposed language would be a violation of §22(C) of the Gaming Act.

In the second table the following language from Part 5(H) of the Compact is added:

Supervisory Line of Authority. The enterprise operation shall provide the CNGC and State with a chart of the supervisory lines of authority with respect to those directly responsible for the conduct of covered games, and shall promptly notify both agencies of any material changes.

Here the CNGC staff acknowledges that this section only relates to the conduct of “covered games” as stated in the Compact. So, if CNGC staff are choosing between the two proposed revisions, CNE suggests the latter to ensure compliance with the Compact and to avoid a violation of §22(C) of the Gaming Act.

6. **§4.9(D) “Supervisory Line of Authority” (first table)** This section states:

Agent(s) of the gaming operation must comply with the licensing requirements outlined in CNGC Rules & Regulations, Chapter V.

Again, CNGC staff uses the term “agent” instead of “employee.” See comment D(1) above.

7. **§4.10 “Records” (first table)** This section states:

~~In addition to other recordkeeping requirements contained in the TICS, the CNGC shall keep a~~

~~record of, and shall report at least quarterly to the SCA, the number of covered games in each facility, by the name or type of each and its identifying number.~~ The gaming operation shall maintain the following records for no less than three (3) years from the date generated:

The proposed language removes a task required of CNGC as stated in Part 5M of the Compact which states:

Records of Covered Games. The TCA shall keep a record of, and shall report at least quarterly to the SCA, the number of covered games in each facility, by the name

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or type of each and its identifying number.

CNE strongly suggests that this language not be removed in order to make sure that Cherokee Nation is not in violation of the Compact.

8. **§4.10 “Records” (first table)** CNGC staff removes the following section from the CNGC TICS:

~~Payout from the conduct of all covered games;~~

CNE strongly suggests that this language not be removed in order to make sure that Cherokee Nation is not in violation of the Compact. The Compact requires that a record of this information be kept in Part 5(C)(2).

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E. Section 5 “Live Bingo” CNGC staff change the title of this section to “Live Bingo” to differentiate it from electronic bingo or class II games that are “technological aids” for the play of bingo. However, the NIGC does not separate “live” bingo from any other form of bingo. This is

supported by findings in the recent NIGC Internal Control Assessment. For the sake of Compliance with §543 of the NIGC MICS, CNE suggests keeping the title of this section as “Bingo.”

1. §5.1 “Supervision” This section states:

~~Supervision must be provided as needed for bingo operations by an agent(s) with authority equal to or greater than those being supervised.~~

As stated in Comment D(4), the NIGC MICS are specific on what departments this language applies to. Removing the language from this section, as required by NIGC MICS §543.8(a), and putting the language for all departments of the gaming operation is not the intent of the NIGC MICS. Therefore, CNE believes that this language should be restored.

2. §5.5(I) “Prize Payouts” This section states:

Manual prize payouts above the following threshold (or a lower threshold, as authorized by management and approved by CNGC TGRA) must require one of the two signatures and verifications to be a supervisory or management employee independent of the operation of ~~Class II Gaming System~~ bingo:

CNE believes that the reference to Class II gaming system bingo should be restored. The removal of this qualifying language leads to the concept that this section and the subsequent thresholds could be applied to all bingo games, including live bingo. However, NIGC MICS §54308(e)(5)(i) is very clear that this section applies to Class II Gaming System bingo. To apply this standard beyond what was intended from the clear language of the NIGC MICS would exceed the standards of the MICS and therefore would be a violation of 22(C) of the Act. For these reasons, this language should be restored to its current form.

3. §5.5(L)(2) “Prize Payouts” This section states:

Amount of the payout (~~alpha & numeric for player interface payouts~~); and

This section is based on NIGC MICS §543.8(e)(6)(ii) and CNE believes that the removed language should be restored in order to comply with this section of the NIGC MICS.

4. §5.5(L)(2) “Prize Payouts” This section states:

Bingo card identifier or ~~player interface identifier.~~

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This section is based on NIGC MICS §543.8(e)(6)(iii) and CNE believes that the removed language should be restored in order to comply with this section of the NIGC MICS.

5. §5.5(M) “Prize Payouts” CNGC removed this section which states:

~~Cash payout limits shall be established in accordance with the Gaming machine payout standards in Section 11—Casino Instruments.~~

It is unclear why CNGC staff removed this section. Section 11 of the CNGC MICS does deal with Gaming machine payout standards. While CNGC staff has made changes to Section 11, CNE believes that the payout standards for Class II gaming machines that are present in Section 11 should remain to ensure compliance with NIGC MICS §543.

6. §5.6(A) “Technological Aids and Bingo Equipment” This section states:

Controls must be established and procedures implemented to safeguard the integrity of technological aids and bingo equipment used in the play of live bingo during installations, operations, modifications, removal and retirements. ~~Such procedures must include shipping and receiving; access credential control methods; recordkeeping and audit processes; software system signature verification; installation testing; display~~

~~of rules and necessary disclaimers; CNGC approval of technological aids before they are offered for play; compliance with Class II Technical Standards 25 CFR Part 547; and dispute resolution.~~

CNE believes that the removed sections should be restored. This language includes requirements straight from NIGC MICS §§543.8(g)(1-9). This language was included in this version of the CNGC TICS in order to address mistakes pointed out by the NIGC auditors during their Internal Control Assessment (“ICA”). The auditors pointed out that Cherokee Nation was not following section 543’s requirements for class II technological aids for bingo. While CNGC staff suggests breaking these requirements out in proposed CNGC TICS §§5.6(B)(1-7), they remove the requirement of NIGC MICS §543.8(8) that requires that all “Class II gaming equipment must comply with 25 CFR part 547, Minimum Technical Standards for Gaming Equipment Used With the Play of Class II Games” and put it in Section 7 “Gaming Systems.” However, as these are requirements for aids that are specifically in reference to the play of Bingo, CNE believes this requirement should remain in this section.

7. **§5.6(D) “Technological Aids and Bingo Equipment”** CNGC staff remove the following section from the proposed CNGC TICS:

Class II gaming system bingo card sales. In order to adequately record track and reconcile sales of bingo cards, the following information must be documented from the server (this is not

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required if the system does not track the information, but the system limitation(s) must be noted):

1. Date;
2. Time;
3. Number of Bingo Cards sold;
4. Dollar amount of bingo card sales; and,
5. Amount in, amount out, and other associated meter information.

This language is straight from NIGC MICS §543.8(c)(4) and in order to avoid non-compliance with the NIGC MICS, CNE suggests that the removal of this language be rejected in the proposed CNGC TICS.

8. §5.7(A) “Variances” This section states:

The operation must establish, as approved by the CNGC, the threshold level at which a variance, ~~including deviations from the mathematical expectations required by 25 C.F.R. 547.4,~~ will be reviewed to determine the cause. Any such review must be documented.

This language is straight from NIGC MICS §543.8(I) and in order to avoid non-compliance with the NIGC MICS, CNE suggests that the removal of this language be rejected in the proposed CNGC TICS.

F. Section 6 “Pull Tabs”

1. §6.1 “Supervision” This section states:

~~Supervision must be provided as needed for pull tab operations and over pull tab storage areas by an agent(s) with authority equal to or greater than those being supervised.~~

As stated in Comment D(4), the NIGC MICS are specific on what departments this language applies to. Removing the language from this section, as required by NIGC MICS §543.9(a), and putting the language for all departments of the gaming operation is not the intent of the NIGC MICS. Therefore, CNE believes that this language should be restored.

G. Section 7 “Gaming Systems”

1. **§7.1(B) “Standards for Gaming Systems”** This section states:

~~For this section only, credit or customer credit means a unit of value equivalent to cash or cash equivalent deposited, wagered, won, lost, or redeemed by a customer.~~

CNGC staff remove this section from the proposed CNGC TICS. The language in this section comes directly from NIGC MICS §542.13(a)(1) and includes important methods for interpreting certain terms when discussing gaming machines and system. By removing this language, CNGC staff remove this interpretation which can lead to confusion and noncompliance with the NIGC

MICS. Therefore, CNE requests that the language of this section be restored to the proposed CNGC TICS.

2. **§§7.1(C)(1-2), 7.11(M), 7.11(O), 7.11(R), 7.11(U), and 7.12(A).** In all of these sections “employee” is replaced with “agent.”

Throughout the proposed revision to the CNGC TICS, CNGC staff have replaced the term “employee” with “agents” where the NIGC has not made this change in the MICS. CNE believes that this will lead to confusion and is not entirely accurate. Agency implies being able to act on the behalf of the gaming operation. While employees do have some limited agency, it is not complete and is limited by CNE’s internal policies and procedures. Also, the term “agent” is used in many instances in IRS and Title 31 compliance to denote someone who is executing a transaction on behalf of another party. CNE spends a lot of time to ensure compliance in how these agents are treated and specifically states that employees are not agents for compliance purposes. Therefore, CNE believes that all substitutions of “agents” for “employees” should be removed from the proposed SICS.

3. **§7.2 “Certification and Approval”** CNGC staff have added the following language to this section:

CNGC approval of all technologic aids before they are offered for play.

Besides being grammatically incorrect and unclear, CNGC staff have already added this language to proposed CNGC TICS section 5.5(C). In that proposed section, the language is clearer stating that CNGC must approve all technological aids utilized for the play of live bingo. CNE suggest keeping the change in section 5.5(C) and removing this language from section 7.

4. **§7.2 “Certification and Approval”** This section states:

All Class II gaming equipment must comply with 25 CFR part 547, Minimum Technical

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Standards for Gaming Equipment Used With the Play of Class II Games; and

See Comment E(7) above.

5. **§7.3(E)(3) “Security of System Software”** This section states:

Verification of duplicated EPROMs, game program or other equivalent game software media before being offered for play;

CNE does not disagree with the need for the CNGC TICS to be brought up to date to reflect current technology. However, CNGC staff is using language taken from the Guidance and due to the issues enunciated in Part III of these Comments, CNE believes that this proposed section may be in danger of running afoul of §22(C) of the Gaming Act. CNE does suggest that CNGC enlist the aid of the Cherokee Nation Attorney General to determine if this language meets the requirements of §22(C). CNE believes that in this instance, it does.

6. §§7.3(E)(4)&(5) “Security of System Software”

See Comment G(5) above.

7. §7.3(G) “Security of System Software” This section states:

Gaming machines ~~with potential jackpots in excess of \$100,000~~ shall have the game software circuit boards locked or physically sealed. The lock or seal shall necessitate the presence of a person independent of the gaming machine department to access the device game program EPROM, or other equivalent game software media. If a seal is used to secure the board to the frame of the gaming device, it shall be pre-numbered.

CNGC staff removed language that is required by NIGC MICS §542.13(g)(4). CNE does believe that the removal of this language is a violation of the §22(C) of the Gaming Act in that exceeds the original standard set by the NIGC in this section. For this reason and the reasons contained in Part III of these comments, CNE suggests restoring the language to its current form.

8. §7.4(C) “Installation” This section states:

The gaming operation must maintain the following records, as applicable, related to install gaming e-servers and player interfaces machine components (including game servers, as applicable):

CNGC staff removed the specific language that this required by the NIGC to broaden the language of this section to potentially include other gaming items besides game servers and

player interfaces. CNGC staff is trying to incorporate the standards from the Guidance. This exceeds the requirements of the original section of the NIGC MICS §543.8(g)(3)(i) and therefore is a violation of §22(C) of the Gaming Act. For these

reasons and the reasons enunciated in Part III of these comments, CNE recommends that these changes be rejected in the proposed CNGC TICS.

9. §7.5(B) “Installation Testing” This section states:

Testing must be completed during the installation process to verify that the player interface/gaming machine component has been properly installed. This must include testing of the following, as applicable:

CNGC staff adds the term “component” to this section to conform with the Guidance. For the reasons enunciated in part III of these comments, CNE recommends that this change be rejected in the proposed CNGC TICS.

10. §7.5(B)(1) “Installation Testing” This section states:

Communication with the ~~Class II~~ gaming system;

CNGC staff removes the term “Class II” from this section. While the intention appears to be the inclusion of Class III games for testing purposes, this is removing a term taken directly from NIGC MICS §543.8(g)(5)(i)(A) to mirror the Guidance. For the reasons enunciated in Part III of these comments, CNE recommends that this change be rejected in the proposed CNGC TICS.

11. §7.5(B)(4) “Installation Testing” This section states:

Currency and vouchers/cash-out tickets to bill acceptor;

CNGC staff again are adding “cash-out tickets” to every instance where the term “voucher” is present. The language of this section comes directly from NIGC MICS §543.8(g)(5)(i)(D) and the term “cash-out tickets” is not used. Adding this term would be a violation of 22(C) of the Gaming Act. For this reason and the reasons enunciated in part IV(B)(6) of these comments, CNE recommends that these changes be rejected in the proposed CNGC TICS.

12. §7.5(B)(5) “Installation Testing” This section states:

Voucher/cash-out ticket printing;

See response G(11) above.

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13. §7.5(B)(8) “Installation Testing” This section states:

Player interface/gaming machine denomination, for verification;

CNGC staff adds the term “gaming machine” to this section to conform with the Guidance. For the reasons enunciated in part III of these comments, CNE recommends that this change be rejected in the proposed CNGC TICS.

14. §7.10 (B)(2)(a) “Retirement and/or Removal of Gaming Machines” This section states:

Uninstall, purge, destroy storage media, and/or return the software to the software license holder/owner; and

CNGC staff adds the term “uninstall” to this section to conform with the Guidance. The original language of this section comes from NIGC MICS § 543.8(h)(2)(ii)(A). For the reasons enunciated in Part III of these comments, CNE recommends that this change be rejected in the proposed CNGC TICS.

15. §§7.10 (B)(4)(a-b) “Retirement and/or Removal of Gaming Machines”
These sections state:

~~For other related equipment such as blowers, cards, interface cards:~~

~~Remove and/or secure equipment; and~~

~~Document the removal or securing of equipment.~~

CNGC staff have removed these requirements from this section even though the NIGC requires these standards in the NIGC MICS in sections 543.8(h)(2)(iii)(A-B). These sections apply to automated bingo and it is conceivable that CNE may provide this offering in the future. In order to maintain compliance with the NIGC MICS, CNE suggests restoring these sections to the proposed CNGC TICS.

16. §7.11 “Standards for Evaluating Theoretical and Actual Hold Percentages.”

CNGC staff have crossed out the title to this section and it is not clear whether they want to remove the title or the entire section. CNE suggests no changes either way as this section is required by the NIGC MICS and the Compact.

17. §7.11(M) “Standards for Evaluating Theoretical and Actual Hold Percentages.”

This section states:

The ~~employee~~ agent who records the in-meter reading shall either be independent of the soft

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count team or shall be assigned on a rotating basis, unless the in-meter readings are randomly verified quarterly for all gaming machines and bill acceptors by an ~~person~~ agent other than the regular in-meter reader.

CNGC staff are again replacing “employee” with the term “agent.” *See* §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

18. §7.11(O) “Standards for Evaluating Theoretical and Actual Hold Percentages.”

This section states:

Prior to final preparation of statistical reports, meter readings that do not appear reasonable shall be reviewed with gaming machine department ~~employees~~ agents or other appropriate designees, and exceptions documented, so that meters can be repaired or clerical errors in the recording of meter readings can be corrected.

See §G(17) of these comments.

19. §7.11(R) “Standards for Evaluating Theoretical and Actual Hold Percentages.”

This section states:

The statistical reports shall be reviewed by both gaming machine department management and management ~~employees~~ agents independent of the gaming machine department on at least a monthly basis.

See §G(17) of these comments.

20. §7.11(S) “Standards for Evaluating Theoretical and Actual Hold Percentages.”

This section states:

For those ~~Class III~~ gaming machines that have experienced at least one hundred thousand (100,000) or a level of wagering transactions (as established by the gaming operation and approved by the TGRA), large variances (three percent (3%) recommended) between theoretical hold and actual hold shall be investigated and resolved by a department independent of the gaming machine department with the findings documented and provided to the CNGC upon request in a timely manner. This does not include linked network games.

CNGC staff modified this section to come into conformance with the Guidance. This section was originally drafted to replicate the language of NIGC MICS §542.13(h)(19) as it applies to Class III gaming machines. Variance requirements for Class II gaming machines are located in CNGC TICS §7.11(T) which replicates the language of NIGC MICS §543.8(h) and states:

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For Class II gaming machines, the operation must establish, as approved by the CNGC, 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.

It seems as though CNGC staff want to combine the Class II and Class III requirements in these two sections, however they leave CNGC TICS §7.11(T) unaltered. By doing this, they change the requirements of the NIGC MICS in these circumstances and therefore the proposed language is a violation of §22(C) of the Gaming Act. CNE recommends the rejections of the proposed modifications to this section.

21. §7.11(U) “Standards for Evaluating Theoretical and Actual Hold Percentages.”

This section states:

Maintenance of the on-line gaming machine monitoring system data files shall be performed by a department independent of the gaming machine department. Alternatively, maintenance may be performed by gaming machine supervisory ~~employees~~ agents if sufficient documentation is generated and it is randomly verified on a monthly basis by ~~employees~~ agents independent of the gaming machine department.

See §G(17) of these comments.

22. §7.11(W) “Standards for Evaluating Theoretical and Actual Hold Percentages.”

This section states:

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.

This language comes from NIGC MICS §543.8(h) and is what CNGC TICS §7.11(T) is based on. Since it does not appear that CNGC staff has eliminated or modified §7.11(T), adding this section is redundant and confusing. CNE suggests removal of this proposed section and keeping the requirements of §7.11(T).

23. §7.12(A) “Gaming System Performance Standards” This section states: Gaming machine accounting/auditing procedures shall be performed by ~~employees~~ agents who are independent of the transactions being reviewed.

See §G(17) of these comments.

24. §7.12(C) “Gaming System Performance Standards” This section states: For weigh scale and currency interface systems, for at least one drop period per month accounting/auditing ~~employees~~ agents shall make such comparisons as necessary to the system

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generated count as recorded in the gaming machine statistical report. Discrepancies shall be resolved prior to generation/distribution of gaming machine reports.

See §G(17) of these comments. CNE moved to ticket-in ticket-out over a decade ago and there is no coin and therefore no weigh scales or a weigh scale interface on which to perform this test. CNE suggests removing this section as it is no longer applicable to CNE’s gaming operations.

25. **§7.12(F) “Gaming System Performance Standards”** This section states: For each drop period, accounting/auditing ~~employees~~ agents shall compare the bill-in meter reading to the total bill acceptor drop amount for the period. Discrepancies shall be resolved before the generation/distribution of gaming machine statistical reports.

See §G(17) of these comments.

26. **§7.12(H) “Gaming System Performance Standards”** This section states: At least annually, accounting / auditing ~~personnel~~ agents shall randomly verify that game software media changes are properly reflected in the gaming machine analysis report.

See §G(17) of these comments.

27. **§7.12(H)(1)? “Gaming System Performance Standards”** This section states: At least monthly, review statistical reports for any deviations from the mathematical expectations exceeding a threshold established by the CNGC.

CNGC creates a new section based on section 13(d)(4)(viii) of the Guidance. See Section III of these comments on why adopting this section into the CNGC TICS would be a violation of §22(C) of the Gaming Act. The content of this section is also redundant as the gaming machine statistical reports are already required to be analyzed for variances and mathematical deviation in CNGC TICS §§7.11(R) & (S) which state respectively:

(R) The statistical reports shall be reviewed by both gaming machine department management and employees independent of the gaming machine department on at least a monthly basis.

And

(S) For those Class III gaming machines that have experienced at least one hundred thousand (100,000) wagering transactions, large variances (three percent (3%) recommended) between theoretical hold and actual hold shall be investigated and resolved by a department independent of the gaming machine department with the

findings documented and provided to the CNGC upon request in a timely manner. This does not include linked network games.

The language in these current CNGC TICS sections come directly from NIGC MICS §§542.13(H)(17) & (19) respectively. The CNGC TICS also has requirements for the review of discrepancies in class II gaming machines in CNGC TICS §7.11(T) which states:

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For Class II gaming machines, the operation must establish, as approved by the CNGC, 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.

This language comes directly from NIGC MICS §543.8(h) for Class II gaming machines. Therefore, since CNGC staff cannot adopt sections of the Guidance due to the reasons enunciated in Part III of these comments and the fact that the subject matter is already covered by current CNGC sections, CNE recommends that the addition of this section be removed.

28. §7.12(H)(2)? “Gaming System Performance Standards” This section states:

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.

As in Comment G(27) above, CNGC staff are proposing to adopt a section of the Guidance into the CNGC TICS. This section comes from the “auditing revenue” section as it applies to gaming machines in the Guidance. The current NIGC MICS has no such requirement for Class III machines except the requirement to foot certain jackpot tickets on a quarterly basis in NIGC MICS §542.13(n)(1). This is codified in the current CNGC TICS in section 11.4(B). There is a requirement for Class II

machine vouchers to be footed on a sample basis in NIGC MICS §543.24(d)(1)(v) which is codified in the current CNGC TICS in section 21.2(E). By including this section, CNGC staff exceed the NIGC MICS by establishing a standard not included in the NIGC MICS or the Compact. For the reasons enunciated in part III of these comments, CNE recommends that this change be rejected in the proposed CNGC TICS.

29. §7.12(H)(3)? “Gaming System Performance Standards” This section states:

At least quarterly, unannounced weigh scale and weigh scale interface (if applicable) tests must be performed, and the test results documented and maintained. This test may be performed by internal audit or the CNGC. The result of these tests must be documented and signed by the agent(s) performing the test.

This section comes from the Guidance. However, NIGC MICS §543.24(d)(8)(ii) does have this requirement for drop and count. However, since CNE moved to ticket-in ticket-out over a decade ago, there is no coin and therefore no weigh scales or a weigh scale interface on which to perform this test. This is why this section was not included in the current CNGC TICS. For the reasons enunciated in part III of these comments and the reasons stated in this section, CNE recommends that this change be rejected in the proposed CNGC TICS.

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30. §7.12(I) “Gaming System Performance Standards” This section states:

Accounting/auditing ~~employees~~ agents shall review exception reports for all computerized gaming machine systems on a daily basis for propriety of transactions and unusual occurrences.

See §G(17) of these comments.

31. §7.12(K) “Gaming System Performance Standards” This section states:

The operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

As stated before in these comments, this requirement in relation to gaming machines is already detailed numerous times in the current CNGC TICS. Adding it again is superfluous and CNE requests that this addition to the proposed CNGC TICS be removed.

H. Section 8 “Table Games”

1. §8.1(A)(1) “General Table Games Standards” This section states:

A supervisor may function as a dealer without any other supervision if disputes are resolved by supervisory ~~personnel~~ agents independent of the transaction or independent of the table games department; or

CNGC staff are again replacing a term for employee, in this case “personnel”, with the term “agent” or “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

2. §8.1(B) “General Table Games Standards” This section states:

An ante placed and collected shall be done in accordance with the posted rules.

CNGC staff use the language from NIGC MICS §542.9(c)(5) which refers to “card games” in a CNGC TICS section that is devoted to “table games.” The NIGC separates these two types of games into two different sections in §542 of the NIGC MICS; 542.9 for card games and 542.12 for table games. The NIGC also provides to separate, but similar definitions for table games and card games in NIGC MICS §542.2 “What are the definitions for this part?” They are:

Card game means a game in which the gaming operation is not party to wagers and from which the gaming operation receives compensation in the form of a rake, a time buy-in, or other fee or payment from a player for the privilege of playing.

And,

Table games means games that are banked by the house or a pool whereby the house or the pool pays all winning bets and collects from all losing bets.

Traditionally, card games are considered to be games like poker while table games refer to those games like blackjack, etc. CNE has requested that CNGC ask for an interpretation from the NIGC of whether one casino game’s standards can be applied to

a different casino game. Until an interpretation is given, CNE suggests postponing any revision of the CNGC TICS that applies a separate game's standard to another game.

3. §8.1(C) “General Table Games Standards” This section states:

The operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

This section comes from §4(O) of the Guidance and is a standard not included in the current

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NIGC MICS. Therefore, for the reasons stated in part III of these comments, CNE suggests removal of this proposed addition to the CNGC TICS.

4. §8.2(B) “Fills and Credits” This section states:

Unissued and issued fill/credit slips shall be safeguarded and adequate procedures shall be employed in their distribution, use, and control. ~~Personnel~~ Agents from the cashier or pit departments shall have no access to the secured (control) copies of the fill/credit slips.

CNGC staff are again replacing a term for employee, in this case “personnel”, with the term “agent” or “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

5. §8.2(C) “Fills and Credits” This section states:

When a Fill/Credit slip is voided, the ~~cashier~~ agent shall clearly mark “void” across the face of the original and first copy, the cashier and one other ~~person~~ independent of the

transactions shall sign both the original and first copy, and shall submit them to the accounting/revenue audit department for retention and accountability.

CNGC staff are again replacing a term for employee, in this case “cashier”, with the term “agent.” See §D(4) of these comments. CNGC staff also remove the term “person” without substituting another term. CNGC staff also add the term “revenue audit” which is not present in the NIGC MICS sections this section is based on and therefore its addition would be a violation of §22(C) of the Gaming Act. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

6. §8.2(D) “Fills and Credits” This section states:

Fill Transactions shall be authorized by pit supervisory ~~personnel~~agents before the issuance of fill slips and transfer of chips, tokens, or cash equivalents. The fill request shall be communicated to the cage where the fill slip is prepared.

CNGC staff are again replacing a term for employee, in this case “personnel”, with the term “agent” or “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

7. §8.2(E)(1) “Fills and Credits” This section states:

One part shall be transported to the pit with the fill and, after the appropriate signatures are obtained, deposited in the CISC ~~table game drop box~~,

CNGC staff replace the term “table game drop box” with “CISC,” which is an acronym for “casino instrument storage container.” CNGC staff is combining all of the drop boxes/financial storage components into one definition—casino instrument storage container and the reason why is unclear and potentially harmful as there are requirements that are unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the

NIGC MICS. CNE also believes that changing the name of this component is a violation of §22(C) of the Gaming Act and it goes against the intention and the clear language of the NIGC MICS.

8. §8.2(E)(3) “Fills and Credits” This section states:

For computer systems, one part shall be retained in a secure manner to ensure that only authorized ~~persons~~ agents may gain access to it. For manual systems, one part shall be retained in a secure manner in a continuous unbroken form.

CNGC staff are again replacing a term for employee, in this case “persons”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

9. §8.2(F) “Fills and Credits” This section states:

For Tier C gaming operations, the part of the Fill slip that is placed in the ~~table game drop box~~ CISC shall be of a different color for fills than for credits, unless the type of transaction is clearly distinguishable in another manner (the checking of a box on the form shall not be a clearly distinguishable indicator).

See §H(7) of these comments.

10. §8.2(H) “Fills and Credits” This section states:

All fills shall be carried from the cashier's cage by an ~~person~~ agent who is independent of the cage or pit.

CNGC staff are again replacing a term for employee, in this case “person”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

11. §8.2(I) “Fills and Credits” This section states:

The fill slip shall be signed by at least the following ~~persons~~ agents (as an indication that each

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has counted the amount of the fill and the amount agrees with the fill slip):

CNGC staff are again replacing a term for employee, in this case “persons”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

12. §8.2(I)(4) “Fills and Credits” This section states:

Pit supervisory ~~personnel~~ agent who supervised the fill transaction; and,

CNGC staff are again replacing a term for employee, in this case “personnel”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

13. §8.2(K) “Fills and Credits” This section states:

A copy of the Fill slip shall then be deposited into the ~~table game drop box~~ CISC by the dealer, where it shall appear in the soft count room with the cash receipts for the shift.

See §H(7) of these comments.

14. §8.2(M)(1) “Fills and Credits” This section states:

Two parts of the credit slip shall be transported by the runner to the pit. After signatures of the runner, dealer, and pit supervisor are obtained, one copy shall be deposited in the ~~table game drop box~~ CISC and the original shall accompany transport

of the chips, tokens, markers, or cash equivalents from the pit to the cage for verification and signature of the cashier. See §H(7) of these comments.

15. §8.2(M)(2) “Fills and Credits” This section states:

For computer systems, one part shall be retained in a secure manner to ensure that only authorized ~~persons~~ agents may gain access to it. For manual systems, one part shall be retained in a secure manner in a continuous unbroken form.

CNGC staff are again replacing a term for employee, in this case “persons”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

16. §8.2(P) “Fills and Credits” This section states:

All chips, tokens, and cash equivalents removed from the tables and markers removed from the

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pit shall be carried to the cashier's cage by an agent ~~person~~ who is independent of the cage or pit.

CNGC staff are again replacing a term for employee, in this case “person”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

17. §8.2(Q) “Fills and Credits” This section states:

The credit slip shall be signed by at least the following agents ~~persons~~ (as an indication that each has counted or, in the case of markers, reviewed the items transferred)

CNGC staff are again replacing a term for employee, in this case “persons”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

18. §8.2(Q)(4) “Fills and Credits” This section states:

Pit supervisory ~~personnel~~ agent who supervised the credit transaction; and,

CNGC staff are again replacing a term for employee, in this case “persons”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

19. §8.2(Q)(5) “Fills and Credits” This section states:

The Credit slip shall be inserted in the ~~table game drop box~~ CISC by the dealer.

See §H(7) of these comments.

20. §8.3(D) “Table Inventory Forms” This section states:

If inventory forms are placed in the CISC ~~drop box~~, such action shall be performed by an ~~person~~ agent other than a pit supervisor.

CNGC staff are again replacing a term for employee, in this case “persons”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS. See also §H(7) of these comments for the substitution of “CISC” for “drop box.”

21. §§8.4(A), (C)(2), (C)(2)(a), and 8.4(C)(2)(b) “Table Games Computer Generated

Documentation Standards.” In all of these sections, CNGC staff are again replacing the terms

“employee” or “personnel” for the terms “agent” or “agents.” See §D(4) of these comments. CNE recommends leaving the language of these sections as it is in the current CNGC TICS.

22. §8.5(A)(3) “Standards for Playing Instruments” This section states:

The CNGC, or the gaming operation as approved by the CNGC, shall establish controls and ~~the operation shall comply with procedures implemented that establish~~ a reasonable time period, which shall not exceed seven (7) days, within which to mark, cancel or destroy cards or dice from play. This standard shall not apply where playing cards or dice are retained for an investigation.

CNGC staff are using language of the Guidance to establish new responsibilities for CNE in violation of §22(C) of the Gaming Act. See Part III of these comments.

23. §8.6 “Progressive Table Games” This entire section is new. CNGC staff apply NIGC MICS §549(H) which applies to “card games” to table games. CNE has written to the CNGC to request an opinion of whether §549 can apply to table games as it is originally intended for card games. Until this issue is settled CNE suggests postponing the addition of this section to the CNGC TICS.

24. §8.6 “Analysis of Table Games Performance” CNGC Staff have removed this section. In order to maintain compliance, CNE suggests leaving this language in the current section. CNGC staff placed the language of this section in Section 22 “Auditing Revenue” See U(8) and U(9) of these comments.

25. §8.7 “Accounting and Auditing Standards” CNGC Staff have removed this section.

In order to maintain compliance, CNE suggests leaving this language in the current section.

CNGC staff placed the language of this section in Section 22 “Auditing Revenue” See U(8) and U(9) of these comments.

26. **§8.7 “Marker Credit Play”** CNGC staff add a new section to this section of the CNGC TICS. This section is for Marker credit play which is included in §542 of the NIGC MICS and the Guidance. However, the inclusion of this section is pointless as CNE cannot offer any form of credit per the Cherokee Nation Constitution’s prohibition against credit and it could cause confusion as to whether it is allowed being in the CNGC TICS. CNE suggests removal of this section as it does not apply to CNE’s gaming operations.
27. **§8.8 “Name Credit Instruments Accepted in the Pit.”** CNGC staff add a new section to this section of the CNGC TICS. This section is intended for name credit instruments accepted in the Pit which is included in §542 of the NIGC MICS and the Guidance. However, CNE does not accept any checks or other name credit instruments at its pits. CNE suggests removal of this

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section as it does not apply to CNE’s gaming operations.

29. **§8.9 “Call Bets”** CNGC staff add a new section to this section of the CNGC TICS. This section is for call bets accepted in the Pit which is included in §542 of the NIGC MICS and the Guidance. However, CNE does not accept call bets at its pits. CNE suggests removal of this section as it does not apply to CNE’s gaming operations.
30. **§8.10 “Rim Credit”** CNGC staff add a new section to this section of the CNGC TICS. This section is for Rim Credit in the Pit which is included in §542 of the NIGC MICS and the Guidance. However, CNE does not utilize rim credit in its pits. CNE suggests removal of this section as it does not apply to CNE’s gaming operations.
31. **§8.11 “Foreign Currency”** CNGC staff add a new section to this section of the CNGC TICS. This section is for accepting foreign currency in the Pit which is included in §542 of the NIGC MICS and the Guidance. However, CNE does not accept foreign currency in its pits. CNE suggests removal of this section as it does not apply to CNE’s gaming operations.
32. **§§8.12 (C) & (D) “Other Standards”** These sections state:

All relevant controls from Section 20 - Information Technology will apply.

And,

Standards for revenue audit of table games are contained in Section 22 - Revenue Audit.

CNE staff use the language of the Guidance to add these sections. However, this is a violation of §22(C) of the Gaming Act as stated in Part III of these comments. Therefore, CNE suggests that these sections be removed from the proposed CNGC TICS.

33. §8.12(E) “Other Standards” This section states:

Variance. The operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

This is the second time CNGC staff have put this section in CNGC TICS section 8 for Table Games in these proposed TICS. See comment H(3) above. This section comes from §4(O) of the Guidance and is a standard not included in the current NIGC MICS. Therefore, for the reasons stated in Part III of these comments, CNE suggests removal of this proposed addition to the CNGC TICS.

1. **§9.4(A) “Standards for Playing Instruments”** CNGC staff removes this section even though it is directly from §543.10(c)(2) of the NIGC MICS. CNE suggests keeping the language of this section as it is in the current CNGC TICS.

2. **§9.6(C) “Standards for Promotional Progressive Pots and Pools”** This section states:

Promotional pool contributions shall not be placed in or near the rake circle, in the casino instrument storage container (CISC) drop box / financial instrument storage component, or commingled with gaming revenue from card games or any other gambling game.

CNGC staff replace the term “drop box” with “casino instrument storage container.” CNE believes that CNGC staff is combining all of the drop boxes/financial storage components into one definition—casino instrument storage container. The reason why is unclear and potentially harmful as there are requirements that are unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this component is a violation of §22(C) of the Gaming Act and it goes against the intention and the clear language of the NIGC MICS.

3. **§9.6(D) “Standards for Promotional Progressive Pots and Pools”** This section states:

The ~~pool~~ amount of the pools ~~shall~~ must be conspicuously displayed in the card room and shall be updated to reflect the current pool amount.

It is unclear why the language has been changed in this proposed section of the CNGC TICS, but CNE suggests leaving it in its current form for compliance purposes.

4. **§9.6(D) “Standards for Promotional Progressive Pots and Pools”** This section states:

At least once a day, increases to the posted pool amount shall be reconciled to the cash previously counted or received by the cage by ~~personnel~~ agents independent of the card room.

CNGC staff are again replacing a term for employee, in this case “personnel”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

5. §9.8(C) “Standards for Displaying Promotional Progressive Pools and Pots in Card Room” This section states:

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The contents keys shall be maintained by ~~personnel~~ an agent independent of the card room and controlled in a manner as required in Section 14 – Key and Access Controls.

CNGC staff are again replacing a term for employee, in this case “personnel”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

6. §9.9(C) “Standards for Promotional Progressive Pots and Pools Where Funds are Maintained in the Cage CNGC replace a term for employee, in this case “persons” or “personnel”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of these sections as they are in the current CNGC TICS with respect with terms for employees.

7. §9.10 “Foreign Currency” CNGC staff add a new subsection to this section of the CNGC TICS. This section is for accepting foreign currency in the Pit which is included in §542 of the NIGC MICS. However, CNE does not accept foreign currency. CNE suggests removal of this section as it does not apply to CNE’s gaming operations.

J. Section 10 “Pari-Mutuel Racing”

1. §10.2(A)(1) “Exemptions” This section states:

The simulcast service provider utilizes its own ~~employees~~ agents for all aspects of the parimutuel wagering operation;

CNGC staff are again replacing a term for employee, in this case “employees”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

2. §10.2(A)(2) “Exemptions” This section states:

The gaming operation posts, in a location visible to the public, that the simulcast service provider and its ~~employees~~ agents are wholly responsible for the conduct of pari-mutuel wagering offered at that location;

CNGC staff are again replacing a term for employee, in this case “employees”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

3. §10.2(B) “Exemptions” This section states:

Gaming operations that contract directly with a state regulated racetrack as a simulcast service provider, but whose on-site pari-mutuel operations are conducted wholly or in part by tribal operation ~~employees~~ agents, shall not be required to comply with paragraphs ~~210.89(EC)~~ through ~~210.89(IG)~~ of ~~this section~~ TICS.

CNGC staff are again replacing a term for employee, in this case “employees”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS. CNE would also like to point out that CNE has removed “accounting and auditing” functions that were

originally part of this section and moved them to Section 21 “Accounting” See comments J(40) and U(12) of these comments.

4. §10.3(B)(1) “General Standards” This section states:

The following logs shall be maintained as written or computerized records and shall be available for inspection by the Oklahoma State Bureau of Investigation and/or the Office of State Finance.

This revision is adding the language of section 9(A) of the Off-Track Wagering Compact to the CNGC TICS. It states:

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The Nation shall maintain the following logs as written or computerized records available for inspection by the OSBI and/or the OSF in accordance with this compact.

CNE suggests adding the language “in accordance with the Off-Track Wagering Compact between Cherokee Nation and the State of Oklahoma” to the proposed revisions. There are specific steps in Section 11 of the Off-Track Wagering Compact, including notice and noninterference requirements placed on the State of Oklahoma’s agencies, to protect Cherokee Nation’s gaming facilities. CNE believes that this should be part of this language as employees may not be aware of these rules for Oklahoma state agency monitoring.

5. §10.3(C)(2) “General Standards” This section states:

Any amendments or other modifications to the off-track wagering house rules must be authorized by the CNGC prior to implementation.

CNGC is adding this requirement for off-track betting house rules when it is not required by the Off-Track Betting Compact, the NIGC MICS, or the Compact. Therefore, this is a violation of §22(C) of the Gaming Act and should be removed from the proposed CNGC TICS.

6. §10.4(A)(2) “Computer System” This section states:

Provide sufficient hard disk storage with magnetic tape backup storage at a minimum of 2.1 gigabytes each or some other storage of similar or greater capacity, as approved by the CNGC;

The language is taken from section C of Appendix A Parimutel Standards of the Off-Track Wagering Compact (“Appendix”). However, CNGC staff has changed the language to include the requirement of CNGC approval for storage media. The Off-Track Wagering Compact does not give CNGC this authority. The applicable section states:

The systems provide hard disk storage in the form of dual-disk disk drives of 2.1 gigabytes each, and 2.1 gigabytes of magnetic tape for backup data or some other storage of similar or greater capacity.

CNE suggests removing the approval requirements from the proposed language of this section in order to be compliant with §22(C) of the Gaming Act.

7. §10.4(A)(3) “Computer System” This section states:

Restrict access to program source code and source location hardware to authorized source location personnel or substitute entity personnel from the signal source locations; program source code shall not be available to gaming operation agents;

The language used by CNGC staff in this section does not make sense and fundamentally changes the requirement in which this section’s language is based on. As written, CNGC is

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requiring that the pari-mutuel wagering system itself, must restrict access to the program source code and restrict the source location hardware to authorized source location personnel. Section C of the Appendix states:

Program source code shall not be available to Gaming Employees, or to Nation's data processing employees. And,
Access to the main processors located at the source location is limited to authorized simulcast provider personnel or substitute entity personnel from the signal source locations.

Neither of these paragraphs require that the pari-mutuel wagering system itself facilitate these restrictions. CNE suggests that instead of having these sections as part of §10.4(A), they be separated into two separate sections to more closely follow the language and requirements of section C of the Appendix.

8. §§10.4(B) & (C) “Computer System” In each of these sections, CNGC staff replace a term for employee, in this case “writer/cashier(s)”, with the term “agent(s).” See §D(4) of these comments. CNE recommends leaving the language of these sections as it is in the OffTrack Wagering Compact. This is also a violation of §22(C) of the Gaming Act as section C of the Appendix does not refer to anyone as an “agent” or “agents.”

9. §10.4(E) “Computer System” This section states:

The gaming operation shall establish and maintain a log of all routine and non-routine maintenance, which shall include the following information, at a minimum:

1. Date maintenance was performed;
2. Reason for maintenance;
3. Description of maintenance performed;
4. Printed name, signature, and employee number of the person performing maintenance.

CNGC staff add requirements that are not present in the Off-Track Wagering Compact for maintenance logs. Sections 9(a) and 9(a)(1) state:

Logs. The Nation shall maintain the following logs as written or computerized records available for inspection by the OSBI and/or the OSF in accordance with this compact.

...

2. Maintenance logs in relation to all gaming equipment pertaining to off-track wagering.

There are no requirements as to the content of these logs present in the Off-Track Wagering Compact requirement and therefore the addition of any would be a violation of §22(C) of the Gaming Act. CNE populates the log per normal industry standards and therefore suggests that the added restriction be removed from the proposed CNGC TICS.

10. **§10.4(F) “Computer Systems”** This section states:

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Any service agreement entered into by the gaming operation with a third-party to provide simulcast services or provide pari-mutuel wagering/totalizer services must contain provisions sufficient to establish and maintain compliance with these internal controls, the rules and regulations of the CNGC, and any tribal-state compact to which the Nation is a party. All such service agreements must be on file with the CNGC, along with any subsequent amendments or modifications.

There is nothing in the Compact, the NIGC MICS, or the Off-Track Wagering Compact that requires that service agreements for pari-mutuel wager totalizer services be submitted to CNGC. Therefore, adding this language to the CNGC TICS would be a violation of §22(C) of the Gaming Act. CNE suggests removing this section from the proposed CNGC TICS.

11. **§10.5(B) “Betting Ticket Issuance and Controls”** This section states:

~~Whenever a betting station is opened for wagering or turned over to a new writer/cashier,~~ Upon completion of bank opening procedures (the ticket agent must have received his/her bank from the cage, verified the funds, and entered bank amount on a log verifying by signature) the writer/cashier agent shall sign on by entering his/her operator code/number and password and the computer shall document and print a ticket that contains the sign-on designation, gaming operation name (or identification

number), station number, the ~~writer/cashier~~ agent identifier (user name or operator number), and the date and time.

CNGC staff are again replacing a term for employee, in this case “writer/cashier”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

12. §10.5(C)(1) “Betting Ticket Issuance and Controls” This section states:

An original, which shall be transacted and issued through a printer and given to the ~~customer~~ patron; and,

CNGC suggests removing the substitution of “patron” and leaving it as it is in the original NIGC MICS section 542.11(c)(3)(i), “customer” in order to maintain compliance with the NIGC MICS.

13. §10.5(C)(2) “Betting Ticket Issuance and Controls” This section states:

A copy that shall be recorded concurrently with the generation of the original ticket either on paper or other storage media (e.g., tape or diskette) and retained internally within the system and shall not be accessible by pari-mutuel agents.

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CNGC staff are again replacing a term for employee, in this case “personnel”, with the term “agents.” The term “personnel” is the term used in the corresponding section in the Off-Track Wagering Compact. See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

14. §10.5(C)(3) “Betting Ticket Issuance and Controls” This section states:

The computer system must print a number on each ticket which identifies each ~~writer~~ agent station.

CNGC staff are again replacing a term for employee, in this case “writer”, with the term “agent.”

The term “writer” is the term used in the corresponding section in the Off-Track Wagering Compact. See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

15. §10.5(C)(5) “Betting Ticket Issuance and Controls” This section states:

All unused tickets will be stored in the pari-mutuel storage room or other secure location approved by the CNGC. These forms are serially numbered by the computer and do not require the "sensitive" forms inventory control procedures.

This section is based on section E of the Appendix which states in the applicable paragraph:

Unused tickets will be stored in the pari-mutuel Gaming Facility storage room. These forms are serially numbered by the computer and do not require the "sensitive" forms inventory control procedures.

CNGC staff add a requirement that the other “secure location” of the unused tickets must be approved by CNGC. Inclusion of this new requirement is a violation of §22(C) of the Gaming Act, as the Appendix does not allow for another “secure location.” Therefore, CNE suggests removal of this language.

16. §10.5(E) “Betting Ticket Issuance and Controls” This section states:

The computer system will not allow a ticket to be voided after a race event post time.

This section is based on section E of the Appendix which states in the applicable paragraph:

The computer system will not allow a ticket to be voided after a race event is locked out.

CNGC staff replace “locked out” in the original Appendix language with “post time” in the new CNGC TICS section. This is a violation of §22(C) of the Gaming Act and CNE suggests using the original term as it is in the Appendix.

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17. §10.6(A)(2) “Equipment Standards” This section states:

When a patron wishes to redeem a voucher, the ~~writer/cashier~~ agent will validate the voucher by scanning the bar code or other unique identifier. The system will generate a paid ticket and the ~~writer/cashier~~ agent will pay the patron. All other procedures described concerning payouts of winning wagers will be complied with, as applicable

CNGC staff are again replacing a term for employee, in this case “writer/cashier”, with the term “agent.” The term “writer/cashier” is the term used in the corresponding section in the Appendix. See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

18. §10.7(A) “Payout Standards” This section states:

Prior to making payment on a ticket, the ~~writer/cashier~~ agent shall ~~input~~ insert the ticket into the bar code reader for verification and payment authorization.

CNGC staff are again replacing a term for employee, in this case “writer/cashier”, with the term “agent.” The term “writer/cashier” is the term used in the corresponding section in the Appendix. See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

19. §§10.7(B) & (C) “Payout Standards” In both of these sections CNGC staff are again replacing a term for employee, in this case “writer/cashier”, with the term “agent.” The term “writer/cashier” is the term used in the corresponding section in the Appendix. See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

20. §§10.7(D)(1) & (2) “Payout Standards” These sections state:

The patron must report the loss of the ticket no later than the third day following the day the race was completed, unless the patron can show circumstances where this is not possible, or unless approved by gaming facility operation management. And,

A lost ticket report will be prepared by the gaming facility operation from information supplied by the patron and must contain the following information:

In each of these sections, CNGC staff replace the word “facility” with the word “operation.” CNE suggests eliminating this substitution in order to match the source sections’ language from sections J(1) & (2) of the Appendix.

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21. §10.7(D)(3) “Payout Standards” This section states:

The lost ticket report will be delivered to the controller who will instruct an accounting agent to research the unpaid ticket tile.

CNGC staff are again replacing a term for employee, in this case “clerk”, with the term “agent.” The term “clerk” is the term used in the corresponding section in the Appendix. See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

22. §10.7(D)(3)(a) “Payout Standards” This section states:

If an unpaid ticket that matches the information on the lost ticket report cannot be located, the lost ticket report will be returned to the gaming operation manager with instructions that no payment can-be made.

CNGC staff again replace “facility” with “operation.” It does not make sense as in other sections of this document “facility” is used as well. CNE suggests eliminating

this substitution in order to match the source sections' language from section J(3)(a) of the Appendix.

23. §10.7(I)(3)(b) “Payout Standards” This section states:

If an unpaid ticket is found that matches the lost ticket report, the unpaid ticket will be "locked" in the computer system to prevent payment to other than the claimant for the holding period of one hundred twenty (120) days after the conclusion of the racing meet on which the wager was placed.

This section adds new requirements that are not present in the NIGC MICS, the Compact, or the Off-track Wagering Compact. Inclusion of this language in the proposed CNGC TICS would be violation of §22(C) of the Gaming Act and therefore CNE suggests its inclusion be removed.

24. §10.7(I)(5) “Payout Standards” This section states:

If the ticket is presented for payment within this one hundred twenty (120) day period by other than the patron represented on the lost ticket report; or if a dispute arises from the foregoing procedures, it will be the gaming Facility's operation's responsibility to resolve such disputes.

CNGC staff again replace “facility” with “operation.” It does not make sense as in other sections of this document “facility” is used as well. CNE suggests eliminating this substitution in order to match the source sections' language from section J(5) of the Appendix.

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25. §10.7(J)(3) “Payout Standards” This section states:

The mailed ticket shall be forwarded directly to the gaming facility manager where it is entered into an agent terminal for unpaid ticket update to indicate that the ticket is no longer outstanding.

CNGC staff are again replacing a term for employee, in this case “writer/cashier”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

26. §10.7(M) “Payout Standards” This section states:

The off-track wagering pari-mutuel pool distributions shall be based upon the order of finish posted at the track as 'official'. The determination of the Judges, stewards or other appropriate officials at the track shall be conclusive in determining the payoffs of the gaming operation.

CNGC staff leave out an important sentence from this section that appears in the Appendix that addresses liability for CNE’s Off-track betting operations. Section (H)(5) states:

The Gaming Facility bears no responsibility with respect to the actual running of any race or races upon which it accepts bets. In all cases, the off-track betting pari-mutuel pool distribution shall be based upon the order of finish posted at the track as 'official'. The determination of the Judges, stewards or other appropriate officials at the track shall be conclusive in determining the payoffs of the Gaming Facility. (Emphasis added).

CNE suggests inclusion of this language as it is originally written in the Appendix. Also, CNGC staff again replace “facility” with “operation.” It does not make sense as in other sections of this document “facility” is used as well. CNE suggests eliminating this substitution in order to match the source sections’ language from section (H)(5) of the Appendix.

27. §10.7(O) “Payout Standards” This section states:

The gaming operation reserves the right to refuse to accept bets on a particular entry or entries or in any or all pari-mutuel pools for what it deems good and sufficient reason.

CNGC staff again replace “facility” with “operation.” It does not make sense as in other sections of this document “facility” is used as well. CNE suggests eliminating

this substitution in order to match the source sections' language from section (H)(5) of the Appendix.

28. §§10.8(A), (B), (D), & (E) “Checkout Standards” In these sections, CNGC staff are again replacing a term for employee, in this case “writer/cashier”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

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29. §10.8(D) “Checkout Standards” This section states:

The cash drawer must be counted by the closing agent and the shift supervisor evidenced by signing the count sheet. ~~Signature of two (2) employees who have verified the cash turned in for the shift.~~ Unverified transfers of cash and/or cash equivalents are prohibited.

This section is based on section (D)(2) of the appendix which states:

The cash drawer is then counted by the cashier/writer and the shift supervisor. Both sign the count sheet. **The computer terminal is accessed to determine the writer's total cash balance. This is compared to the count sheet and variations are investigated.** (Emphasis added). CNGC staff did not include the requirement in the Appendix to check the count sheet against the computer total and to investigate any variance. CNE suggests including this language in this section in order to be in compliance with the Appendix.

30. §10.9 “Employee Wagering” This section states:

Pari-mutuel ~~employees~~ agents shall be prohibited from wagering on race events while on duty, including during break periods.

CNGC staff are again replacing a term for employee, in this case “employees”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

31. §10.10 (C)(5) “Computer Report Standards” This section states:

Amount of wagers (by ticket, agent writer/~~screen-activated machine (SAM)~~kiosk, track/event, and total);

The language of this section has been modified by CNGC staff to match section 3(e)(3)(v) of the Guidance. Please see Part III of these comments.

32. §10.10(C)(6) “Computer Report Standards” This section states:

Amount of wagers (by ticket, agent writer/~~screen-activated machine (SAM)~~kiosk, track/event, and total);

The language of this section has been modified by CNGC staff to match section 3(e)(3)(vi) of the Guidance. Please see Part III of these comments.

33. §10.10(C)(7) “Computer Report Standards” This section states:

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Tickets refunded (by ticket, agent writer, track/event, and total);

The language of this section has been modified by CNGC staff to match section 3(e)(3)(vii) of the Guidance. Please see Part III of these comments.

34. §10.10(C)(9) “Computer Report Standards” This section states:

Voucher sales/payments (by ticket, agent writer/SAMkiosk, and track/event);

The language of this section has been modified by CNGC staff to match section 3(e)(3)(ix) of the Guidance. Please see Part III of these comments.

35. §10.10(C)(10) “Computer Report Standards” This section states:

Voids (by ticket, agent writer, and total);

The language of this section has been modified by CNGC staff to match section 3(e)(3)(x) of the Guidance. Please see Part III of these comments.

36. §10.10(D)(4) “Computer Report Standards” This section states:

A Recap Report that provides daily amounts and contains information by track and total information regarding write, refunds, payouts, outs, payments on outs, and federal tax withholding for-each track. The report will also contain information regarding kiosk voucher activity.

CNGC staff change “SAM voucher activity” to “kiosk voucher activity” in contradiction to section L of the Appendix. CNE suggest a rejection of this change.

37. §10.10(D)(6) “Computer Report Standards” This section states:

A Teller Balance Report that summarizes daily activity by track and writer/ cashier, and kiosks. The report will contain the following information: tickets sold, tickets cashed, tickets canceled, draws, returns, computed cash turn-in, actual turn-in, and over/short.

CNGC staff change “SAM terminals” to “kiosks” in contradiction to section L of the Appendix. CNE suggest a rejection of this change.

38. **§10.10(D)(12) “Computer Report Standards”** This section states:

A Kiosk Activity Report that contains a summary of kiosk activity including the kiosk number,

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ticket sales, ticket cash outs, voucher sales, and voucher cash outs.

Again, CNGC staff change “SAM” to “kiosk” in contradiction to section L of the Appendix. CNE suggest a rejection of this change.

39. **§10.11 “Variances”** This section states:

The operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

The language of this section has been modified by CNGC staff to match section 3(h) of the Guidance. Please see Part III of these comments.

40. **§10.8 “Accounting and Auditing Functions”** CNGC staff have removed/moved this entire subsection from this section of the CNGC TICS and placed it in Section 21 “Auditing Revenue.” See U(12) of these comments.

K. Section 11 “Casino Instruments”

1. §11.1(B)(5) “Gaming Machine Prize Payouts” This section states:

Game outcome is not required if a computerized jackpot/~~fill~~ system is used provides a sufficient means of recording jackpots prizes won;

CNGC staff remove the term “fill” for no apparent reason. This language is based on NIGC MICS §542.13(d)(1)(iv) and in order to be in compliance with this section and §22(C) of the Gaming Act, CNE recommends rejecting its removal.

2. §11.1(B)(7) “Gaming Machine Prize Payouts” This section states:

Verification, Authorization, and Signatures

The language of this section has been modified by CNGC staff to match section 5(c)(6) of the Guidance. Please see Part III of these comments.

3. §11.1(B)(8). “Gaming Machine Prize Payouts” This section states:

~~For Class II games offering a prize payout of \$1,200 or more, as the objects are drawn, the identity of the objects is immediately recorded. Such records must be maintained for a minimum of 24 hours.~~

CNGC staff remove this section from the proposed CNGC TICS without justification. This section is direct language from NIGC MICS §543.8(d)(4)(ii) and is a requirement for class II gaming machines. CNE strongly suggests that the proposed elimination of this section be rejected.

4. §11.1(F) “Gaming Machine Prize Payouts” This section states:

Computerized jackpot/~~fill~~ systems shall be restricted so as to prevent unauthorized access and fraudulent payouts by one person as required by Section 20-information Technology of this document.

CNGC staff remove the term “fill” for no apparent reason. This language is based on NIGC MICS §542.13(d)(3) and in order to be in compliance with this section and §22(C) of the Gaming Act, CNE recommends rejecting its removal.

5. **§11.4 “Cash-out Tickets/Vouchers”** This section states:

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~~For gaming machines that utilize cash out tickets, the following standards apply. This standard is not applicable to Tiers A and B. Tier A and B gaming operations shall develop adequate standards governing the security over the issuance of the cash out paper to the gaming machines and the redemption of cash out slips.~~

CNGC staff remove this section from the proposed CNGC TICS without justification. This section is direct language from NIGC MICS §542.13(n). CNE strongly suggests that the proposed elimination of this section be rejected.

6. **§11.4(A) “Cash-out Tickets/Vouchers”** This section states:

~~Gaming machine accounting and auditing procedure standards in Section 7—Gaming Systems of this document shall apply.~~

CNGC staff remove this section from the proposed CNGC TICS without justification. Apparently, it is a move to consolidate all of the “accounting” TICS sections into Section 21 “Auditing Revenue.” However, this does not make sense as it is important that the regulated parties who view this section also understand that the accounting standards that are applicable to Gaming Systems also apply. See comment U(6) of

these comments. CNE strongly suggests that the proposed elimination of this section be rejected.

7. §11.4(A) “Cash-out Tickets/Vouchers” This section states:

For cash-out tickets/vouchers, controls must be established, and procedures implemented that include these standards.

CNGC removed section 11.4 (O) which included this requirement and placed it at the beginning of this section. However, in doing so, it has exceeded the mandate of the NIGC MICS because this section, NIGC MICS §543.8(i)(1), specifically refers to three items only and not all the NIGC MICS sections that CNGC staff are trying to include here. By increasing the standards that must be included in the controls mentioned in this section, CNGC is violating §22(C) of the Gaming Act. The addition of this section is also redundant as CNE is already charged with implementing the applicable standards in the CNGC TICS by NIGC MICS §543.3(c).

8. §11.4(B) “Cash-out Tickets/Vouchers” This section states:

~~On a quarterly basis, the gaming operation shall foot all jackpot cash-out tickets equal to or greater than \$1,200 and trace totals to those produced by the host validation computer.~~

CNGC staff remove this section from the proposed CNGC TICS without justification. Apparently, it is a move to consolidate all of the “accounting” TICS sections into

Section 21 “Auditing Revenue. However, this does not make sense as it is important that the regulated parties who view this section also understand that the accounting standards that are applicable to Gaming Systems also apply. See comment U(6) of these comments. CNE strongly suggests that the proposed elimination of this section be rejected.

9. §11.4(C) “Cash-out Tickets/Vouchers” This section states:

~~The customer may request a cash-out ticket from the gaming machine that reflects all remaining credits. The cash-out ticket shall be printed at the gaming machine by an internal document printer. The cash-out ticket/vouchers shall be valid for a time period specified by the CNGC, or the gaming operation as approved by the CNGC. Cash-out tickets may be redeemed for payment or inserted in another gaming machine and wagered, if applicable, during the specified time period.~~

CNGC staff remove the the first sentence in this section for no apparent reason. This language is based on NIGC MICS §542.13(n)(2) and in order to be in compliance with this section CNE recommends rejecting its removal.

10. §11.4(E) “Cash-out Tickets/Vouchers” This section states:

The information in paragraph ~~E~~D of this section shall be communicated to the host computer. The host computer shall verify the authenticity of the cash-out ticket and communicate directly to the cashier (redeemer) ~~of the cash-out ticket.~~

CNGC staff remove the phrase “of the cash-out ticket” from this section for no apparent reason. This language is based on NIGC MICS §542.13(n)(5) and in order to be in compliance with this section, CNE recommends rejecting its removal.

11. §11.4(F) “Cash-out Tickets/Vouchers” This section states:

If valid, the cashier (redeemer) pays the customer the appropriate amount and the cash-out ticket/voucher is electronically noted “paid” in the system. ~~The “paid” cash-out ticket shall remain in the cashier’s bank for reconciliation purposes.~~ The host validation computer system shall electronically reconcile the cashier’s banks for the paid cashed-out tickets/vouchers.

CNGC staff remove the second sentence in this section. Apparently, the removal has been made to more closely resemble the requirements in the Guidance. Please see Part III of these comments. This language is based on NIGC MICS §542.13(n)(6).

Although the Guidance matches the language of the applicable 543 section of the NIGC MICS in reference to these requirements, the inclusion of NIGC MICS §542.13(n)(6) was made to have more stringent requirements for this process. Therefore, in order to be in compliance with this section, CNE

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recommends rejecting its removal.

12. §11.4(J) “Cash-out Tickets/Vouchers” This section states:

To document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated (e.g., mutilated, expired, lost, or stolen voucher) or if the host validation computer system temporarily goes down, cashiers may redeem cash-out tickets at a cashier's station after recording the following:

CNGC staff move current CNGC TICS §11.4(O)(3) and combine it with another section. Apparently, this was needed to address the issue in comment K(8) of these comments in the movement of the requirement in CNGC TICS §11.4(O) to the beginning of this subsection. However, combining this section with material on when the host validation system goes down provides new standards for the documentation of mutilated tickets that exceed the NIGC MICS. Therefore, this move would violate §22(C) of the Gaming Act. CNE suggests that this modification be rejected.

13. §11.4(K) “Cash-out Tickets/Vouchers” This section states:

Unredeemed vouchers can only be voided in the voucher system by supervisory employees. The accounting department will maintain the voided voucher, if available.

CNGC staff move the current §11.4(S) of the CNGC TICS and makes it §11.4(K) of the proposed CNGC TICS. There does not seem to be a valid reason justifying this move and therefore CNE suggest this move be rejected in the proposed CNGC TICS.

14. §11.4(M) “Cash-out Tickets/Vouchers” This section states:

~~If the host validation computer system is down for more than four (4) hours, the gaming operation shall promptly notify the CNGC or its designated representative.~~

CNGC staff remove this section from the proposed CNGC TICS without justification. This section is direct language from NIGC MICS §542.13(n)(11). CNE strongly suggests that the proposed elimination of this section be rejected.

15. §11.4(M) “Cash-out Tickets/Vouchers” This section states:

~~These gaming machine systems~~ Cash-out ticket.voucher, and related systems shall comply with all other standards (as applicable) in this document.

CNGC staff remove this phrase “these gaming systems” from the proposed CNGC TICS and

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replace it with “cash-out ticket.voucher, and related systems.” By doing so, not only are they eliminating language that comes directly from NIGC MICS §542.13(n)(12), but they also exceed the NIGC MICS by including other systems under the phrase “and related systems.” This would be a violation of §22(C) of the Gaming Act and CNE strongly suggests that the proposed modification of this section be rejected.

16. §§11.4(O)(1-5) “Cash-out Tickets/Vouchers” CNGC staff removed these sections and tried to expand its requirements for controls over other section of the CNGC TICS that was not originally intended under the NIGC MICS. See comments K(8), K (13), and K(14) of these comments. By doing so, CNGC staff risk noncompliance with 543 of the NIGC MICS on top of violating §22(C) of the Gaming Act.

17. §11.4(S) “Cash-out Tickets/Vouchers” See comment K(13) above.

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L. Section 12 “Drop and Count”

1. **§12.1(A) “General Standards”** This section states:

~~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.~~

CNGC staff remove this language from this section as it put an overall requirement for supervision in section 4 “General Provisions” of the proposed CNGC TICS and CNE believes that this would be a violation of §22(C) of the Gaming Act to do.

Consequently, this language should remain in this section as drop and count is an area where the NIGC specifically applied this requirement in NIGC MICS §543.17(a).

2. §12.1(A) “General Standards” This section states:

All ~~table games/card games drop boxes and financial~~ casino instrument storage ~~components~~ containers (CISC) may be removed only at the time previously designated by the gaming operation and reported to the CNGC. If an emergency drop is required, surveillance must be notified before the drop is conducted and the CNGC must be informed within twenty-four hours of the emergency drop.

See B(19) of these comments. CNGC staff is combining all of the drop boxes/financial storage components into one definition. CNE believes this is potentially harmful as there are requirements that are unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this component is a violation of section 22(C) of the Gaming Act and it goes against the intentions of the NIGC.

3. §12.1(B)(1) “General Standards” This section states:

Security shall be provided over the ~~financial instrument storage components~~ CISC at all times during the drop process. See comment L(2) above.

4. §12.1(C)(2) “General Standards” This section states:

For Tier B gaming operations, the count shall be viewed live, or on video recording and/or digital record, within seven (7) days by an ~~employee~~ agent independent of the count.

CNGC staff are again replacing a term for employee, in this case “employee”, with the term “agent.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

5. §12.1(C)(2) “General Standards” This section states:

Count room ~~personnel~~ agents shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. Surveillance shall be notified whenever count room ~~personnel~~ agents exit or enter the count room during the count.

CNGC staff are again replacing a term for employee, in this case “personnel”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

6. §§12.1(D)(4)(a) & (b) “General Standards” These sections state:

~~The surveillance system must monitor and record with sufficient clarity a general overview of all areas where cash or cash equivalents may be stored or counted; and,~~

~~The surveillance system must provide coverage of count equipment with sufficient clarity to view any attempted manipulation of the recorded data.~~

CNGC staff remove these sections from the proposed CNGC TICS. Presumably, these have been moved to the Surveillance section. However, since these sections are so intimately tied with drop and count standards, CNE suggest that their removal from this section be rejected.

7. §12.1(D)(2) “General Standards” This section states:

Access to stored full ~~financial instrument storage components~~ CISC must be restricted to:

See comment L(2) above.

8. §12.1(D)(2)(a) “General Standards” This section states:

Authorized ~~members~~ agents of the drop and count teams; and

CNGC staff are again replacing a term for employee, in this case “members”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

9. §12.2(A)(2) “Drop Standards” This section states:

At least two agents must be involved in the removal of the CISC, at least one of whom is independent of the card games department.

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This section is being added in but CNE believes its insertion is redundant as the subsequent section states the same requirement. Also, the use of the term “CISC” in this section is confusing due to the fact that it can refer to any “Casino Instrument Storage Container” as defined by CNGC staff including those for kiosks, table games, card games, or gaming machines.

10. §12.2(A)(3) “Drop Standards” This section states:

~~Table Games/Card game drop boxes / financial instrument storage components~~ CISC must be removed and 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 and department being dropped, until the count takes place.

See comment L(2) above for the use “CISC.” CNE also wants to point out that it the use of the term “CISC”confuses which areas this standard applies to without the qualifying language of “table games” and “card games.” It also expands the requirement of one person being independent of the department and shift being

dropped to include others that use a CISC, such as e-games, which does not have a shift restriction. This would be exceeding the NIGC MICS for e-games and a violation of §22(C) of the Gaming Act. Therefore, again, CNE suggests the abandonment of the CISC naming convention for financial instrument storage containers.

11. §12.2(A)(5)(a) “Drop Standards” This section states:

All locked card game ~~drop boxes / financial instrument storage components~~ CISC must be removed from the tables by an agent independent of the pit/card game shift being dropped;

See comment L(2) above.

12. §12.2(A)(5)(b) “Drop Standards” This section states:

For any tables opened during the shift, a separate ~~drop box / financial instrument storage component~~ CISC must be placed on each table, or a gaming operation may utilize a single ~~drop box / financial instrument storage component~~ CISC with separate openings and compartments for each shift; and

See comment L(2) above.

13. §12.2(A)(5)(c) “Drop Standards” This section states:

~~Table Games / Card game drop boxes / financial instrument storage components~~ CISC must be transported directly to the count room or other equivalently secure area with comparable controls by a minimum of two agents, at least one of whom is independent of the card game shift being

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dropped, until the count takes place. The ~~drop boxes / financial instrument storage components~~ CISC shall be locked in a secure manner until the count takes place.

See comment L(2) above.

14. §12.2(A)(6) “Drop Standards” This section states:

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

The addition of the term “cards” could lead to confusion as it widely assumed and established by the NIGC regulatory structure that this term refers to “card” games such as Poker and not Table Games. CNE suggests removing this term to avoid confusion.

15. §12.2(A)(7) “Drop Standards” This section states:

All ~~table game/card game drop boxes / financial instrument storage components~~ CISC 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.

See comment L(2) above.

16. §12.2(A)(8) “Drop Standards” This section states:

If ~~drop boxes / financial instrument storage components~~ CISC are not placed on all tables, then the pit department shall document which tables were open during the shift.

See comment L(2) above.

17. §12.2(B) “Drop Standards” This section states:

Gaming Machines and ~~Financial Instrument Storage Component~~ CISC Drop

See comment L(2) above.

18. §12.2(B)(1) “Drop Standards” This section states:

For Tiers A and B gaming operations, at least two agents must be involved in the removal/transportation of the gaming machine storage ~~component~~ container drop, at least one of whom is independent of the gaming machine department. For Tier C gaming operations, a minimum of three ~~employees~~ agents shall be involved in the removal of the gaming machine

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drop, at least one of who is independent of the gaming machine department.

The addition of the term “transportation” is not a NIGC MICS requirement and the addition of it in this section would be a violation of §22(C) of the Gaming Act.

For the replacement of the term “component” with the term “container,” see comment L(2) above. There is also the introduction of “gaming machine storage container” which is not consistent with the definitions section.

CNGC staff are again replacing a term for employee, in this case “employees”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

19. §12.2(B)(2) “Drop Standards” This section states:

The ~~financial instrument storage components~~ CISC must be removed by an agent independent of the gaming machine 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.

See comment L(2) above.

20. §12.2(B)(3) “Drop Standards” This section states:

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

It is unclear why CNGC staff removed this section as it is required by NIGC MICS §§542.21(e)(3)(i), 542.31(e)(4)(i), 542.41(e)(4)(i), and 543.17(e)(4)(i). CNE recommends rejecting this section’s removal from the proposed CNGC TICS.

21. §12.2(B)(4) “Drop Standards” This section states:

~~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.~~

It is unclear why CNGC staff removed this section as it is required by NIGC MICS §§542.21(e)(3)(ii), 542.31(e)(4)(ii), 542.41(e)(4)(ii), and 543.17(e)(4)(ii). CNE recommends rejecting this section’s removal from the proposed CNGC TICS.

22. §12.2(B)(5) “Drop Standards” This section states:

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All ~~financial instrument storage components~~ CISC must be posted with a number corresponding to a permanent number on the player interface.

See comment L(2) above.

23. §12.3(A)(1) “Count Standards” This section states:

For instances in which the number of count team ~~members~~ agents refer to three (3) ~~employees~~ agents, Tier A and B gaming operations may utilize two (2) ~~employees~~ agents with no fewer than two (2) agents in the count room until the drop proceeds have been accepted into cage/vault accountability. ~~as provided for in the gaming operation's SICS.~~

CNGC staff are again replacing a term for employee, in this case “employees”, with the term “agents.” See §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

CNGC staff are also adding adding a requirement that is already present in the subsequent section of the CNGC TICS with the added language about employees being in the count room until the drop proceeds have been entered into vault accountability. This is unnecessary and repetitive and CNE suggests rejecting this insertion.

24. §12.3(A)(1) “Count Standards” This section states:

~~Count room personnel are not allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. Surveillance must be notified of each time.~~

It is unclear why CNGC staff removed this section as it is required by NIGC MICS § 543.17(b)(1). CNE recommends rejecting this section’s removal from the proposed CNGC TICS.

25. §12.3(A)(6) “Count Standards” This section states:

Count team agents must be independent of the department being reviewed and counted and independent of the cage/vault department. A cage cashier/~~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.

CNGC staff modify this section to exceed the NIGC MICS standard. This section is based on NIGC MICS §543.17(c)(5) which states:

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

There is no requirement in the NIGC MICS that the count team agents be “independent of the cage/vault department” and the NIGC MICS specifically allow a cage cashier or vault agent to participate as a count team agent if they are not the sole recorder and do not participate in transfer of drop proceeds to the cage/vault. For this reason, CNE believes that added language is a violation of §22(C) of the Gaming Act and this modification should be rejected.

26. §12.3(E) “Count Standards” This section states:

~~Table Game/Cards drop boxes/financial~~ All CISC instrument storage components, kiosk and financial instrument storage must be individually emptied and counted in such a manner as to prevent the commingling of funds between containers and kiosks until the contents have been recorded. The count of each container shall adhere to the following:

Instead of the language put forward by the CNGC staff, CNE suggests using the language of the NIGC MICS section this section is based on. NIGC MICS §543.17(g)(8) states:

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.

This way, there will be no conflict with the NIGC MICS and a potential 22(C) of the Gaming Act violation.

27. §12.3(E)(1) “Count Standards” This section states:

The count of each ~~Table Game/Cards drop boxes/financial instrument storage components, kiosk and financial instrument storage components~~ CISC must be recorded in ink or other permanent form of recordation.

See comment L(2) above.

28. §12.3(E)(1) “Count Standards” This section states:

For counts that do not utilize a currency counter, A a second count must be performed by an agent ~~member~~ of the count team who did not perform the initial count. Separate counts of chips and tokens must always be performed by ~~members~~ agents of the count team.

CNGC staff are again replacing a term for employee where it has not been replaced by the NIGC

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MICS, in this case “member(s)”, with the term “agent(s).” See NIGC MICS § 543.17(f)(6)(ii). See also §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

29. §12.3(E)(3) “Count Standards” This section states:

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

CNE believes CNGC staff made a mistake here. This is actually CNGC TICS §12.3(E)(5) and it does not look like CNGC is intending to move this section from its

current position to replace §12.3(E)(3). This section should state, as it does in the current CNGC TICS:

Coupons or other promotional items not included in gross revenue must be recorded on a supplemental document. All single-use coupons must be cancelled daily by an authorized agent to prevent improper recirculation.

Even though CNE believes that this replacement was not done intentionally, CNE recommends this section remain as it is in the current CNGC TICS.

30. §12.3(E)(4) “Count Standards” This section states:

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 (2) count team ~~members~~ agents. Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team ~~members~~ agents who verified the change.

CNE objects to the second substitution of “members” for “agents” in this section as it is not based on a substitution made in the NIGC MICS. NIGC MICS §§542.21(f)(4)(ii),

542.31(f)(4)(ii), and 542.41(f)(4)(ii) state:

Corrections to information originally recorded by the count team on soft count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change. (Emphasis added).

In order to follow the conditions of §22(C) of the Gaming Act, CNE suggests the second substitution be rejected.

31. §12.3(E)(5) “Count Standards” This section states:

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

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CNGC staff are again replacing a term for employee where it has not been replaced in the NIGC MICS, in this case “member”, with the term “agent.” See NIGC MICS § 543.17(f)(7). See also §D(4) of these comments. CNE recommends leaving the language of this section as it is in the current CNGC TICS.

32. §12.3(E)(6) “Count Standards” This section states:
Two counts of the currency rejected by the currency counter must be recorded per CISC ~~casino instrument storage container~~, as well as in total. Rejected currency must be posted to the CISC ~~casino instrument storage container~~ from which it was collected.

See comment L(2) above.

33. §12.3(E)(7) “Count Standards” This section states:
Each ~~table games/cards drop box and financial instrument storage component~~ CISC, when empty, must be shown to another count team member, 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.

See comment L(2) above.

34. §12.3(F)(2) “Count Standards” This section states:

Pit marker issue and payment slips (if applicable) removed from the CISC ~~table game drop box / financial instrument storage component~~ shall either be:

See comment L(2) above.

35. §12.3(F)(3) “Count Standards” This section states:

Foreign currency exchange forms (if applicable) removed from the ~~table game drop boxes/ financial instrument storage components~~ CISC shall be reviewed for the proper daily exchange rate and the conversion amount shall be recomputed by the count team. Alternatively, this may be performed by accounting/auditing employees.

See comment L(2) above.

36. §12.3(F)(4) “Count Standards” This section states:

The opening/closing table and marker inventory forms must be either:

While the addition of the term “marker” matches what is in the NIGC MICS, it is not applicable

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to CNE gaming operations as CNE does not use markers. CNE suggests either adding the same language used in the NIGC—“if applicable”—after the term “Marker” or removing it entirely from this section.

37. §12.3(F)(4)(b) “Count Standards” This section states:

If a computerized system is used, accounting personnel can trace the opening/closing table and marker inventory forms to the count sheet. Discrepancies must be investigated with the findings documented and maintained for inspection.

CNE does not use markers and suggests rejecting this addition as it is not applicable.

38. §12.3(G) “Count Standards” This section states:

The count sheet must be reconciled to the total drop by a count team ~~member~~ agent who may not function as the sole recorder, and variances shall be reconciled and

documented. This standard does not apply to vouchers/cash-out tickets removed from CISC financial instrument storage components.

CNE suggests returning this to the original language of NIGC MICS §543.17(g)(13) which states:

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. Otherwise, CNE believes that the modifications by CNGC staff will violate §22(C) of the Gaming Act. See comment L(2) above.

39. §12.5(A) “Kiosks” This section states:

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

See comment L(2) above. CNE suggests using the same language as NIGC MICS §543.17(h) which states:

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:

40. §12.5(A)(1) “Kiosks” This section states:

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Surveillance must be notified prior to the CISC or currency cassettes being accessed in a kiosk.

This requirement is not present in any section of the NIGC MICS or the Compact. While this is best practice and CNE includes this requirement in its SICS for the drop process, adding this to the CNGC TICS would be a violation of §22(C) of the Act.

41. §12.5(A)(2) “Kiosks” This section states:

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

See comment L(2) above.

42. §12.5(A)(3) “Kiosks” This section states:

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

See comment L(2) above.

43. §12.5(A)(4) “Kiosks” This section states:

Redeemed vouchers/cash-out tickets and pulltabs (if applicable) collected from the kiosk must be secured and delivered to the appropriate department (~~cage or~~ accounting/revenue audit) for reconciliation.

In order to avoid a violation of §22(C) of the Gaming Act, CNE suggests using the language of NIGC MICS §543.17(h)(4), which states:

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

By eliminating the cage from the NIGC standard, CNGC staff are conflicting with the NIGC standards as spelled out in NIGC MICS §543.17(h)(4).

44. §12.5(B) “Kiosks” This section states:

Access to stored full kiosk ~~financial instrument storage components~~ CISC and currency cassettes must be restricted to:

See comment L(2) above.

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45. §12.5(D) “Kiosks” This section states:

The kiosk ~~financial instrument storage components~~ CISC 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.

See comment L(2) above.

M. Section 13 “Cage Operations”

1. §13.1(A) “General Cage Standards” This section states:

~~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 CNGC, will be acceptable.~~

The language of this section is taken directly from NIGC MICS §542.14(a) which states: 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, will be acceptable

CNE does not understand why this section is removed from the proposed CNGC TICS and recommends that its removal be rejected in order to maintain compliance with the NIGC MICS.

2. §13.1(B) “General Cage Standards” This section states:

~~Supervision must be provided as needed for cage, vault, kiosk, and other operations using cash or cash equivalents by an agent(s) with authority equal to or greater than those being supervised.~~

CNGC staff have removed this language from this subsection because it is placing this requirement for all operational departments in section 4 “General Provisions.”

However, this exceeds the requirements of the NIGC MICS and is a violation of §22(C) of the Gaming Act. The NIGC in NIGC MICS §543.18(a) specifically applies this section to cage operations, therefore CNE suggests rejecting this section’s removal from the proposed CNGC TICS.

3. §13.1(F) “General Cage Standards” This section states:

~~Checks are not allowed to be held. that are not deposited in the normal course of business, as established by management, (held checks) are subject to standards in Section X Lines of Credit.~~

CNE is not allowed to offer credit due to the requirements of the Cherokee Nation constitution and therefore it is unable to hold checks. Adding this language that allows credit violates the Cherokee Nation constitution and therefore CNE believes that this section should remain as it is in the current CNGC TICS.

4. §13.1(D) “General Cage Standards” This section states:

The CNGC, or the gaming operation as approved by the CNGC, shall establish and the operation shall comply with a minimum bankroll formula to ensure the gaming operation maintains cash or cash equivalents (on hand and in the bank, if readily accessible) in an amount sufficient to satisfy obligations to the operation's ~~customers~~ patrons as they are incurred. ~~A suggested~~

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~~bankroll formula will be provided by the CNGC upon request.~~

When drafting the current CNGC TICS, it was decided that the more stringent requirements of the NIGC MICS would be included when deciding which comparable sections in §§542 or 543 would be used. This section is based on NIGC MICS §542.14(d)(3) which states:

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 a minimum bankroll formula to ensure the gaming operation maintains cash or cash equivalents (on hand and in the bank, if readily accessible) in an amount sufficient to satisfy obligations to the gaming operation's customers as they are incurred. A suggested bankroll formula will be provided by the Commission upon request. (Emphasis added).

CNGC staff deletes the sentence that provides that CNGC will provide a suggested bankroll formula if requested. CNE suggests instead of eliminating this sentence, that CNGC staff make clear that the “commission” being referred to in this sentence is the

NIGC and not the CNGC, as this is consistent with the definition included in §542 of the MICS.

5. §13.4(B) “Kiosks” This section states:

Currency cassettes must be counted and filled by an ~~employee~~ agent and verified independently by at least one ~~employee agent~~, who was not involved in the initial count and fill of the cassette, all of whom must sign each cassette.

CNGC staff are adding language from §10(d)(2) of the Guidance that is not included in the NIGC MICS section this subsection based on. The phrase “who was not involved in the initial count and fill of the cassette” is not included in 543.18(d)(2) which states:

Currency cassettes must be counted and filled by an agent and verified independently by at least one agent, all of whom must sign each cassette.

Therefore, CNE suggests, for the reasons illustrated in part III of these comments, that CNGC rejected the proposed insertion of this phrase.

6. §13.4(D) “Kiosks” This section states:

The CNGC or the gaming operation, subject to the approval of the CNGC, must develop and implement physical security controls and procedures that safeguard the integrity of the kiosk system. ~~over the kiosks~~. Controls should address the following: forced entry, evidence of any entry, and protection of circuit boards containing programs.

CNGC staff add requirements to this section that exceed the NIGC MICS. The language of this section is based on 543.18(d)(4) which states:

The TGRA or the gaming operation, subject to the approval of the TGRA, must develop and

implement physical security controls over the kiosks. Controls should address the following: forced entry, evidence of any entry, and protection of circuit boards containing programs. CNGC staff add the phrase “and procedures that safeguard the integrity of the kiosk system.” This exceeds the NIGC MICS and therefore is a violation of §22(C) of the Gaming Act. CNE suggests the additional language be removed from this section.

7. §13.5(A) “Customer Deposited Funds” This section states:

A file for the ~~customer~~ patron shall be prepared prior to acceptance of a deposit.

CNGC staff replace “customer” with “patron” CNE suggests using the original language of the NIGC MICS section is based on. NIGC MICS § 542.14(c)(8) states:

A file for customers shall be prepared prior to acceptance of a deposit.

CNE suggests using the NIGC language to avoid noncompliance with the NIGC MICS. CNE also suggests removing this section as it is not applicable. CNE does not accept any customer deposits.

8. §13.5(B) “Customer Deposited Funds” This section states:

The CNGC, or the gaming operation as approved by the CNGC, shall establish and the operation shall comply with procedures that verify the ~~customer's~~ patron's identity, including photo identification.

CNGC staff replace “customer” with “patron” CNE suggests using the original language of the NIGC MICS section is based on. NIGC MICS §542.14(c)(7) states:

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 verify the customer's identity, including photo identification.

CNE suggests using the NIGC language to avoid issues with noncompliance with the NIGC MICS. CNE also suggests removing this section as it is not applicable. CNE does not accept any customer deposits.

9. §13.5(C) “Customer Deposited Funds” This section states:

Only cash and approved cash equivalents/casino instruments shall be accepted from ~~customers~~ patrons for the purpose of a customer patron deposit.

CNGC staff replace “customer” with “patron” CNE suggests using the original language of the NIGC MICS section is based on. NIGC MICS §542.14(c)(6) states:

Only cash, cash equivalents, chips, and tokens shall be accepted from customers for the purpose of a customer deposit.

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CNE suggests using the NIGC language to avoid issues with noncompliance with the NIGC MICS. CNE also suggests removing this section as it is not applicable. CNE does not accept any customer deposits.

10. §13.5(D) “Customer Deposited Funds” This section states:

All ~~customer~~ patron deposits and withdrawal transactions at the point of transaction shall be recorded on a cage accountability form on a per-shift basis.

CNGC staff replace “customer” with “patron” CNE suggests using the original language of the NIGC MICS section is based on. NIGC MICS § 542.14(c)(5) states:

All customer deposits and withdrawal transactions at the cage shall be recorded on a cage accountability form on a per-shift basis.

CNE suggests using the NIGC language to avoid issues with noncompliance with the NIGC MICS. CNE also suggests removing this section as it is not applicable. CNE does not accept any customer deposits.

11. §13.5(F)(7) “Customer Deposited Funds” This section states:

Dollar amount of deposit/withdrawal (for foreign currency transactions include the US dollar equivalent, the name of the foreign country, and the amount of the foreign currency by denomination);

CNGC staff add language from the NIGC MICS section addressing foreign currency, but this is not applicable to CNE’s gaming operations as CNE does not accept foreign currency for any reason. CNE also does not accept any customer deposits.

12. §13.5(F)(9) “Customer Deposited Funds” This section states:

~~Nature of deposit (cash, check, chips); however,~~

CNGC removes this section for no apparent reason. However, this section is based on required language in NIGC MICS §543.18(e)(2)(v) which states:

Nature of deposit/withdrawal; and

CNE suggests replacing this deletion with the language contained in §543.18(e)(2)(v) CNE also suggests removing this section as it is not applicable. Alternatively, CNE suggests removing this section as CNE does not accept any customer deposits.

13. §13.5(H) “Customer Deposited Funds” This section states:

The gaming operation, as approved by the CNGC, shall describe the sequence of the required

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signatures attesting to the accuracy of the information contained on the ~~customer~~ patron deposit or withdrawal form ensuring that the form is signed by the cashier.

CNGC staff replace “customer” with “patron” CNE suggests using the original language of the NIGC MICS section is based on. NIGC MICS § 542.14(c)(4) states:

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The gaming operation, as approved by the Tribal gaming regulatory authority, shall describe the sequence of the required signatures attesting to the accuracy of the information contained on the customer deposit or withdrawal form ensuring that the form is signed by the cashier

CNE suggests using the NIGC language to avoid issues with noncompliance with the NIGC MICS. CNE also suggests removing this section as it is not applicable. CNE does not accept any customer deposits.

14. §13.7(B) “Accounting/Auditing Standards” This section states:

A trial balance of gaming operation accounts receivable, including the name of the ~~customer~~ patron and current balance, shall be prepared at least monthly for active, inactive, settled or written-off accounts.

CNGC staff replace “customer” with “patron” CNE suggests using the original language of the NIGC MICS section is based on. NIGC MICS § 542.14(g)(2) states:

A trial balance of gaming operation accounts receivable, including the name of the customer and current balance, shall be prepared at least monthly for active, inactive, settled or written-off accounts.

CNE suggests using the NIGC language to avoid issues with noncompliance with the NIGC MICS. CNE also suggests removing this section as it is not applicable. CNE does not accept any customer deposits.

N. Section 14 “Key and Access Controls”

1. **§14.1(A) “General Standards”** This section states:

Custody of all keys involved in the drop and count, including duplicates, must be maintained by a department independent of the count and the drop agents as well as those departments being dropped and counted.

CNGC staff add the phrase “including duplicates” to this section which is taken from §543.17(j)(4) of the NIGC MICS. The MICS section does not contain the phrase. It is also redundant as the “all keys” includes duplicates. CNE suggests that in order to avoid a violation of 22(C) of the Gaming Act, CNGC reject this insertion.

2. **§§14.1(B)(1)(d-f) “General Standards”** CNGC staff add additional sections taken from §§16(c)(1)(iv-vi) of the Guidance for these sections in violation of 22(C) of the Gaming Act. See Part III of these comments.
3. **§§14.1(B)(1)(h) & (i) “General Standards”** CNGC staff add additional sections taken from §§16(c)(1)(viii) & (ix) of the Guidance for these sections in violation of 22(C) of the Gaming Act. See Part III of these comments.
4. **§14.2 “Table Games ~~Drop Box~~ / ~~Financial Casino Instrument Storage Component Container (CISC) Keys.~~”** CNGC staff modify the title of this section in order to use the “CISC” naming convention. See B(19) of these comments. CNE believes this is potentially harmful as there are requirements that are unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this component is a violation of section 22(C) of the Gaming Act and it goes against the intentions of the NIGC.
5. **§14.2(B) “Table Games Drop Box / Financial Casino Instrument Storage Component Container (CISC) Keys.”** This section states:

Procedures shall be developed and implemented to insure that unauthorized access to empty table game ~~drop boxes/financial instrument storage components~~ CISCs shall not

occur from the time the ~~boxes~~ containers leave the storage racks until they are placed on the tables.

See comment N(4) above.

6. **§14.2(F) “Table Games Drop Box / Financial Casino Instrument Storage Component Container (CISC) Keys.”** This section states:

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For Tier C operations, at least three (two for table game ~~drop box/financial instrument storage component~~ CISC keys in operations with three tables or fewer) count team members ~~agents~~ are required to be present at the time count room and other count keys are issued for the count.

See comment N(4) above.

7. **§14.3 “Table ~~g~~Game ~~drop box / financial instrument storage component~~ CISC ~~R~~release ~~k~~Keys.** CNGC staff modify the title of this section in order to use the “CISC” naming convention. See comment N(4) above.

8. **§14.3(B) “Table ~~g~~Game ~~drop box / financial instrument storage component~~ CISC ~~R~~release ~~k~~Keys.** This section states:

Only the ~~person~~ agent(s) authorized to remove table game ~~drop box / financial instrument storage components from the tables~~ CISC shall be allowed access to the table game ~~drop box / financial casino instrument storage component~~ CISC release keys; however, the count team ~~members~~ agents may have access to the release keys during the soft count in order to reset the ~~table game drop boxes / financial instrument storage components~~ containers.

See comment N(4) above.

9. ~~§14.3(C) “Table gGame drop box / financial instrument storage component CISC Rrelease kKeys.~~ This section states:

~~Persons Agents~~ authorized to remove the table game ~~drop boxes / financial instrument storage components CISC~~ shall be precluded from having simultaneous access to the table game ~~drop box / financial instrument storage component CISC~~ contents keys and release keys.

See comment N(4) above.

10. ~~§14.3(D) “Table gGame drop box / financial instrument storage component CISC Rrelease kKeys.~~ This section states:

For situations requiring access to a table game ~~drop box / financial instrument storage component CISC~~ at a time other than the scheduled drop, the date, time, and signature of ~~employee agent~~ signing out/in the release key must be documented.

See comment N(4) above. CNGC staff are again replacing a term for employee where it has not been replaced in the NIGC MICS, in this case “member”, with the term “agent.” See NIGC MICS §§543.17(j)(7), 542.41(n)(4), and 542.41(o)(4). See also §D(4) of these comments.

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11. ~~§14.5 “Financial Instrument Storage Component CISC Release Key Controls.”~~ CNGC staff modify the title of this section in order to use the “CISC” naming convention. See comment N(4) above.

12. ~~§14.5(B) “Financial Instrument Storage Component CISC Release Key Controls.”~~

This section states:

Other than the count team, ~~Only the person~~ agent(s) authorized to remove ~~financial instrument storage components~~ CISC from the gaming machines shall be allowed access to the release keys.

CNGC staff add additional language taken from §16(c)(5) of the Guidance for these sections in violation of 22(C) of the Gaming Act. See Part III of these comments.

13. §14.5(C) “~~Financial Instrument Storage Component~~ CISC Release Key Controls.”

This section states:

~~Persons~~ Agents authorized to remove the ~~financial instrument storage components~~ CISC shall be precluded from having simultaneous access to the financial instrument storage component CISC contents keys and release keys.

See comment N(4) above.

14. §14.5(D) “~~Financial Instrument Storage Component~~ CISC Release Key Controls.”

This section states:

For situations requiring access to a ~~financial instrument storage component~~ CISCs at a time other than the scheduled drop, the date, time, and signature of employee signing out/in the release key must be documented.

See comment N(4) above.

15. §14.6 ~~Financial Instrument Storage Component~~ CISC Transport Cart Keys

CNGC staff modify the title of this section in order to use the “CISC” naming convention. See comment N(4) above.

16. §14.6(B) ~~Financial Instrument Storage Component~~ CISC Transport Cart Keys

This section states:

For Tier C operations, an agent ~~person~~ independent of the gaming machine department shall be required to accompany the ~~financial instrument storage component~~ CISC storage rack keys and observe each time canisters are removed from or placed in storage racks.

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See comment N(4) above. CNGC staff are again replacing a term for employee where it has not been replaced in the NIGC MICS, in this case “person”, with the term “agent.” See NIGC MICS §§542.41(p)(1) and 542.41(q)(2). See also §D(4) of these comments.

17. §14.6(B) ~~Financial Instrument Storage Component~~ CISC Transport Cart Keys

This section states:

~~Persons~~ Agents authorized to obtain ~~financial instrument storage component~~ CISC storage rack keys and/or release keys shall be precluded from having simultaneous access to ~~financial instrument storage component~~ CISC contents keys with the exception of the count team.

See comment N(4) above.

18. §14.7 “~~Financial Instrument Storage Component~~ CISC Contents Keys”

CNGC staff modify the title of this section in order to use the “CISC” naming convention. See comment N(4) above.

19. §14.7(B) “~~Financial Instrument Storage Component~~ CISC Contents Keys”

This section states:

The physical custody of the keys needed for accessing stored, full ~~financial instrument storage component~~ CISC contents shall require involvement of ~~persons~~ agents from two separate departments, with the exception of the count team.

See comment N(4) above. CNGC staff are again replacing a term for employee where it has not been replaced in the NIGC MICS, in this case “persons”, with the term “agents.” See NIGC MICS §§542.41(r)(1) and 542.41(s)(1). See also §D(4) of these comments.

20. **§14.7(C) “~~Financial Instrument Storage Component~~ CISC Contents Keys”**
This section states:

For Tiers A and B gaming operations, access to the ~~financial instrument storage component~~ CISC contents key at other than scheduled count times shall require the involvement of at least two ~~persons~~ agents from separate departments, one of whom must be a supervisor. For Tier C gaming operations, access to the ~~financial instrument storage component~~ CISC contents key at other than scheduled count times shall require the involvement of at least three ~~persons~~ agents, one of whom must be a supervisor. The reason for access shall be documented with the signatures of all participants and observers.

See comment N(4) above. CNGC staff are again replacing a term for employee where it has not

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been replaced in the NIGC MICS, in this case “persons”, with the term “agents.” See NIGC MICS §§542.41(r)(2) and 542.41(s)(2). See also §D(4) of these comments.

21. **§14.7(D) “~~Financial Instrument Storage Component~~ CISC Contents Keys”**
This section states:

Only the count team ~~members~~ agents shall be allowed access to ~~financial instrument storage component~~ CISC contents keys during the count process.

See comment N(4) above. CNGC staff are again replacing a term for employee where it has not been replaced in the NIGC MICS, in this case “members”, with the term “agents.” See NIGC MICS §§542.41(r)(3) and 542.41(s)(3). See also §D(4) of these comments.

22. §14.11(A) “Computerized Key Systems” This section states:

Computerized key security systems which restrict access to ~~table games/cards and gaming machine drop and count keys~~ through the use of passwords, keys, or other means, other than a key custodian, must provide the same degree of control as indicated in the key control standards of this section. These standards shall be applicable to all tier levels.

CNGC staff remove the phrase “table games/cards and gaming machine drop and count keys” and expand this section beyond what is specifically required in §542 of the NIGC MICS. Sections 542.21(t), 542.21(u), 542.31(t), 542.31(u), 542.41(t), and 542.41(u), apply the requirements of these sections specifically to gaming machine and table games. CNE suggest rejection of the proposed modification of the language of this section to avoid a violation of §22(C) of the Gaming Act.

22. §14.11(B) “Computerized Key Systems” This section states:

The following ~~table games/cards and gaming machine drop and count~~ key control procedures shall apply:

CNGC staff remove the phrase “table games/cards and gaming machine drop and count keys” and expand this section beyond what is specifically required in §542 of the NIGC MICS. Sections 542.21(t)(1), 542.21(u)(2), 542.31(t)(1), 542.31(u)(2), 542.41(t)1, and 542.41(u)(2), apply the requirements of these sections specifically to gaming machine and table games. CNE suggest rejection of the proposed modification of the language of this section to a void a violation of §22(C) of the Gaming Act.

23. §14.11(B)(1) “Computerized Key Systems” This section states:

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Management personnel independent of the operational department (i.e., system administrator) shall assign and control user access to keys in the computerized key security systems to ensure that sensitive keys are restricted to authorized ~~employees~~ agents.

CNGC staff are again replacing a term for employee where it has not been replaced in the NIGC MICS, in this case “members”, with the term “agents.” See NIGC MICS §§542.21(t)(2)(i), 542.21(u)(2)(i), 542.31(t)(2)(i), 542.31(u)(2)(i), 542.41(t)(2)(i), and 542.41(u)(2)(i). See also §D(4) of these comments.

24. §§14.11(C) & (D) “Computerized Key Systems” CNGC staff have removed these sections, which apply to controls used by accounting/audit personnel for the computerized control systems, from this section of the CNGC TICS, and put them Section 21 “Auditing Revenue.” CNE believes this is a mistake due to the fact that these controls specifically apply to the subject matter of this overall section of the CNGC TICS and taking them out of context deprives operational personnel the ability to understand the requirements placed upon accounting/audit personnel of these systems and the effect of their actions in this area on other departments. See comments U(16) & (17) of these comments.

O. Section 15 “Gaming Promotions”

1. §15.1(A) “Standards for Gaming Promotions” This section states:
~~Supervision. Supervision must be provided as needed for gaming promotions by an agent(s) with authority equal to or greater than those being supervised.~~

CNGC staff have removed this language from this subsection because it is placing this requirement for all operational departments in section 4 “General Provisions.” However, this exceeds the requirements of the NIGC MICS and is a violation of §22(C) of the Gaming Act. The NIGC in NIGC MICS §543.12(a) specifically applies this section to gaming promotions, therefore CNE suggests rejecting this section’s removal from the proposed CNGC TICS.

P. Section 16 “Complimentaries”

1. **§16.1 “General Standards for ~~Complimentary Services/Items~~”** This section states:

~~Supervision. Supervision must be provided as needed for approval of complimentary services by an agent(s) with authority equal to or greater than those being supervised.~~

CNGC staff have removed this language from this subsection because it is placing this requirement for all operational departments in section 4 “General Provisions.” However, this exceeds the requirements of the NIGC MICS and is a violation of §22(C) of the Gaming Act. The NIGC in NIGC MICS §543.13(a) specifically applies this section to complimentaries, therefore CNE suggests rejecting this section’s removal from the proposed CNGC TICS.

CNE also does not understand why the term “General” has been added to this subsection as these requirements are for all comps and the NIGC does not make this distinction. CNE suggests returning to the original description of the current TICS as it conforms closer to NIGC standards.

2. **§16.1(C)(1) “General Standards for ~~Complimentary Services/Items~~”** This section states:

A listing of the agents authorized to approve the issuance of complimentary services or items, including levels of authorization;

This section is based on NIGC MICS §543.13(b)(1), however CNGC staff have added the phrase “a listing” which is not included in the original MICS section. CNE suggests removing the added phrase to avoid violating §22(C) of the Gaming Act.

3. **§16.1(C)(1) “General Standards for ~~Complimentary Services/Items~~”** This section states:

Complimentary services and items. Services and items provided at no cost, or at a reduced cost to a patron at the discretion of an agent on behalf of the gaming operation or by a third party on behalf of the gaming operation. Services and items may include, but are not limited to, travel, lodging, food, beverages, or entertainment expenses. ~~Complimentary services and items exclude any services and/or items provided, at no cost or at a reduced cost, to a person for business and/or governmental purposes, which are categorized and treated as business expenses of the gaming operation.~~

CNGC staff removes clarification that was specifically drafted and approved by the CNGC in the current CNGC TICS. CNE suggests leaving this language in to provide clarity for CNE's employees.

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4. §16.1(E) **“General Standards for Complimentary Services/Items”** This section states:

At least monthly, accounting, information technology, or audit personnel that cannot grant or receive complimentary privileges shall prepare reports that include the following information for all complimentary items and services ~~equal to or exceeding \$100 or an amount established by the CNGC, which shall not be greater than \$100~~ that meet an established threshold approved by the CNGC:

CNGC staff are removing the threshold for monthly reporting of complimentary items established by NIGC MICS §542.17(b). However, the language used by CNGC staff, “that meet an established threshold approved by the CNGC” exceeds the NIGC MICS and therefore is a violation of §22(C) of the Gaming Act. NIGC MICS §542.17(b) states:

At least monthly, accounting, information technology, or audit personnel that cannot grant or receive complimentary privileges shall prepare reports that include the following information for all complimentary items and services equal to or exceeding

\$100 or an amount established by the Tribal gaming regulatory authority, which shall not be greater than \$100. (Emphasis added).

NIGC MICS §543.13(b)(4)(i) states:

Records must include the following for all complimentary items and services equal to or exceeding an amount established by the gaming operation and approved by the TGRA (Emphasis added).

In these sections, the NIGC either requires that the threshold amount be \$100 if established by the Tribal Gaming Regulatory authority or it is an amount established by the gaming operation that is approved by the TGRA. By stating “that meet an established threshold approved by the CNGC,” the standard is left open-ended on who can establish the threshold and the amount. CNE suggests either leaving the language as it is in the current CNGC TICS or using the precise language of §543.13(b)(4)(i).

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Q. Section 17 “Player Tracking Systems”

1. **§17.1(A) “General Standards for Player Tracking System”** This section states:

~~Supervision. Supervision must be provided as needed for player tracking by an agent(s) with authority equal to or greater than those being supervised.~~

CNGC staff have removed this language from this subsection because it is placing this requirement for all operational departments in section 4 “General Provisions.” However, this exceeds the requirements of the NIGC MICS and is a violation of §22(C) of the Gaming Act. The NIGC in NIGC MICS §543.12(a) specifically applies this section to player tracking, therefore CNE suggests rejecting this section’s removal from the proposed CNGC TICS.

2. **§17.2(A) “Terms and Conditions”** This section states:

Terms and conditions for player tracking (players club) membership must be submitted and approved by the CNGC.

There is nothing in the NIGC MICS or the Compact that requires CNE’s player’s club terms and conditions to be approved by CNGC. This is a violation of §22(C) of the Gaming Act and therefore CNE suggests this section be eliminated from the proposed CNGC TICS.

3. **§§17.2(B)(1-3) “Terms and Conditions” & 17.3(C)(1-3) “Redemption Procedures”** CNGC staff use the requirements of NIGC MICS §542.13(o)(4) “Customer account generation standards” to establish requirements for Player’s Club accounts. This is a violation of §22(C) of the Gaming Act as §542.13(o)(4) does not apply to player’s club accounts. §542.13(o) states Account access cards. For gaming machines that utilize account access cards to activate play of the machine, the following standards shall apply: (Emphasis added).

These sections apply to gaming machines that require account access card to activate play of the games. CNE’s player’s club cards are not required to activate play on any gaming machine. If this were the case, every customer would be required to have an account access card. These account access cards usually require a deposit to be made on the accounts they represent. See §542.13(o)(4)(ii)(C). CNE’s player’s club accounts are not deposit accounts. CNE suggests removal of these section as they are a misapplication of NIGC MICS standards and therefore in violation of §22(C) of the Act.

R. Section 18 “Financial Transactions”

1. §18.1 “Definitions” “Customer” CNGC staff write:

“Modify - we will use Patron.”

CNE is pretty sure that this is a note for internal use for CNGC’s staff, but CNE believes that is an erroneous suggestion as the term customer is used by the U.S. federal government in its regulations for Bank Secrecy Act (“Title 31”) compliance. The definition for “customer” comes directly from 31 CFR §1021.100(c) and states:

Customer includes every person which is involved in a transaction to which this chapter applies with a casino, whether or not that person participates, or intends to participate, in the gaming activities offered by that casino.

CNE suggests leaving every instance of “customer” in this section as it is and not changing it to “patron” to ensure compliance with Title 31.

2. §18.1 “Definitions” “Knowledge of Cash Transaction or Suspicious Activity” This section states:

~~“Knowledge of Cash Transaction or Suspicious Activity” In the case of a casino, multiple currency transactions shall be treated as a single transaction if the casino has knowledge that they are by or on behalf of any person and result in either cash in or cash out totaling more than \$10,000 during any gaming day. For purposes of this section, a casino shall be deemed to have the knowledge described in the preceding sentence, if: Any sole proprietor, partner, officer, director, or employee of the casino, acting within the scope of his or her employment, has knowledge that such multiple currency transactions have occurred, including knowledge from examining the books, records, logs, information retained on magnetic disk, tape or other machine readable media, or in any manual system, and similar documents and information, which the casino maintains pursuant to any law or regulation or within the ordinary course of its business, and which contain information that such multiple currency transactions have occurred.~~

For some reason, CNGC staff have decided to eliminate this section with no apparent replacement. CNE feels that this is a major mistake as this section is directly from 31 CFR §1021.313 and establishes the primary standard of knowledge that a casino is deemed to have by the U.S. Treasury’s Financial Crimes Enforcement Division (“FinCEN”) and the IRS for reportable transactions and activity under Title 31. CNE strongly recommends that this section remain as it is currently in the CNGC TICS.

3. **§§18.1(A)&(B) “Definitions” “Monetary Instruments”** These sections state: ~~Monetary instruments. Monetary instruments include:~~

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~~A. Currency~~

~~B. Traveler’s checks in any form;~~

CNGC staff, again, make the puzzling choice to remove items defined by FinCEN in their regulations that are essential to compliance with Title 31. These definitions come from 31 CFR §§1010.100(dd)(1), 1010.100(dd)(1)(i), and 1010.100(dd)(1)(ii). The current CNGC TICS were written with an intent to be absolutely clear in what was required by the federal regulations for Title 31 compliance and the haphazard removal of items defined as “monetary instruments” puts that compliance in jeopardy. CNE suggests the rejection of this deletion.

4. **§18.1(C) “Definitions” “Negotiable Instruments”** This section states:

Negotiable Instruments - All checks and drafts ~~negotiable instruments~~ (including personal checks, business checks, official bank checks, cashier's checks, third-party checks, promissory notes (as that term is defined in the Uniform Commercial Code), and money orders) that are either in bearer form, endorsed without restriction, made out to a fictitious payee ~~(for the purposes of § 1010.340)~~, or otherwise in such form that title thereto passes upon delivery;

CNE objects to the modification of this section of the CNGC TICS for the reasons stated in comment R(3) above.

5. §18.1(D) “Definitions” This section states:

~~Incomplete instruments (including personal checks, business checks, official bank checks, cashier's checks, third party checks, promissory notes (as that term is defined in the Uniform Commercial Code), and money orders) signed but with the payee's name omitted; and~~

CNE objects to the modification of this section of the CNGC TICS for the reasons stated in comment R(3) above. Additionally, CNE may receive these types of instruments, even though it may be against policy, and it is important that CNE staff understand that these are “monetary instruments” for Title 31 compliance purposes.

6. §18.2 “General” This section states:

Pursuant to the Title 31/Bank Secrecy Act, ~~the gaming operation~~ each casino shall develop and implement a written Compliance Program and system of internal controls designed to assure and monitor compliance, which includes detailed procedures used to comply with these standards. The Compliance Program shall be approved by the CNGC. The gaming operation casino shall ensure that the system of internal controls and Compliance Program remain current in respect to any changes to Title 31 or other events could impact the validity and effectiveness of the system of internal controls or the Compliance program.

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It appears that CNGC staff have modified this section to more closely match the requirements of 31 CFR §§1021.210(b)(1) & 1021.210(a). However, CNE staff leave out the word “reasonably” as it stated in 31 CFR §1021(b)(1):

Compliance programs. (1) Each casino shall develop and implement a written program reasonably designed to assure and monitor compliance with the requirements set forth in 31 U.S.C. chapter 53, subchapter II and the regulations contained in this chapter. (Emphasis added).

CNE suggests adding the term “reasonably” to the proposed modification in order to be in compliance with the federal standard.

7. §18.2(H) “General” This section states:

IRS/FinCEN Form 8300 – Any casino that is below One Million Dollars (\$1,000,000.00) in gross annual gaming revenues and non-gaming related businesses at a casino with over One Million Dollars (\$1,000,000.00) in gross annual revenue are required to file a Form 8300 for any one transaction or aggregated cash transactions that are over Ten Thousand Dollars (\$10,000.00).

CNGC staff misinterpret and misapply the requirements for FinCEN Form 8300 in this modification. It does not apply to “casinos” as stated in the first sentence, but to non-gaming related businesses that may be housed in a casino. 31 CFR §1021.330(c) states:

Reporting of currency received in a non-gaming business. Non-gaming businesses (such as shops, restaurants, entertainment, and hotels) at casino hotels and resorts are separate trades or businesses in which the receipt of currency in excess of \$10,000 is reportable under section 5331 and these regulations. Thus, a casino exempt under paragraph (a) or (b) of this section must report with respect to currency in excess of \$10,000 received in its non-gaming businesses.

The way it is written would require CNE’s casinos to file form 8300 for any cash transaction at the casino—not at just the non-gaming businesses, and this is incorrect. CNE suggests re-writing this section to more clearly reflect the requirements of 31 CFR §1021.330(c).

8. §18.5(A)(8) “Currency Transaction Report (CTR) Procedures” This section

states:

Exchanges of currency for currency, including foreign currency; and,

CNGC staff add foreign currency to this section. While in line with the federal requirements, CNE does not accept foreign currency. CNE intently focuses on keeping its employees in compliance with all regulatory requirements, however, it becomes more difficult when there are requirements added to the CNGC TICS for practices that are not allowed by CNE by policy. It sets up disagreements between staff and management and can lead to issues in employee

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hearings. CNE suggests keeping the language as it is in the current CNGC TICS for this section as it does not allow for something that CNE does not practice.

9. §18.5(B)(8) “Currency Transaction Report (CTR) Procedures” This section states:

Exchanges of currency for currency, including foreign currency;

See comment R(8) above.

10. §18.5(D) “Currency Transaction Report (CTR) Procedures” This section states:

“Add acceptable forms of identification. Consistent with IRS standards (omit military).”

This does not appear to be a revision but an internal note by CNGC staff for a future revision. CNE can’t comment on these internal notes, but reserves its right to comment on any future revision of this section.

11. §18.5(D)(2) “Currency Transaction Report (CTR) Procedures” This section states:

“Add”

This does not appear to be a revision but an internal note by CNGC staff for a future revision. CNE can't comment on these internal notes, but reserves its right to comment on any future revision of this section.

12. §18.5(G) “Currency Transaction Report (CTR) Procedures” This section states:

~~A currency transaction report for each transaction or series of transactions, in currency, involving either cash in or cash out, of more than Ten Thousand Dollars (\$10,000.00) in a gaming day must be filed with the IRS in accordance with current IRS filing deadlines. Casinos may report both cash in and cash out transactions by or on behalf of the same customer on a single currency transaction report.~~

CNGC staff, again, make the puzzling choice to remove items defined by FinCEN in their regulations that are essential to compliance with Title 31. The language of this sections comes from 31 CFR §§1021.311 and 1021.313. The current CNGC TICS were written with an intent to be absolutely clear in what was required by the federal regulations for Title 31 compliance and the haphazard removal of items puts that compliance in jeopardy. CNE suggests the rejection of this deletion.

13. 18.7(A) “Negotiable Instruments Log (NIL) Procedures” This section states:

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Personal Checks (excluding instruments which evidence credit granted by a casino strictly for gaming, such as markers);

CNGC staff add “markers: to this section. While in line with the federal requirements, CNE does not utilize “markers.” CNE intently focuses on keeping its employees in compliance with all regulatory requirements, however, it becomes more difficult when there are requirements added to the CNGC TICS for practices that are not allowed by CNE by policy. It sets up disagreements between staff and management and can lead

to issues in employee hearings. CNE suggests keeping the language as it is in the current CNGC TICS for this section as it does not allow for something that CNE does not practice.

14. §18.8 “Suspicious Activity Report (SAR) Procedures” This section states:

Casinos shall be examined by FinCEN or its delegates for compliance with this section. Failure to satisfy the requirements of this section may be a violation of Title 31.

CNE suggests removal of this addition by the CNGC staff as CNE is not sure whether CNGC has the jurisdiction to regulate the actions of a federal agency. CNE also feels that the term “compliance with this section” is a troublesome phrase, as FinCEN or its delegates will not examine CNE’s Title 31 program based on section 18 of the CNGC TICS but rather the federal regulations concerning casino Title 31 compliance. Therefore, CNE suggests either removing this section or modifying the language to show that FinCEN or its delegates will examine a casino for its compliance with 31 CFR §1021.320, not the CNGC TICS.

S. Section 19 “Accounting”

1. **§19.1(A) “General Standards”** This section states:

All licensed gaming facilities shall be required to keep an approved gaming accounting system that shall comply with, but not be limited to the standards in this section and the regulations of the CNGC. Said accounting system shall reflect all business and financial transactions involved or connected in any manner with the gaming operation and conducting of gaming activities authorized by the CNGC. The CNGC and/or the NIGC or it's authorized agent(s) shall have access to and the right to inspect, examine, photocopy, and audit all papers, books, and records (including computer records).

CNGC staff use §40(A) of the Gaming Act, and 25 CFR §571.5 of the NIGC regulations as regulatory authority for this section. However, this does not preclude the operation of §22(C) of the Gaming Act which requires that any regulation not exceed or conflict with the requirements of the compact or NIGC regulations. 25 CFR §571.5 of the NIGC regulations does not apply to TGRAs, such as CNGC. It is specifically addressing the powers of the NIGC itself and limits itself to those matters concerned with class II gaming. “Commission” is defined in 25 CFR §502.6 as the “National Indian Gaming Commission.” CNE suggests modifying the language of this section to remove the items concerning access to and the right to inspect/examine until CNGC can find proper authority for this power.

2. **§§19.1(B)(1-5) “Use of Net Revenues”** CNGC staff utilize the language from IGRA and 25 CFR §§542.4(b)(2)(i-v) regarding the requirement of tribal gaming ordinances restrictions on the use of net revenues. While CNE does not doubt the need to abide by IGRA, this is a company and tribal matter with regard to how Net Revenues are used. The Accounting section of the CNGC TICS is not the appropriate place for these restrictions. CNE accounting does not deal with “net revenues” as defined by the NIGC; it deals with gross revenues from gaming and other activities. It also has no decision-making authority and does not observe/audit transactions that involve net revenue as all the transactions it observes or audits is connected with gaming revenue and gaming prize payouts and operation expenses. The Cherokee Nation, as a governmental entity, and Cherokee Nation Businesses is the body that makes

decisions regarding the use of “Net Revenue” and these restrictions are already placed on them through the Gaming Act. Therefore, CNE requests that this regulation be removed.

3. **§19.2(A)(2)(A) “Accounting Standards”** This section states:

Prepares detailed records of gaming activity transactions in an accounting system to identify and track all revenues, expenses, assets, liabilities (indebtedness), and equity for each gaming operation;

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CNE suggests removing the word “prepared” at the beginning of this section due to the fact that when this section is combined with the parent section 19.2(2), the text is basically using the verb prepares twice. CNE also believes that there is no need to add the term “indebtedness” after liability as this is not present in the NICS MICS and remedial language is not needed to explain the concept of liabilities to accountants.

4. **§19.2(A)(2)(b) “Accounting Standards”** This section states:

Prepares detailed records of all markers, IOU's, returned checks, held checks, or other similar credit instruments;

CNE suggests removing the word “prepared” at the beginning of this section due to the fact that when this section is combined with the parent section 19.2(A)(2), the text is basically using the verb prepares twice.

5. **§19.2(A)(2)(c) “Accounting Standards”** This section states:

Records journal entries prepared by the gaming operation and by any independent accountants;

In order to grammatically with parent section §19.2(A)(2), CNE suggests using the language from NIGC MICS §542.19(b)(6) which states:

Journal entries prepared by the gaming operation and by its independent accountants;
and

Using this will avoid the grammar problems as well as indicate the records from independent accountant will be those accountants the operation actually uses and not simply “by any independent account” as the proposed language in this section states.

6. §19.2(B)(1) “Cage Accountability” This section states:

In addition to the standards listed in section (A)(2), the cage accountability shall be reconciled to the general ledger at least monthly.

The contents of this section are already included in CNGC TICS §13.7(A) (both current & proposed) of the Cage section. It does not make sense to add them twice to this document as

Accounting must be aware of all CNGC TICS sections. Also there is no section labeled “Cage Accountability” in any sections of the NIGC MICS for Accounting. There are

Accounting/Auditing sections in Cage Operations but this is confusing because it references all of CNGC TICS §19.2(A)(2) which contains tasks that should not be performed for the Cage such as “Complies with fee calculation requirements set forth by NICS and Tribal State Compact as outlined in CNGC Rules and Regulations, Chapter IV – C.”

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7. §19.2(C)(1-5) “Cage Accountability” These sections pertain to customer accounts and credit issued by the cage. As stated before in these comments, CNE is prohibited from offering any credit at its gaming facilities by the constitution of the Cherokee Nation. There is no reason to include these

requirements in the proposed CNGC TICS. As stated in NIGC MICS §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. (Emphasis added). If in the future there is a change to the Cherokee Nation constitution and CNE decides to offer credit and/or customer accounts at the cage, then these sections will become applicable.

8. §19.2(D). “Cage Accountability” This section states:

All cage and credit accounting procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the CNGC upon request. See comment S(7) above.

9. §19.3 “Chart of Accounts” This section states:

On at least a quarterly basis, the operation shall submit a uniform Chart of Accounts and accounting classifications, to ensure consistency, comparability, and effective disclosure of financial information.

This requirement is not from the Compact or any NIGC regulation. Therefore, CNGC is prohibited from including this in a regulation as it exceeds the Compact and the NIGC requirements. CNGC staff quote §43(D) of the Gaming Act as the authority for this section, however, there is no specific requirement regarding review of a CNE “Chart of Accounts” in 43(D) and CNE believes that § 22(C) of the Gaming Act is the controlling section. CNE believes that since the most recent expression of Tribal Council must be interpreted as repealing the provisions of the Gaming Act that allow the Commission to promulgate regulations that exceed or conflict with the Compact or NIGC regulations, the sections cited by the CNGC staff, due to the fact that they conflict with §22(C), were impliedly repealed. If this section remains, CNE will request a hearing on this matter as part of the Cherokee Nation APA process.

10. §19.3(B) “Chart of Accounts” This section states:

The quarterly submission shall include all accounts related to the gaming financial statements and shall categorize each account as active/inactive, as well as identify all new/added accounts.

See comment S(9) above. CNE asks that this section be removed.

11. §19.3(C) “Chart of Accounts” This section states:
The Chart of Accounts shall include all information necessary to trace account balances to the corresponding financial statements (line items).

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See comment S(9) above. CNE asks that this section be removed.

12. §19.4(A) “Reporting Requirements” This section states:
The operation shall present unaudited financial statements to the CNGC on a monthly basis.

See comment S(9) above. CNE asks that this section be removed.

13. §19.5(E) “Gross Gaming Revenue Computation Standards” This section states:

For each card games, table games, tournaments or ~~and~~ any other game in which the gaming operation is not a party to a wager (non-house banked games), gross revenue equals all money received by the operation as compensation for conducting the game (i.e. rake, ante, commissions, entry fee, and admission fees).

While the modifications to this section are technically correct, CNE suggests using the language of NIGC MICS §542.19(d)(4) to ensure that there are no issues with §22(C) of the Gaming Act.

14. §§19.5(I) & (J)(1-7) “Gross Gaming Revenue Computation Standards”

See comment S(7) above.

15. **§19.5 (M)(1) “Gross Gaming Revenue Computation Standards”** This section states:

For non-house banked table games, players compete against a pool, rather than the "house". Gross gaming revenue is reported in accordance with paragraph XX of this section.

This section does not make sense as there is no “XX” in this section.

16. **§19.5(M)(2) “Gross Gaming Revenue Computation Standards”** This section states:

For non-house banked table games, ~~gross revenue~~ net win (i.e. players pool liability) equals the closing table bankroll, plus credit slips for cash, chips, tokens or personal/payroll checks returned to the cage, plus drop, less opening table bankroll and fills to the table, and money transfers issued from the game through the use of a cashless wagering system.

CNE believes this section is in error as CNGC staff apply it to non-house banked table games.

The NIGC is specific on the calculation of non-house banked games in NIGC MICS §542.19(d)(4) which states:

For each card game and any other game in which the gaming operation is not a party to a wager, gross revenue equals all money received by the operation as compensation for conducting the

CNE suggests using the language of this section in reference to non-house banked table games. CNGC staff have already quoted this language in §19.5(E) as well.

17. §19.6(A) “Maintenance and Preservation of Books, Records, and Documents” This section states:

The gaming operation shall maintain all accounting records and financial statements required by this section, or any other records specifically required (as applicable) in permanent form and as written or entered, whether manually or by computer, and which shall be maintained and made available for inspection by the CNGC, the NIGC, and/or the SCA (as applicable for covered games).

See comment S(1) above.

18. §19.6(B)(2) “Maintenance and Preservation of Books, Records, and Documents”

This section states:

Payout records from all wagering activities;

This language in this section is a violation of §22(C) of the Gaming Act. Part 5(C)(2)

“Records” states [p]ayout from the conduct of all covered games.” All “wagering activities” is significantly more than the covered games, or class III games, covered by the Compact and includes class II activities. CNE suggests either removing this proposed section or modifying it to match the Compact standard.

19. §19.6(6) “Maintenance and Preservation of Books, Records, and Documents”

There does not appear to be any language in this section and therefore CNE can’t comment. However, CNE reserves its right to comment when and if a proposed revision is offered per the Cherokee Nation APA process.

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T. Section 20 “Information Technology”

1. **§20.1 “General Information Technology (IT) Standards”.** This section states:

Supervision. Controls must identify the supervisory agent in the department or area responsible for ensuring that the department or area is operating in accordance with established policies and procedures. The supervisory agent must be independent of the operation of gaming activity machines.

CNGC staff change the term “machine” to “activity” to match the wording of the Guidance. As stated in Part III of these comments, this is a violation of §22(C) of the Gaming Act. CNE suggests rejecting this modification of the proposed CNGC TICS.

2. **§20.2 “Physical and Logical Security”** This section states:

Gaming systems' physical and logical controls. Controls must be established and procedures implemented to ensure adequate:

CNGC staff change the phrase “Class II gaming systems” to “gaming systems in this section.

This section is based on NIGC MICS §543.20(c) which states:

Class II gaming systems' physical and logical controls. Controls must be established and procedures implemented to ensure adequate:

Although CNE understand why this section should apply to class III gaming systems, the text of the section is clear. CNE suggests removing this modification in order to be compliant with the NIGC MICS and §22(C) of the Gaming Act.

3. §20.3(B) “Installations and/or Modifications” This section states:

Records must be kept of all new installations and/or modifications to ~~Class II~~ gaming systems. These records must include, at a minimum:

CNGC staff remove the term “Class II” to match the wording of the Guidance. As stated in part III of these comments, this is a violation of §22(C) of the Gaming Act. CNE suggests rejecting this modification of the proposed CNGC TICS.

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U. Section 21 “Auditing Revenue”

1. §21.1(A) “General” This section states:

~~Supervision. Supervision must be provided as needed for bingo revenue audit/accounting operations by an agent with authority equal to or greater than those being supervised. SICS shall conform to the Supervisory Line of Authority as provided for in Section 4—General Provisions.~~

CNGC staff have removed the language from this subsection because it is placing this requirement for all operational departments in section 4 “General Provisions.” However, this exceeds the requirements of the NIGC MICS and is a violation of §22(C) of the Gaming Act. The NIGC in NIGC MICS §543.24(a) specifically applies this section to auditing revenue, therefore CNE suggests rejecting this section’s removal from the proposed CNGC TICS.

2. §21.1(B) “General” This section states:

The performance of all revenue audit procedures, the exceptions noted, and the follow up of all revenue audit exceptions must be documented, ~~and~~ maintained for inspection, and provided to the CNGC upon request.

CNGC staff modify this section to include requirements in excess of the NIGC MICS. This section is based NIGC MICS §543.24(c) which states:

Documentation. The performance of revenue audit procedures, the exceptions noted, and the follow-up of all revenue audit exceptions must be documented and maintained.

While the NIGC MICS states that documentation showing the performance of revenue audit procedures should be provided to a TGRA upon request for table games and gaming machines in in NIGC MICS §§542.12(j)(5) and 542.13(m)(10) respectively, it does not apply this standard to all of revenue audit’s procedures. CNGC is expanding these requirements. CNE suggests removal of the added language to this section in order to avoid a violation of §22(C) of the Gaming Act.

3. §21.2 “Live Bingo Audit Standards” This section states:

Each gaming operation shall perform the following auditing/accounting functions for Live Bingo operations:

CNGC staff changed the title of this section to read “live” Bingo audit standards. However, CNE believes that this title should remain as it addresses bingo auditing standards for both “live” and gaming-machine based bingo. CNGC staff changed the

nature of this section to deal with only audits for “live bingo” The NIGC does not differentiate between the two types of Bingo in

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§543 of the NIGC MICS and in order to ensure compliance, CNE suggests leaving this section as it is and removing the qualifying text from the proposed CNGC TICS.

4. **§21.2(C) “Live Bingo Audit Standards”** This section states:

At least monthly, review variances related to bingo accounting data in accordance with an established threshold, including variances related to the receipt, issuance, and use of bingo card inventories. ~~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.~~

CNGC staff modifies this section to limit it to “live” bingo and focuses on the variances related to paper bingo card inventory. As stated in comment U(3) above, the NIGC does not differentiate between paper and electronic bingo for NIGC MICS purposes and the removal of this language compromises compliance. The modification of a NIGC MICS standard is also a violation of §22(C) of the Gaming Act. CNE suggests leaving this language as it is and if necessary, adding a subsection to §21.2 for the inventory of paper bingo cards based on NIGC MICS§543.24(d)(10)(i).

5. **§§21.2(D) & (E) “Live Bingo Audit Standards”** CNGC staff remove these sections that are in the NIGC MICS as they apply to the auditing of Bingo on gaming machines. CNE believes this a major error as these are requirements listed in NIGC MICS §§543.24(d)(1)(iv) and 543.24(d)(1)(v) of the NIGC MICS. It appears that CNGC staff have moved these sections to section 21.4 “Gaming Systems Audit Standards” and modified the language of the requirements in violation of §22(C) of the Gaming Act. In order to maintain compliance with NIGC requirements, CNE suggests the rejection of these deletions/moves/modifications.

6. **§§21.4(A-G) & (I) & (J) “Gaming Systems Audit Standards”** CNGC staff has moved these sections from CNGC TICS section 7 “Gaming Systems” to

this section. While this may be advantageous for Internal Auditors, CNE objects to this move because it does not follow the established regulatory placement of the NIGC MICS and it artificially “pigeonholes” these sections into revenue audit/accounting. The NIGC placed these sections in its gaming machine/system sections of the NIGC MICS. These sections are directly related to standards of gaming machines and all personnel who deal with gaming machines, from the operational side to accounting side, need to be aware of these requirements as they all have roles to play in ensuring the proper operation of these machines as well as the proper accounting of the income from their play. Corporate gaming personnel, for instance, need to understand what the meter readings and other actions performed by accounting/revenue audit in order to have a clear understanding of how their gaming machines are performing. Presumably, the NIGC understood this as well as they specifically put these sections in the gaming machine standards and not specifically in the “auditing revenue” sections of the NIGC

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MICS. CNE also believes that the random, haphazard placement of requirements that are pulled out of their original sections leads to confusion and possible omission of standards places Cherokee Nation in jeopardy of non-compliance. Therefore, in CNE’s opinion, the move of these sections is needless and is potentially harmful to the goal of maintaining compliance with these standards.

In §21.4(I), CNGC staff state that “accounting/auditing personnel” shall be the parties to foot all of the jackpot tickets. The NIGC MICS does not state this; §542.13(n)(1) states:

In addition to the applicable auditing and accounting standards in paragraph (m) of this section, on a quarterly basis, the gaming operation shall foot all jackpot cash-out tickets equal to or greater than \$1,200 and trace totals to those produced by the host validation computer system.

The NIGC does not specifically label the personell that must perform this task. CNE suggests using the language of NIGC MICS §542.13(n)(1) in order to avoid a violation of §22(C) of the Gaming Act.

7. **§21.5 “Analysis of Gaming System Performance Standards”** See comment U(6) above. This time, CNGC staff inexplicably move the standards for evaluating gaming machine theoretical and actual hold percentages from

CNGC TICS section 7 “Gaming Systems” to this subsection (as well as §21.4(. CNE objects for the same reasons in comment U(6).

8. **§21.5(M) “Analysis of Gaming System Performance Standards”** This section states:

Auditing/accounting agents shall review exception reports for all computerized gaming machine systems on a daily basis for propriety of transactions and unusual occurrences.

CNGC staff are again replacing a term for employee where it has not been replaced in the NIGC MICS, in this case “employees”, with the term “agents.” See NIGC MICS §542.13(m)(9). See also §D(4) of these comments.

9. **§21.6 “Table Games Standards”** Much like the sections detailed in comments U(6) & (7), this time the CNGC staff took the “accounting” sections from CNGC TICS section 8 “Table Games” and placed them in this subsection, specifically §§21.6(A-E). Then CNGC uses section 4(O) from the Guidance in violation of §22(C) of the Gaming Act in §21.6(F). Finally, CNGC staff wrongly incorporates NIGC MICS Card game standards for Table Games in §§21.6(G)(2). For these reasons and the reasons indicated in comment U(6) above, CNE suggests rejection of the changes in the proposed CNGC TICS.

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10. **§21.7 “Analysis of Table Games Performance Standards”** Much like the sections detailed in comments U(6), (7), and (9), this time the CNGC staff took the “table games performance” sections from CNGC TICS section 8 “Table Games” and placed them in this subsection, specifically §§21.7(C-E) (although it seems that CNGC staff left out the requirement for records for hold percentages). Then CNGC uses section 4(O) from the Guidance in violation of §22(C) of the Gaming Act in §21.7(F). For these reasons and the reasons indicated in comment U(6) above, CNE suggests rejection of the changes in the proposed CNGC TICS.
11. **§21.8 “Card Games Audit Standards”** This section states:

Each gaming operation shall perform the following auditing / accounting functions for Card Games operations:

This language is not part of a NIGC MICS or Compact requirement and therefore is in violation of §22(C) of the Gaming Act. CNE suggests its removal from the proposed CNGC TICS.

12. §21.8(6) “Card Games Audit Standards” This section states:

At least monthly, verify the receipt, issuance, and use of playing cards, keys, and prenumbered and/or multi-part forms related to card games operations.

This section comes from NIGC MICS §543.24(d)(10)(i), however CNGC staff have placed it in this section multiple times. CNE suggests just putting it in this section once like it is in the current CNGC TICS under §21.10 “Inventory Audit Standards.”

13. §21.9 “Pari-Mutuel Audit Standards” Much like the sections detailed in comments U(6), (7), (9), and (10) this time the CNGC staff took the “Pari-Mutuel Audit Standards” sections from CNGC TICS section 10 “Pari-Mutuel” and placed them in this subsection, specifically §§21.9(A-G) (although it seems that CNGC staff left out the NIGC requirement in §542.11(h)(1) that the audit shall be conducted by personnel independent of the pari-mutuel operation). However, while CNGC uses the requirements in NIGC MICS for these sections, it uses the language from the Guidance in violation of §22(C) of the Gaming Act. For these reasons and the reasons indicated in comment U(6) above, CNE suggests rejection of the changes in the proposed CNGC TICS.

14. §21.10 “Keno Audit Standards” The majority of this section is taken from NIGC MICS §542.10(k) “Keno Audit Standards,” but like the sections detailed in comments U(6), (7), (9), (20), and (13) above, the CNGC staff took the auditing sections from the main §542.10 section and placed them in this subsection. CNGC staff also use the language from

the Guidance as evidenced in §§21.10(A), (D), (E), (F), (G), and (K)(3) in violation of 22(C) of the Gaming Act. See part III of these comments. CNE suggests placing this entire section back in its proper place in the proposed Keno section and using the language of §542.10 instead of the guidance in the proposed CNGC TICS.

14. §21.12(A) “Complimentary Services or Items Audit Standards” This section states:

~~At least monthly, review the reports required in Section 16 – Complimentaries. These reports must be made available to those entities authorized by the CNGC or by tribal law or ordinance.~~

The language of this section comes direct from NIGC MICS §543.24(d)(5) which states:

Complimentary services or items. At least monthly, review the reports required in §543.13(c). These reports must be made available to those entities authorized by the TGRA or by tribal law or ordinance.

CNGC has moved this language to §21.12(B)(2) of this section. CNE suggests leaving this language in this section of the proposed CNGC TICS to ensure compliance with the NIGC MICS and for the reasons stated in comment U(15) below.

15. §§21.12(B)(1) & (C) “Complimentary Services or Items Audit Standards”

Much like the sections detailed in comments U(6), (7), (9), (10), and (13) CNGC staff took sections from CNGC TICS section 16 “Complimentaries” and placed them in these subsections, specifically §§21.9(A-G) For these reasons indicated in comment U(6) above, CNE suggests rejection of these changes in the proposed CNGC TICS.

16. §21.14(B)(1) “Drop and Count audit Standards” This section states:

~~At least quarterly~~ Daily, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes users’ access within the system (i.e., system administrator). Determine whether the transactions completed by the system administrator provide adequate control over the access to the drop and count keys. Also, determine whether any drop

and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized;

CNGC staff remove the requirement “quarterly” and replace it with “daily” to reflect the daily requirements of NIGC MICS §542.41(t)(3)(i) and 542.41(u)(3)(i). However, this section is based on NIGC MICS§543.24(d)(8)(iii)(A) which provides a quarterly requirement for this standard. CNE suggests leaving this language as it is as it meets the §543 standard of the NIGC MICS and it also more practical for CNE’s gaming operations.

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17. §21.14(B)(2) “Drop and Count audit Standards” This section states:

~~At least quarterly,~~ For at least one day each month, review the report generated by the computerized key security system indicating all transaction performed to determine whether any unusual drop and count key removals or key returns occurred; and

CNGC staff remove the requirement “at least quarterly” and replace it with “for at least one day each month” to reflect the daily requirements of NIGC MICS §542.41(t)(3)(ii) and 542.41(u)(3)(ii). However, this section is based on NIGC MICS§543.24(d)(8)(iii)(B) which provides a quarterly requirement for this standard. CNE suggests leaving this language as it is as it meets the §543 standard of the NIGC MICS and it also more practical for CNE’s gaming operations.

18. §§21.15(A) & (B) “Cage, Vault, Cash, and Cash Equivalents Audit Standards” CNGC removed these sections and put them in sections §19.2 (B)(1) & (2) “Accounting. CNE recommends returning them to this section.

19. §21.15(F) “Cage, Vault, Cash, and Cash Equivalents Audit Standards”
This section states:

~~At least monthly, review a sample of returned checks to determine that the required information was recorded by cage employee(s) when the check was cashed.~~

CNGC staff removed this section and moved to section 19 “Accounting” for the sections regarding credit. As stated before in these comments, CNE is not allowed to

offer credit by Cherokee law. CNE suggests restoring this section in the proposed CNGC TICS.

20. **§21.16(A) “Inventory Audit Standards”** See comment U(11) above.
21. **§21.17 “Maintenance and preservation of books, records and documents”** CNGC staff inexplicably adds this entire group of standards a second time into CNGC TICS section 21 “Auditing Revenue” when it is already in CNGC TICS section 19 “Accounting.” CNE suggests removing this entire section from the proposed CNGC TICS to avoid duplicate standards.

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V. Section 22 “Surveillance”

1. **§22.2(A)(3) “Surveillance Staffing”** This section states:

~~Supervision. Supervision must be provided as needed for surveillance by an agent(s) with authority equal to or greater than those being supervised.~~

CNGC staff have removed the language from this subsection because it is placing this requirement for all operational departments in section 4 “General Provisions.” However, this exceeds the requirements of the NIGC MICS and is a violation of §22(C) of the Gaming Act. The NIGC in NIGC MICS §543.21(a) specifically applies this section to auditing revenue, therefore CNE suggests rejecting this section’s removal from the proposed CNGC TICS.

2. **§22.3(A)(1) “Equipment Standards”** This section states:

The surveillance system must be maintained and operated ~~form~~ from a secured location, such as a locked cabinet. The surveillance system ~~shall~~ must include date and time generators that ~~possess the capability~~ to accurately record and display the date and

time of recorded events on video and/or digital recordings. The displayed date and time shall not significantly obstruct the recorded view.

CNGC staff remove language from this section that is based on NIGC MICS standards. §§542.23(d), 542.33(e), and 542.42(f) all contain the phrase “possess the capability” in this requirement. In order to avoid a violation of §22(C) of the Gaming Act, CNE suggests restoring the removed language.

3. §22.4(B) “Surveillance Activity Logs” This section states:

~~For Tiers B and C,~~ Surveillance personnel shall maintain a log of all surveillance activities. Such log shall be maintained by Surveillance operation room personnel and shall be stored securely within the Surveillance department. At a minimum, the following information shall be recorded in a surveillance log:

CNGC staff remove the term “[F]or Tiers B and C.” However, this is a violation of §22(C) of the Gaming Act as it exceeds the NIGC MICS by adding the standards for Tier B and C casinos to all casinos, including Tier A. The NIGC does not require this standard for Tier A casinos. CNE suggests restoring this language as it is in the current CNGC TICS.

4. §22.7(C) “Bingo” This section states:

The surveillance system shall monitor and record the drawing device, the game board, and the

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activities of the employees responsible for drawing, calling, and entering the balls drawn or numbers selected

CNGC staff add the term “the drawing device” to this section. This term is not present in NIGC MICS §§542.23(i), 542.33(j)(2), and 542.43(k)(2) that this section is based on. This is a violation of §22(C) of the Gaming Act and therefore, CNE suggests removing this addition.

5. §22.8(A)(1) “Gaming Machines” CNGC staff arbitrarily change the name of

the “customers” even though this change is not based on any corresponding language in NIGC MICS sections this requirement is based on. This is a violation of 22(C) of the Gaming Act and CNE suggest rejecting this modification.

6. **§22.8(A)(1) “Gaming Machines”** See comment V(5) above.

7. **§22.8(C)(1)(A) “Gaming Machines”** See comment V(5) above.

8. **§22.9(A) “Table Games”** This section states:

Except as otherwise provided in Section 22.11 below, the surveillance system of gaming operations operating four (4) or more table games shall provide at a minimum a dedicated camera(s), one (1) pan-tilt-zoom camera per two (2) tables, and surveillance must be capable of taping:

CNGC staff use the language of §15(c)(4)(i) of the Guidance to include a “dedicated camera” in this requirement. As stated in part III of these comments, this is a violation of §22(C) of the Gaming Act. CNE suggests removing the addition from this section.

9. **§22.9(A)(1) “Table Games”** See comment V(5) above.

10. **§22.9(C)(2) “Table Games”** This section states:

Have one (1) ~~overhead~~ dedicated camera at each table.

CNGC staff use the language of §15(c)(4)(i) of the Guidance to include a “dedicated camera” in this requirement. As stated in part III of these comments, this is a violation of §22(C) of the Gaming Act. CNE suggests removing the addition from this section.

11. **§22.9(D)(2) “Table Games”** See comment V(5) above.

12. **§22.10(A)(2) “Card Games”** See comment V(5) above.

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13. **§22.10(C) “Card Games”** See comment V(5) above.

14. §22.12 “Tournaments” This section states:

For card and table game tournaments, a dedicated camera(s) must be used to provide an overview of tournament activities, and any area where cash or cash equivalents are exchanged.

CNGC staff inserts “and table” to have this section apply to table games tournaments, but this is a violation of 22(C) of the NIGC MICS. CNGC staff base this insertion on §15(c)(4)(ii) of the Guidance. CNE suggests removing this insertion.

15. §§22.14(A) & (B) “Keno” CNGC staff add requirements for Keno. CNE suggests using the language of the NIGC MICS for these standards and not the language from the Guidance as has been used here to avoid a violation of 22(C) of the Gaming Act. See part III of these comments.

16. §22.15(A)(3) “Main Cage/Vaults/Soft Count/Drop and Issue” This section states:

~~For Tiers B and C only,~~ The surveillance system shall provide an overview of cash transactions. This overview should include the customer, the employee, and the surrounding area.

CNGC staff remove the term “[F]or Tiers B and C.” However, this is a violation of §22(C) of the Gaming Act as it exceeds the NIGC MICS by adding the standards for Tier B and C casinos to all casinos, including Tier A. The NIGC does not require this standard for Tier A casinos. CNE suggests restoring this language as it is in the current CNGC TICS.

17. §22.15(C)(2)(c) “Main Cage/Vaults/Soft Count/Drop and Issue” This section states:

Monitoring and recording of soft count room, including all doors to the room, all table game drop box / ~~financial~~ casino instrument storage ~~components~~ containers, safes, and counting surfaces, and all count team personnel. The counting surface area must be continuously monitored and recorded by a dedicated camera during the soft count.

See B(19) of these comments. CNGC staff is combining all of the drop boxes/financial storage components into one definition. CNE believes this is potentially harmful as there are requirements that are unique to each type of component and game/kiosk. CNE recommends leaving the language as it is to avoid potential noncompliance with the NIGC MICS. CNE also believes that changing the name of this component is a violation of section 22(C) of the Gaming Act and it goes against the intentions of the NIGC.

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W. Section 23 “Internal Audit”

1. §23.1(A) “Departmental Standards” This section states:

Controls must be established and procedures implemented that, at a minimum, address the standards required within this section.

CNGC staff use §14(C) of the Guidance as authority for this section. As stated in part III of these comments, this is a violation of §22(C) of the Gaming Act. CNE suggests the removal of this section.

2. §23.1(B) “Departmental Standards” This section states:

The internal audit personnel shall report directly to the CNGC and/or evaluate compliance on behalf of the CNGC, on all areas of regulatory oversight. ~~Internal auditor(s) report directly to the Cherokee Nation, CNGC, audit committee, or other entity designated by the Cherokee Nation.~~

The language of this section is based on NIGC MICS §543.23(c)(3) which states:

Internal auditor(s) report directly to the Tribe, TGRA, audit committee, or other entity designated by the Tribe.

CNGC staff remove this language and substituted language that exceeds this standard in violation of §22(C) of the Act. See part III of these comments. It is also not clear that Cherokee Nation has designated CNGC Audit as the body responsible for “all areas of regulatory oversight.” This presumably would take an act by Tribal Council specifically stating that CNGC Audit has these specific powers. CNGC staff quote §20 of the Gaming Act, which is the broad appointment of CNGC to carry out the Nation’s “responsibilities under the IGRA . . .” to authorize their appointment of the body responsible for all areas of regulatory oversight. Cherokee Nation has appointed other bodies for auditing responsibility over its businesses, such as CNB Audit services through its charter and the Operating Agreement of CNB is the controlling document in relation to CNB’s business responsibilities and reporting structure. CNE requests that the this section be restored to the version contained in the current CNGC TICS.

3. §23.1(B) “Departmental Standards” This section states:

~~For Tiers A and B gaming operations, a separate internal audit department must be maintained. Alternatively, designating personnel (who are independent with respect to the departments/procedures being examined) to perform internal audit work satisfies the requirements of this paragraph. For Tier C gaming operations, a separate internal audit~~

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~~department shall be maintained whose primary function is performing internal audit work and that is independent with respect to the departments subject to audit.~~

CNGC staff remove these sections from the proposed CNGC TICS. It is questionable as these are requirements of NIGC MICS §§542.22(a)(1), 542.32(a)(1), and 542.42(a)(1). CNE suggests that this section be restored in order to maintain compliance with the NIGC MICS.

4. §23.1(D) “Departmental Standards” This section states:

An Independent CPA shall be engaged on an annual basis to perform “Agreed-Upon Procedures”; the CPA must determine compliance by the gaming operation with the NIGC MICS, TICS, and SICS by testing the internal audit requirements set forth in part 23.8 of this section.

There is no part 23.8 of this section. CNGC staff did not put it in this document. As stated in comment A(13), CNGC staff have removed and have not replaced many NIGC MICS requirements for the Agreed-Upon Procedures. Please see comment A(13) for the full listing.

5. **§23.2 “CPA Review of Internal Audit”** CNGC staff have removed this entire section from the proposed CNGC TICS. As stated in comments W(4) and A(13), they have not replaced these requirements with alternative sections either. These are NIGC MICS requirements and it is extremely problematic if these are not observed by CNGC. CNE strongly suggests the restoration of this section to any revision of the CNGC TICS.

6. **§23.2(A) “Audits”** This section states:

~~Controls must be established and procedures implemented to ensure that~~ Internal auditor(s) personnel shall perform audits of all major gaming areas of the gaming operation, including each department of a gaming operation, at least annually, to review compliance with TICS, SICS, and the NIGC MICS, which include at least the following areas:

CNGC staff eliminate the requirement for controls to be established and procedures implemented for their audits. This is a NIGC MICS requirement as stated in 543.23(c) which states:

Internal audit. Controls must be established and procedures implemented to ensure that: CNE suggests rejecting this removal of required language in order for the proposed CNGC TICS to remain in compliance with the NIGC MICS.

7. **§23.2(A)(4) “Audits”** This section states:

Pari-Mutuel Wagering – including, but not limited to, supervision, exemptions, betting ticket

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and equipment standards, write and payout procedures, check-out standards, computer report standards, and pari-mutuel auditing procedures.

CNGC staff add terms from §14(c)(1)(ii) of the Guidance to this section. As stated in part III of these comments, this is a violation of §22(C) of the Gaming Act. The requirements of this audit are in NIGC MICS §§542.22(b)(1)(v), 542.32(b)(1)(v), and 542.42(b)(1)(v). They all state: Pari-mutual wagering, including write and payout procedures, and pari-mutual auditing procedures;

CNE suggests removing the added language from the Guidance from this section.

8. §23.2(A)(4) “Audits” This section states:

Table games - including but not limited to, supervision, fill and credit procedures, table inventory forms, pit credit play procedures, including, rim credit procedures, marker credit play, name credit instruments, call bets, as well as foreign currency, drop/count procedures and the subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, standards for playing cards and dice, plastic cards, analysis of table games performance, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies;

CNGC staff add the terms “supervision,” “standards for playing cards and dice,” “plastic cards,” “analysis of table games performance,” and “standards for playing cards and dice, plastic cards, analysis of table games performance” from §14(c)(1)(iii) of the Guidance. As stated in part III of these comments, this is a violation of §22(C) of the Gaming Act. The requirements of this audit are in NIGC MICS §§542.22(b)(1)(vi), 542.32(b)(1)(vi), and 542.42(b)(1)(vi). They all state:

Table games, including but not limited to, fill and credit procedures, pit credit play procedures, rim credit procedures, soft drop/count procedures and the subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies;

CNE suggests removing the added language from the Guidance from this section.

9. §23.2(A)(6) “Audits” This section states:

Gaming machines - including but not limited to, supervision, access listing, gaming machine/player interface operations, manual prize jackpot payouts and gaming machine fill procedures, cash and cash equivalent controls, gaming machine components, standards for evaluating theoretical and actual hold percentages, in-house progressive gaming machine

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standards, wide-area progressive gaming machine standards, account access cards, gaming machine drop/count and bill acceptor drop/count and subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, gaming machine drop cabinet access, tracing of source documents to summarized documentation and accounting records, reconciliation to restricted copies, location and control over sensitive keys, compliance with EPROM duplication procedures, certification and approval of games/technologic aids, and voucher/cash-out tickets and compliance with MICS procedures for gaming machines that accept currency or coin(s) and issue cash-out tickets or gaming machines that do not accept currency or coin(s) and do not return currency or coin(s);

CNGC add the phrases “supervision, access listing, gaming machine/player interface operations, manual prize payouts and fill procedures,” “gaming machine components,” “standards for evaluating theoretical and actual hold percentages,” “in-house progressive gaming machine standards, wide-area progressive gaming machine

standards, account access cards” from §14(c)(1)(iv) of the Guidance. As stated in part III of these comments, this is a violation of §22(C) of the Gaming Act. CNGC also added the phrase “certification and approval of games/technologic aids, and voucher/cash-out tickets.” This is also a violation of §22(C) as the added language exceeds the NIGC MICS requirements. The requirements of this audit are in NIGC MICS §§542.22(b)(1)(vii), 542.32(b)(1)(vii), and 542.42(b)(1)(vii). They all state:

Gaming machines, including but not limited to, jackpot payout and gaming machine fill procedures, gaming machine drop/count and bill acceptor drop/count and subsequent transfer of funds, unannounced testing of weigh scale and weigh scale interface, unannounced testing of count room currency counters and/or currency interface, gaming machine drop cabinet access, tracing of source documents to summarized documentation and accounting records, reconciliation to restricted copies, location and control over sensitive keys, compliance with EPROM duplication procedures, and compliance with MICS procedures for gaming machines that accept currency or coin(s) and issue cash-out tickets or gaming machines that do not accept currency or coin(s) and do not return currency or coin(s);

The requirements for the internal audit of bingo are located in NIGC MICS §543.23(c)(1)(i) which states:

Bingo, including supervision, bingo cards, bingo card sales, draw, prize payout; cash and equivalent controls, technologic aids to the play of bingo, operations, vouchers, and revenue audit procedures

CNE suggests removing the added language from this section.

10. §23.2(A)(14) “Audits” This section states:

Keno, including but not limited to, supervision, game play standards, rabbit ear or wheel system,

random number generator, game write and payout procedures, cash and cash equivalents, promotional payouts or awards, statistical reports, system security, documentation, equipment, document retention, multi-race tickets, and manual keno, sensitive key location and control, and a review of keno auditing procedures;

CNGC staff add terms from §14(c)(1)(i) of the Guidance to this section. As stated in part III of these comments, this is a violation of §22(C) of the Gaming Act. The requirements of this audit are in NIGC MICS §§542.22(b)(1)(iv), 542.32(b)(1)(iv), and 542.42(b)(1)(iv). They all state: Keno, including but not limited to, game write and payout procedures, sensitive key location and control, and a review of keno auditing procedures;

CNE suggests removing the added language from the Guidance from this section.

11. §23.2(B) “Audits” This section states:

Any other internal audits as required by the ~~Cherokee Nation~~, CNGC, audit committee, ~~or other entity designated by the Cherokee Nation.~~

CNGC staff removes language required by the NIGC MICS. The language in this section is based on language in NIGC MICS §§542.22(b)(1)(xi), 542.32(b)(1)(xi), and 542.42(b)(1)(xi) which state:

Any other internal audits as required by the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.

Section 542 of the NIGC MICS were drafted solely for Class III Guidance. §20 of the Gaming Act, which CNGC staff cite as authority for these changes, did not negate the requirements of the NIGC nor did it establish that only the CNGC can require audits to be performed by an Internal Audit group for CNGC TICS purposes. §20 of the Gaming Act Establishes the CNGC as the governmental body responsible for carrying out the responsibilities of IGRA as well as “the NIGC regulations at 25 C.F.R. §501 et. seq.,” which the NIGC MICS are a part of, and to implement the provisions of the Act.

It is not specific authority to deny any section of the NIGC MICS, and as stated in §22(C) of the Gaming Act, CNGC is prohibited from producing regulations that conflict or exceed these standards. §20 of the Gaming Act did not establish CNGC internal audit as the only internal audit body of the Cherokee Nation, nor did it restrict its power to do so. For these reasons, CNE feels that this Section is in violation of 22(C) of the Gaming Act and requests that this section be restored to its form in the current CNGC TICS.

12. §23.2(C) “Audits” This section states:

Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e.,

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without the employees being forewarned that their activities will be observed). Additionally, ~~if the independent accountant also performs the internal audit function, the accountant~~ shall perform separate unannounced observations of the table games/gaming machine drops and counts to satisfy the ~~internal audit observation requirements~~ “Agreed-Upon Procedures” engagement and independent accountant tests of controls as required by the American Institute of Certified Public Accountants ~~guide.~~ and as required in Section 2 – Compliance, CPA Testing.

CNGC staff removes language required by the NIGC MICS as well as adds language exceeding NIGC MICS requirements. This is a violation of §22(C) of the Gaming Act. The language in this section is based on language in NIGC MICS §§542.22(b)(3), 542.32(b)(3), and 542.42(b)(3) which state:

Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without the employees being forewarned that their activities will be observed). Additionally, if the independent accountant also performs the internal audit function, the accountant shall perform separate observations of the table games/gaming machine drops and counts to satisfy the internal audit observation requirements and

independent accountant tests of controls as required by the American Institute of Certified Public Accountants guide.

CNE suggests a rejection of the modifications by CNGC staff.

13. §23.2(D) “Audits” This section states:

Annual compliance/regulatory audits must encompass a portion or all of the most recent business year.

This is a misstatement of the requirements of the NIGC MICS for regulatory audits performed by Internal Audit. NIGC MICS §543.23(c)(1) states:

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: (Emphasis added)

This section does not mention a “business year,” it states that all of the audits must be completed at least annually. The NIGC MICS §542.3(f)(3)(ii) cited by CNGC staff as authority for this section applied to the “agreed upon procedures” performed by the CPA during the annual audit for the past 12 months must encompass a portion or all of the most recent business year. It states: Agreed-upon procedures are to be performed by the CPA to determine that the internal audit procedures performed for a past 12-month period (includes two 6-month periods) encompassing a portion or all of the most recent business year has been properly completed. The CPA will apply the following Agreed-Upon Procedures to the gaming operation's written assertion

This section is in reference to whether the independent auditor, or CPA, can rely on the work of

Internal Audit and the conditions it can so, including the time period it is to examine. It is not establishing a time period in which Internal Audit must perform those audits, that is established by NIGC MICS §543.23(c)(1) above.

14. §23.3(B) “Documentation” This section states:

~~The internal audit department shall operate with audit programs, which, at a minimum, address the MICS. Additionally, the department~~ Internal audit shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. Institute of Internal Auditors standards are recommended but not required.

CNGC staff remove key requirements for internal audit in this section. This is a violation of §22(C) of the Gaming Act. The language in this section is based on language in NIGC MICS §§542.22(c)(2), 542.32(c)(2), and 542.42(c)(2) which state:

The internal audit department shall operate with audit programs, which, at a minimum, address the MICS. Additionally, the department shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. Institute of Internal Auditors standards are recommended but not required.

In order to maintain compliance with the NIGC MICS, CNE suggests the rejection of the deletion of the language in this proposed section of the CNGC TICS.

15. §23.6(B) “Role of Management” This section states:

~~Management shall be required to responded to internal audit findings by management stating the corrective measures to be taken to avoid recurrence of the audit exception, within established deadlines, and included in the report delivered to management, the Cherokee Nation, CNGC, audit committee, or other entity designated by the Cherokee Nation for corrective action.~~

CNGC staff have added language to this section that exceed the requirements of the NIGC MICS. This is a violation of §22(C) of the Gaming Act. The language of this section is based on NIGC MICS §543.23(C)(7) which states:

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.

And NIGC MICS §§542.22(f)(1), 542.32(f)(1), and 542.42(f)(1) which state: Internal audit findings shall be reported to management.

And NIGC MICS §§542.22(f)(2), 542.32(f)(2), and 542.42(f)(2) which state:

Management shall be required to respond to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception.

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CNE requests that the modified language be removed to remain compliant with the NIGC MICS and to ensure that there is no violation of §22(C) of the Gaming Act.

16. §23.6(C) “Role of Management” This section states:

Such management responses shall be included in the internal audit report that will be delivered to management, ~~the Nation~~, audit committee, the CNGC, Tribal Council, Tribal Administration, or other entity designated by the Nation. ~~as would be privy to the report and designated on the report distribution list to be maintained.~~

CNGC staff modify the language of this section which result in exceeding the requirements of the NIGC MICS and therefore, is a violation of 22(C) of the Gaming Act. This section is based on NIGC MICS §§542.22(f)(3), 542.32(f)(3), and 542.42(f)(3) which state:

Such management responses shall be included in the internal audit report that will be delivered to management, the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe.

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CNE suggests removing the modified language of this section to remain compliant with the NIGC MICS and to ensure that there is no violation of §22(C) of the Gaming Act.

X. Proposed Section X “Lines of Credit.” As stated throughout these comments, CNE is prohibited from offering lines of credit due to the prohibition against credit in Cherokee Nation Constitution. This means that this entire section is inapplicable to gaming operations at Cherokee Nation. CNE suggests rejection of this entire proposed section.

Y. Proposed Section XX “Keno” CNE suggests ensuring that all language of this section is based on applicable NIGC MICS or Compact sections and not any language derived from the Guidance. This would be a violation of 22(C) as detailed in part III of these comments.



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Attorney General

February 6, 2020

MEMORANDUM

TO: Janice Walters Purcell, Executive Director
Cherokee Nation Gaming Commission

FROM: John Chapman Young
Senior Assistant Attorney General

RE: Response to Comments from Cherokee Nation Enterprises (“CNE”) regarding the
Proposed Revisions to Tribal Internal Control Standards

DATE: February 6, 2020

I. Introduction

The Office of the Attorney General (“OAG”) has been asked us to examine the comments on the proposed revisions to the Cherokee Nation Gaming Commission’s (“CNGC”) Tribal Internal Control Standards (“TICS”) prepared by Cherokee Nation Entertainment, LLC (“CNE”) and provide the Gaming Commission feedback on the CNE responses to the proposed revisions. Accordingly, our

office has completed our analysis of both the proposed revisions and the corresponding CNE comments in relation to each proposed revision. As part of the review process, both the CNGC proposed revisions and CNE’s proposed comments were checked against the current TICS, pertinent National Indian Gaming Commission (“NIGC”) regulations, including Part 543 and the newly retired Part 542 setting forth Class II and III Minimum Internal Control Standards (MICS),⁵ the Compacts between the Cherokee Nation and the State of Oklahoma, and the Cherokee Nation Gaming Act.⁶

This memorandum begins with a summary of the issues presented in CNE’s introductory memo in Section II, identifying those concerns that recur throughout the comments. Each of CNE’s recurring concerns are addressed in Section III, which immediately follows this introduction. The OAG’s basic recommendations are set forth in the heading of each subsection with a short discussion explaining our reasoning following. In Section IV, we address each of the proposed revisions on a section-by-section basis with a brief discussion supporting our recommendation for each provision. Attached to this document is a comment chart, which contains these recommendations in the context of the revised provision and CNE’s comment.

CNE’s comments are organized into individual sections, and each comment section addresses a different section of the TICS. For example, comment section “B” focuses on TICS Section 1- Definitions, while comment section “C” addresses TICS Section 2- Compliance. CNE also numbers each comment within an individual comment section, restarting numbering at the beginning of each comment section. For instance, comment section “A” contains comments numbered one (1) through thirteen (13), and comment section “B” includes comments numbered one (1) through thirty-four (34). For ease of reference, our analysis follows CNE’s organizational structure in both Section IV and the attached comment chart.

In Section IV, we indicate both the comment section and the TICS section it addresses in the heading. The number labels for our recommendations correspond to CNE’s numbering within each comment section. For example, the first comment in comment section “B” is labeled “1.” under the heading “Comment Section B on Section 1- Definitions.”

In the attached comment chart, column headings indicate the content of the cells in that column. Each row of cells is dedicated to one comment. The first cell in each row indicates the comment section that the individual comment is a part of, the second cell indicates the comment number, and the third cell cites the relevant section of the TICS. The OAG comments are contained in the last column in each

⁵ Although 25 C.F.R. 542 has been withdrawn by the agency, compliance with the provisions set forth therein remains necessary pursuant to terms contained in the Oklahoma Gaming Compact.

⁶ 22(C)

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row. Please note that when viewing the comment chart, it may be necessary to click on the cell to see the entire comment.

Section IV of this memorandum is subject to considerable redundancy due to the nature of the assignment. To mitigate some of the redundancy, we have inserted the phrase “See Prior Comment” where the response is identical to the immediately preceding comment. Where the response is not identical, we include the full comment.

There are two Sections that CNE may wish to recommend deletion from the TICS: 1) Sections X-Lines of Credit; and 2) XX-Keno, because neither provision is applicable at this time. Article V, Section 7 of the Constitution of the Cherokee Nation expressly prohibits all issuance of credit “given, pledged, or loaned” absent approval from the Council of the Cherokee Nation. As a result, Cherokee Nation gaming operations currently are constitutionally barred from extending credit to any individuals or entities. Since proposed Section X exclusively pertains to “issuing, documenting, and collecting credit,” its inclusion in the TICS may be confusing to casino employees and could possibly be mistakenly construed to permit the issuance of credit.

Similarly, Keno, the subject of Section XX, is not currently permitted to be offered at Cherokee Nation gaming operations. Pursuant to 25 CFR § 502.4 (a)(2), Keno is a Class III game, which may only be operated pursuant to a tribal-state gaming compact.⁷ The Compact between the Cherokee Nation and the State of Oklahoma does not authorize Keno as a covered game.⁸ Although, the Compact allows for the conduct of “any other” Class III game, there is a proviso that such game must have been approved through an amendment to the State-Tribal Gaming Act or by state legislation or the Oklahoma Horse Racing Commission for General Use.⁹ To date, there has been no such approval for Keno.

Should you recommend deletion of these two sections, we recommend that each section be “reserved” with a note explaining the inapplicability of the internal controls for each item. Due to the constitutional nature of the prohibition against issuing credit, we have not conducted a section-by-section analysis of “Section X- Lines of Credit.” However, in anticipation of any future change in the law that would authorize Keno, we include recommendations for “Section XX-Keno” in Section IV.

While most of our recommendations are based on a strict reading of the text of applicable law, regulations and Compact provisions as juxtaposed against the Gaming Act, we have applied certain

⁷ See 25 U.S.C. §2710 (d).

⁸ The definition for “Covered game” in Part 3(5) of the Compact specifically includes electronic bonanza-style bingo games, electronic amusement games, electronic instant bingo games, and nonhouse-banked card games.

⁹ Compact between the Cherokee Nation of Oklahoma and the State of Oklahoma, Part 3(5).

rulemaking principles in crafting our recommendations. Foremost, we view it important in the rulemaking process to always bear in mind those charged with carrying out regulatory provisions. Redundancy, for example, may be undesirable in many types of documents, but useful in the context of a large, complex regulatory framework. Individuals will typically limit their review to those rules that apply to the individual's area of responsibility. If a provision that pertains to a particular function is contained only in the introductory section of the rule and not in the body of the rule applicable to that function, an individual may not be aware of it, creating a potential for non-compliance.

Similarly, we discourage rule revisions that change terminology in common use within a gaming operation unless there is a compelling reason to do so. The proposed substitution of the term "customer" for the term "patron," for example, falls into this category. These terms are virtually synonymous, so we recommend leaving the term in common use undisturbed to prevent confusion and to avoid having to revise internal control procedures to incorporate the revised term, which is burdensome and does not effect or advance a meaningful regulatory objective. Familiarity and common understanding aid in maintaining an efficient and compliant operation.

Finally, we discourage including inapplicable provisions as discussed above in relation to credit and Keno. It is reasonable to expect employees to be confused when encountering internal controls for activities that are prohibited. It is, of course, foreseeable that laws, regulations, or Compact provisions may change to remove restrictions on these activities, but this potentiality may be addressed by reserving such sections and inserting such internal controls at such time as the activity is permissible.

II. Summary of CNE Comments and Concerns

As an initial matter, CNE expressed a number of overarching concerns about the revisions as a whole. First, the CNE believes that the revisions to Chapter IV, Section H of the Cherokee Rules and Regulations were released in violation of the Cherokee Nation Administrative Procedure Act. Second, the CNE raises an objection to use of the recently published NIGC Guidance No. 2018-3, "Guidance of the Class III Minimum Internal Control Standards" in revising the TICS.

In Section II of the Introductory Memo, CNE notes that the CNGC received approval at the June 21, 2019 CNGC meeting to post the revisions to the TICS. Importantly, though, CNE believes that the approval did not extend to the publication of any revisions to separate regulations, including Chapter IV, Section H of the Cherokee Rules and Regulations. Instead, it puts forward that the regulation should have been separately published for public comment.

Further, CNE objects to the inclusion of information in the regulation that was previously included in the TICS. In the current TICS, Section 2- Compliance contains MICS requirements related to the annual

independent, external audit of gaming operation financials. In the proposed revisions, many of the details of these requirements have been transposed from the TICS to Chapter IV, Section H of the Cherokee Rules and Regulations, now entitled “External Audit.” CNE expresses concern that removing such vital information from the TICS may lead to noncompliance since the TICS are required to implement the MICS.

Section III establishes why the CNE believes that incorporating the NIGC Guidance into the language of the TICS is in error. In *Colorado River Indian Tribes v. National Indian Gaming Commission*, The D.C. Circuit held that the NIGC lacked the authority to enforce Class III MICS. 466 F. 3d 134 (D.C. Cir. 2006). In response, the NIGC has since retired 25 CFR §542 and published “Guidance on Class III Minimum Internal Control Standards,” which is non-binding and unenforceable. However, the Oklahoma compact specifically adopts 25 CFR § 542, the Class III MICS, as the applicable internal control standards. In addressing the retirement of 25 CFR § 542 and the NIGC’s adoption of the Guidance document, the State of Oklahoma has taken the position that, while tribes have an obligation to meet or exceed 25 CFR § 542, adopting the standards in the Guidance document is an intra-tribal decision.

With the addition of § 22(C) of the Gaming Act, the Cherokee Nation Tribal Council made clear its intent to strictly limit the content of the Nation’s TICS to the content of the Class III MICS as required by the Compact. Specifically, the Gaming Act prohibits the CNGC from promulgating any regulation that either conflicts with or is in excess of the Oklahoma compact. Since the Guidance is in excess of 25 CFR §§ 542 and 543, the CNE believes that “any adoption of Guidance requirements” would constitute a violation of the Gaming Act. Therefore, it is CNE’s opinion that the TICS should adhere strictly to the terms of 25 CFR §§ 542 and 543 and the Compact in revising the TICS.

The OAG questions the utility of removing internal control standards from the TICS for replacement in another regulation. The external auditors audit to the MICS and/or TICS, so it is useful to have all MICS provisions in the TICS to avoid exceptions. Again, users of the TICS may not think to review other regulations for applicable provisions. There is a higher probability of compliance when all relevant standards are contained in the TICS. Furthermore, compliance with guidance documents is voluntary. Where the guidance document contains higher standards than those in Part 542, it is at least arguable that adoption of the higher standard violates the Gaming Act.

II. Recurring Concerns

1. “Financial Instrument Storage Component” Should Not be Changed to “Casino Instrument Storage Container.”

While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” as a per se violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICs should adopt the definition set out in the MICS. Financial Instrument Storage Component is defined as, “any component that store financial instruments, such as a drop box, but typically used in connection with player interfaces.”

Granted, in the proposed TICS, the CNGC only suggests changing the MICS definition of “financial instrument storage component” as necessary to reflect the terms used in the new name. It does not expand the scope of the term itself. Like “financial instrument storage component,” “casino instrument storage container” is an encompassing term that works to represent the myriad varieties of storage receptacles in generally applicable provisions wherein listing each type would be impractical. However, even such a minute change would consequently result in timely and costly revisions to established Systems of Internal Controls (SICS). It is most prudent, then, to only make revisions that are absolutely necessary. We do not believe that revising the name “financial instrument storage component” to “casino instrument storage container” would likely constitute such a necessity.

It is also our view that the name change would not significantly aid in compliance. Since these TICS are applicable exclusively to gaming, replacing “financial” with “casino” may do more to muddy the waters about what is being stored than it would to clarify the source of the financial materials stored therein. Further, the name change could spark unwarranted concern by NIGC authorities who audit based on the specific terms in the MICS.

In sum, it is the view of the OAG that the proposed change would lead to unnecessary difficulties without substantially contributing to the Nation’s compliance efforts. We recommend that the proposed revisions be rejected throughout the TICS, retaining use of the term “financial instrument storage component.”

2. Per the MICS, Provisions Concerning Supervision should be Distributed among the Specifically Applicable Sections.

In the MICS and the current TICS, provisions concerning supervisory lines of authority are located in the individual sections to which they apply. However, in the proposed revisions to the TICS, supervision requirements are only addressed in Section 4 – General Provisions. Solely referencing supervision requirements within the General Provisions, the CNGC may risk noncompliance. Therefore, it is our opinion that the provision on supervisory lines of authority may either be deleted from or kept in Section

4.9, but proposed deletions of supervision provisions in Sections 5.1, 6.1, 9.2, 12.1, 13.1, 17.1, 15.1, 16.1, 20.1, 21.1, and 22.2 should be rejected.

The language on supervision is virtually identical in each of the MICS sections. However, in our experience, when drafting regulations, it is wise to take those parties being regulated into account. While it may be redundant to write out the same requirement multiple times across several sections, doing so may have a dramatic impact on compliance. In this case, it is unlikely that an employee will read any TICS section other than that which is applicable to their specific responsibilities. For example, then, under the proposed revisions, if an individual who deals exclusively with Gaming Promotions reviews section 15- Gaming Promotions but not Section 4- General Provisions, they will be unaware of the supervision requirements necessary for compliance in their department. By including the requirements related to the supervisory line of authority in each applicable section, accidental noncompliance could be easily circumvented.

3. Provisions in Chapter IV, Section H of the Cherokee Rules and Regulations Entitled “External Audit” Should be Incorporated into the TICS.

Because external audits are already covered by the TICS, it would not be unreasonable to simply incorporate these additional provisions into the TICS. These provisions do not add requirements exceeding the MICS that would invalidate their addition, given minor changes in response to the submitted comments.

Moving this information into the TICS would serve a dual purpose. First, the move would nullify CNE’s critique that presenting a section of the Cherokee Rules and Regulations for comment alongside the TICS violates the Administrative Procedure Act. If there were no longer a second regulatory document separate from the TICS to consider, there would be no need to withdraw and resubmit it for public comment, delaying its enactment and effect. Second, consolidating the specific, detailed requirements of the compliance review into one document increases the likelihood of meeting all of the requisite requirements. As it is currently arranged, regulated parties would need to refer to multiple documents in order to comply with their regulatory obligations. In reviewing a document as comprehensive as the TICS, a regulated party reasonably may not be aware of or expect to need to seek out and understand a second, separate document, even if that document is broadly referenced. Simply, distributing requirements among multiple documents increases the risk of noncompliance.

We recommend that these provisions be added to Section 2- Compliance. In the current TICS, provisions related to the annual independent financial audit are located in Section 2.7. The proposed TICS Section 2.6 entitled “External Audit Standards” solely contains a reference to the Chapter IV,

Section H of the Cherokee Rules and Regulations. Instead, it is our view that the content of Chapter IV, Section H, as edited, should be transposed within Section 2.6 of the TICS.

4. All Provisions in the Proposed TICS Concerning Credit or Deposit Accounts Should be Deleted Since the Extension of Credit is Prohibited by the Constitution of the Cherokee Nation, provided that the TICS Should Clearly State that the Issuance of Credit is Prohibited as a Matter of Cherokee Nation Constitutional Law.

Pursuant to Article X, Section 7 of the Constitution of the Cherokee Nation, no Cherokee gaming operation is permitted to offer credit. This prohibition includes credit effectively issued through deposit accounts or by holding checks. Because the MICS contains provisions pertaining to the issuance of credit it would normally be advisable to include all MICS requirements in the TICS. However, including these provisions in particular could prove unnecessarily confusing to regulated parties. If these provisions are included in the TICS, there is a possibility that some future management official or other employee might mistakenly believe that the issuance of credit to a patron is permitted by the TICS, which could result in problems.

Accordingly, we find it prudent to omit all provisions related to credit throughout the MICS, however, we strongly urge that language be included in the TICS clearly stating that the issuance of credit is prohibited as a matter of Cherokee Nation Constitutional law. Adding in such language would help to preempt any confusion that may arise by auditors, federal regulators, or others about the absence of credit provisions in the TICS. We recommend adding text in Section 4- General Provisions that includes language similar to the following: “In accordance with the Constitution of the Cherokee Nation, no Cherokee gaming entity may issue any form of credit, including the holding checks or the use of markers, to any individual or entity.”

5. Since Cherokee Nation Gaming Operations do Not Accept Foreign Currencies, Provisions Concerning Foreign Currency Should be Deleted from the TICS and the TICS Should Clearly State that the Acceptance of Foreign Currency is Prohibited.

Similar to the foregoing discussion on the issuance of credit, the MICS contain provisions for the acceptance and handling of foreign currency. CNE policies, however, prohibit the acceptance of foreign currencies, hence, including requirements specific to handling such currencies could prove confusing and misleading to employees. An employee who has reviewed the TICS and noticed provisions regarding foreign currency, for example, might mistakenly accept foreign currency from a patron. While such a mistake would not amount to noncompliance with the MICS; it would constitute a violation of CNE policy. In our view, including inapplicable provisions are confusing and place an undue burden on employees to figure out which provisions apply and which do not. For these reasons, we recommend

omitting sections of the proposed TICS related to the acceptance and handling of foreign currency, but including language specifying that the acceptance of foreign currency is prohibited.

6. Where the Language has Not Been Altered in the MICS, the CNGC Should Not Replace the Word “Employee” or Its Equivalent (E.G. “Personnel”) with the Term “Agent.”

Throughout the proposed revisions to the TICS, terms including “employee,” “member,” and “personnel” have been replaced with the term “agent” or “agents” absent a similar change in the language of the source sections in the MICS. In those cases, we recommend rejecting the proposed language change.

The word “agent” implicitly connotes a higher level of vested authority than any of the various terms it replaces in the proposed revisions. Using “agent” therefore sets a higher standard for those undertaking the requirement than was anticipated or intended by the MICS.

Further, while we suggest defining “CNGC agent” for the sake of external auditing provisions (currently located in the Cherokee Rules and Regulations document), and the term “agent” is defined in the TICS, it is not commonly understood in the way that “employee,” “member,” and “personnel” are understood. The definition for “agent” implies that there is, at the least, a two-layer approval process, including both authorization by the gaming operation and approval (either of the process or the person being authorized) by the CNGC. Expanding the number of requirements for which an agent is required may result in compliance delays since the individuals responsible would each need to be individually processed. Such barriers would not arise under the language in the MICS. Utilizing the term “agent,” then, is not merely using a uniform term with an equivalent meaning to the term it replaced. While it arguable that this revision in terminology may violate Section 22(C) of the Gaming Act by heightening performance standards in excess of the MICS, changes in the vernacular create confusion.

That said, it is important to note, though, that not every instance where the word “agent” is used is improper. In several sections, “agent” is used intentionally. For example, in Section 543.8 (b)(2)(i) of the MICS, the NIGC requires that an “authorized agent” inspect, count, inventory, and secure bingo cards newly received from a supplier. Just a few provisions below, in Section 543.8 (e)(5)(ii), a “supervisory or management employee” is required to provide one of the signatures and verifications for manual prize payouts above a certain threshold. By looking at those sections, it is apparent that the NIGC was cognizant of the distinction between agents and other individuals. If the NIGC had wanted provisions to be carried out by an agent, it expressed that intent. After the enactment of Section 22(C) of the Gaming Act, it is not within the authority of the CNGC to raise the bar from “employee” or its equivalent to “agent” where the NIGC did not do so within the MICS themselves.

7. Replacing the Term “Customer” with the Term “Patron” has No Major Operational Effect on the Meaning of the Regulations; Either Term is Permissible, but we Recommend Avoiding Changes that Merely Substitute one Synonym for Another.

In our view, the decision on whether to use the term “customer” or the term “patron” is a stylistic one. The difference between the two terms would have no major operational effect on the meaning of the regulations. However, if the existing SICS already use the term “customer” throughout, we would recommend no change to the current language of the TICS for purposes of consistency.

The term “patron” is defined in Section 543.3 of the MICS as follows: “A person who is a customer or guest of the gaming operation and may interact with a Class II game. Also, may be referred to as a ‘player.’” The closeness in meaning of the two potential terms is well-evidenced by the use of “customer” within the MICS definition for “patron.” Based on the MICS definition, an individual need not undertake any additional activities to be considered a patron instead of a customer. The terms seem to be used interchangeably throughout the MICS, even though “customer” is used more frequently throughout Section 542 and “patron” is more often used in Section 543.

“Customer” is not defined anywhere in the MICS. However, the term “established customer” is defined in Title 31 regulations applicable to casinos, and the CNE expresses concern that replacing the term “customer” with “patron” in the TICS may lead to failures to comply with Title 31 anti-money laundering requirements. As such, CNE’s comments suggest foregoing all proposed revisions that replace “customer” with “patron.” We concur. Whether or not such confusion would arise, we discern no meaningful benefit from switching from one synonym to another. In the interest of efficiency and consistency, we recommend preserving the current use of “customer.” As previously stated, in our opinion only those changes necessary for compliance should be implemented.

Whichever term is used, we recommend ensuring that its definition in “Section 1- Definitions” reflects that the term may also be referred to as the unused term, even if one term is used consistently throughout the TICS. For example, if the CNGC decides to use the term “customer,” we would suggest that the definition read, “any person who is a patron or guest of the gaming operation and may interact with games. Also may be referred to as a “player.”

8. Provisions Related to Auditing Should Be Distributed Across Specifically Applicable Sections of The TICS Rather Than Solely Consolidated in Section 21- Auditing Revenue.

In several sections of the TICS, including multiple provisions from Section 7- Gaming Systems, all provisions related to internal audits have been deleted from the sections in which they are currently located and placed into Section 21- Auditing Revenue. We recommend that these provisions be

returned to the sections where they are located in the current TICS. Further, we recommend that the CNGC either insert a reference to the sections various sections containing auditing requirements into Section 21- Auditing Revenue, or alternatively, include the provisions related to auditing in both applicable sections for comprehensive purposes.

While consolidation of all auditing provisions may be beneficial for internal auditors, omitting area-specific financial and recording requirements from the sections in which the area is covered in depth could result in noncompliance. As noted above, it is our view that requiring regulated parties to reference multiple documents in order to fully understand their regulatory obligations is burdensome. The CNGC has taken great care to ensure that all of the Nation's regulatory responsibilities are laid out in the TICS. Ensuring that each subject section is as comprehensive as possible also makes certain that all requirements are readily accessible to and understood by the regulated parties.

It is our recommendation that instead of referencing Section 21- Auditing Revenue in the area-specific sections, Section 21- Auditing Revenue should include references to the area specific sections that contain auditing provisions—Specifically, Section 7- Gaming Systems, Section 8- Table Games, Section 10- Pari-Mutuel, and Section 16- Complimentaries. Alternatively, in order to ease the burden on internal auditors who must be aware of and well-versed on each provision related to auditing, the CNGC could both return the provisions in their appropriate origin sections and concurrently retain the language in Section 21- Auditing Revenue. While the TICS only need to cover the MICS auditing requirements once in order to maintain compliance, duplication would not be harmful.

III. Individual Comment Responses

A. Comment Section A on Chapter IV, Section H of the Cherokee Rules and Regulations

1. Because external audits are covered by the TICS, it would not be unreasonable to simply incorporate the entirety of Chapter IV, Section H of the Cherokee Rules and Regulations into the TICS. This section of rules and regulations is not nearly as comprehensive as the TICS and it creates a necessity for users to refer to multiple documents in order to fully understand the requirements, which invites non-compliance. These provisions, as edited, do not add requirements that exceed the MICS. Further, incorporating these provisions into the TICS avoids the Administrative Procedure Act concern of issuing this regulation alongside the TICS.
2. We recommend changing "unfettered, unrestricted access" to "reasonable, necessary access." Use of the term "unfettered, unrestricted access" is appropriate in relation to regulators who have legal authority to access all areas of the gaming operation, but the same

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is not true of auditors, who are contracted to perform audits. Naturally, it is important for gaming enterprises to cooperate fully in the performance of audits, but unfettered, unrestricted access goes too far. Additionally, the provision pertaining to CNGC's authority to "oversee" audits should be revised to state that the CNGC will "coordinate with the auditors and verify the completion" of the audit in the interest of the independent nature of the audit itself.

3. The phrase "in connection with the operation" merely serves to clarify the extent of the record keeping required which is already established by the provision. However, in order to maintain consistency with source section 571.7 (a) of the NIGC regulations, we recommend that the provision read, "Each licensed gaming operation shall keep permanent books of account or records, including inventory records of gaming supplies, sufficient to establish the amount of gross and net income, deductions and expenses, receipts and disbursements, and other information required in any financial statement, report, or other accounting prepared in connection with the operation pursuant to IGRA or NIGC regulations."
4. The source section of this language, 25 CFR 571.17 (B) vests determination power in the Commission itself. To reflect the requirements of the NIGC regulations here, we recommend that the term "agent(s)/representatives" be replaced with "CNGC agents." This substitution also necessitates adding a definition of "CNGC agents" to Section 1- Definitions of the TICS. The definition of "CNGC agent(s)" could read, "agents or representatives authorized by the CNGC." Further, we recommend revising subsection (b) to read, "Has properly and completely accounted for all transactions and other matters monitored by the CNGC, NIGC, and/or SCA in accordance with the established MICS, NIGC regulations, and any Tribal Gaming Compact(s)."
5. For clarity and consistency with the above provision, we recommend replacing the term "agent(s)/representatives" with "CNGC agent(s)." The term "accounting" is not defined in the source regulation. The NIGC guidance provides insight into Generally Accepted Accounting Principles, but it does not define the term in this context. However, it seems unlikely that this term would be misconstrued, in the context of the preceding sections, to the point that it would violate the Gaming Act. This provision should read, "Accounting books or records required by the CNGC and the NIGC regulations shall be kept at all times available for inspection by CNGC agent(s). They shall be retained for no less than 5 years."
6. We recommend changing "unrestricted access" to "reasonable, necessary access" in subsections (a) and (c), as "unrestricted access" may expose enterprise information that is not relevant to the audit and should remain private. While this section does not exactly correspond to any one section of the NIGC regulations, ensuring that the auditor has access

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to the appropriate amount of information ensures that the auditor is able to perform their work pursuant to the Generally Accepted Auditing Standards, as required in § 571.12 of the NIGC regulations. Since this section is aimed at meeting the regulatory requirements, it does not violate the Gaming Act.

7. We recommend that this language, along with the entirety of the provisions from this section, be incorporated into the TICS. The language to be incorporated from this provisions is as follows: “In conjunction with the annual independent financial statement audit, required under paragraph (C)(1), the CNGC shall ensure the CPA/Firm performs an ‘Agreed-Upon Procedures’ (AUP) assessment to verify that each gaming operation is in compliance with the MICS, and/or TICS and SICS. The CPA/firms may rely on internal audit to perform work related to the assessment in accordance with the AUP Scope of Work.”
8. Section 2.6 of the proposed TICS solely contains a reference to this section of the Rules and Regulations, Chapter IV, Section H entitled “External Audit.” It is our opinion that requiring regulated parties to refer to two separate documents to understand their regulatory obligations risks noncompliance. As such, we recommend including this entire section in the TICS.
9. Section 2.6 of the proposed TICS solely contains a reference to this section of the Rules and Regulations, Chapter IV, Section H entitled “External Audit.” It is our opinion that requiring regulated parties to refer to two separate documents to understand their regulatory obligations risks noncompliance. As such, we recommend including this entire section in the TICS. We further recommend changing "the" to "a" before "state board of accountancy" to ensure that the operation is not unreasonably limited in its choice of CPA or firm.
10. The ability to grant extensions for the NIGC reporting deadline rests solely with the NIGC. We recommend making clear that the CNGC can facilitate a request for, but cannot guarantee an extension. As part of this, we recommend creating and including a deadline for asking the CNGC to request an extension. For example, the provision could read, The annual independent audit and related reports required under paragraphs (C)(5) must be concluded and reports released to the CNGC within 120 days of the gaming operation's fiscal year end or as otherwise indicated; however, the CPA/Firm may ask that the CNGC communicate a request to the NIGC for an extension where the circumstances justifying the extension request are beyond the CPA's/Enterprise's control. The CPA/Firm must communicate their request to the CNGC no later than X days before the 120-day deadline."
11. From the information provided, it seems that this provision includes details missing from the Vendor Access SICS to which the CNE is referring, namely the requirement that the

CPA/Firm provide a listing of agent(s)/representative(s) and their contact numbers. That seems to undermine the argument that the section is totally superfluous. We recommend retaining this provision, currently located at Section D(3) and implementing it into the terms of the TICS.

12. This provision detailing expenditures and transfers of gaming revenue should be deleted as it presents unnecessary issues. Expenditures of net gaming revenue are already directed by the law.
13. This provision should be revised to read: "Annually, a CPA/firm shall perform an "Agreed-Upon Procedures" (AUP) assessment to verify that each gaming operation is in compliance with the MICS, and/or TICS and SICS." As part of including the provisions from this section of the Rules and Regulations within the TICS, we recommend that the language proposed for omission from Section 2.6 of the TICS be retained to ensure compliance with MICS section 542.3 (f).

B. Comment Section B on Section 1- Definitions:

1. The sentence suggested for omission here, "In the event of a discrepancy between these definitions and those found in a Tribal-state compact(s), the Compact(s)'s definition shall control," is part of the general introduction to Section 1 of the TICS. This language outlines how to appropriately interpret a definition in a situation where the definitions in the Compact and the TICS conflict. We recommend retaining this sentence to preempt any such conflict.
2. There are currently no references to "Adjusted Gross Revenues" in the TICS. As a result, we recommend removing the definition for "Adjusted Gross Revenues".
3. We recommend that the definition of "Bill acceptor/validator" be revised to read, "Bill Acceptor- the device that accept and reads cash by denomination in order to accurately register customer credits." Although we do not view the proposed changes to this definition as a violation of the Gaming Act, using the MICS language will reduce the need for further revisions to regulatory documents and will ensure compliance with the MICS.
4. The term "bill acceptor drop," previously defined here, appears to only have appeared in § 23.2(A)(6) of the TICS on Internal Audits. The reference to "bill acceptor drop" has now been deleted. Since there is no reference point for the definition, it is appropriate to delete it.

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5. The terms "Cage Credit" and "Cage Marker Form" are not applicable to any Cherokee Nation gaming, pursuant to the Constitution which prohibits the issuance of credit. As such, these definitions should be deleted.
6. The terms "cash-out ticket" and "voucher" have separate definitions in the MICS and, in order to ensure compliance, should be defined separately in the TICS. Define "Cash-out ticket" as "an instrument of value generated by a gaming machine representing a cash amount owed to a customer at a specific gaming machine. This instrument may be wagered at other machines by depositing the cash-out ticket in the machine bill acceptor," and "Voucher" as "A financial instrument of fixed wagering value, usually paper, that can be used only to acquire an equivalent value of cashable credits or cash through interaction with a voucher system."
7. It is important that the definition for "Casino Management System" cover both vouchers and cash-out tickets since both are processed by the casino management system. For clarity, information that applies to each should be contained in separate sentences. Integrate the full Voucher System Definition as written in the MICS into the definition: "A system that securely maintains records of vouchers and coupons; validates payment of vouchers; records successful or failed payments of vouchers and coupons; and controls the purging of expired vouchers and coupons." In a separate sentence, cover the information as it applies to gaming cash-out tickets.
8. The provision proposed to be deleted, "Complimentary services and items exclude any services and/or items provided, at no cost or at a reduced cost, to a person for business and/or governmental purposes, which are categorized and treated as business expenses of the gaming operation" is part of the definition of "Complimentary services and items." The instant provision serves as clarifying language; it was specifically developed to aid in understanding and complying with the MICS requirements concerning complimentaries. This language should not be deleted.
9. There is no definition in the MICS or the guidance for "controls;" however, the definition should be included for the sake of clarity. To match the formatting of the current definitions and adopt the MICS definition of SICS from section 543.2, the definition should read, "Controls- Systems of Internal Control Standards (SICS), an overall operational framework for a gaming operation that incorporates principles of independence and segregation of

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function, and is comprised of written policies, procedures, and standard practices based on overarching regulatory standards specifically designed to create a system of checks and balances to safeguard the integrity of a gaming operation and protect its assets from unauthorized access, misappropriation, forgery, theft, or fraud."

10. "Count room" is defined in MICS section 542.2 as "A secured room where the count is performed in which the cash and cash equivalents are counted." We recommend adopting the MICS definition in the TICS.
11. Covered games should be defined as "all games authorized pursuant to the Compact between the Cherokee Nation and the State of Oklahoma."
12. Issuance of credit is prohibited by the Constitution of the Cherokee Nation. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since the term "credit limit" is not applicable to Cherokee Nation gaming, we recommend that this definition be deleted. Further, we recommend instituting a provision in Section 4- General Provision stating that issuance of credit is unconstitutional.
13. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" continue to be used in the definition of "Drop (for gaming machines). Here, where specificity is used in the MICS definition, we recommend adopting the exact language used in the MICS. This provision should be revised to read, "Drop (for gaming machines)- the total amount of cash, cash-out tickets, coupons, coins, and tokens removed from drop buckets and/or bill acceptor canisters." throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent necessitating additional revisions to the SICS or other regulatory documents wherein this term is used."
14. Drop (for kiosks) is not defined in the MICS. However, for purposes of clarification, there is no harm in including a definition for the term. Unlike the term "gaming instruments," which has been deleted from the proposed definition, there is a comprehensive definition for "financial instruments." We recommend no change to the proposed definition, which reads

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as follows: “Drop (for Kiosks) - The total amount of financial instruments removed from an electronic kiosk.”

15. Issuance of credit is prohibited by the Constitution of the Cherokee Nation. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since the phrase "credit issued at the table" is not applicable to Cherokee Nation gaming, we recommend removing it from the definition. Further, While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2, and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent the need for additional revisions to the SICS or other regulatory documents in which this term is used.
16. The terms “Drop box,” “Drop box content keys,” “Drop box release keys,” “drop box storage rack keys,” and “drop cabinet” each describe elements of the drop procedure that are mentioned in later applicable sections in these TICS. As such, it is our opinion that including a reference definition for each of these terms individually is important. We suggest adding definitions for "Drop Box," "Drop box contents keys," "drop box release keys," "Drop box storage rack keys," and "Drop cabinet" into the TICS.
17. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent the need for additional revisions to the SICS or other regulatory documents in which this term is used.
18. See Prior Comment.
19. See Prior Comment.

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20. The proposed definition for "casino instrument storage container" here seems to be based on the definition of "Drop box release keys" in the previous version of the TICS and the definition for "Bill acceptor canister release key" in the MICS. The definition for "Drop Box release keys" in the current TICS is, "they key used to release drop boxes from tables." The definition for Bill acceptor release key reads, "Bill acceptor canister release key means the key used to release the bill acceptor canister from the bill acceptor device." Thus, discarding the changes would not bring the definition into alignment with the MICS, since the name and content would still be different. Depending on the intention of the CNGC in including this definition, the Commission should either include the original definition of either or both "drop box release keys" or "bill acceptor canister release key" from the MICS or change the terms used to reflect the name "financial instrument storage component release key." Retaining the existing term will also prevent necessitating additional revisions to the SICS or other regulatory documents wherein this term is used.
21. The definition of "casino instrument storage container rack key" is based on the MICS definitions for "Bill acceptor canister storage rack key" and "Drop box storage rack keys." Therefore, discarding the changes alone would not make the definition in line with the MICS. However, changing the name of the term (and internal wording to reflect the name) does not expand the breadth of the term beyond what is laid out in the MICS. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS when choosing an encompassing term. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS as an encompassing term. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
22. The definition for "game play credits" is pulled directly from Part 3, § 15 of the Compact. Accordingly, it does not violate the Gaming Act and should remain as follows: "a method of representing value obtained from the exchange of cash or cash equivalents, or earned as a prize, in connection with electronic gaming. Game play credits may be redeemed for cash or cash equivalents."

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23. Issuance of credit is prohibited by the Constitution of the Cherokee Nation. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since the phrase "Gaming operation accounts receivable (for gaming operation credit)" is not applicable to Cherokee Nation gaming, we recommend deleting its corresponding definition.
24. To meet the requirements of the MICS, the name of this definition should be changed from "Gaming System" to "Class II Gaming System." "Class II Gaming System" should be defined as, "all components, whether or not technologic aids in electronic, computer, mechanical, or other technologic form, that function together to aid the play of one or more Class II games, including accounting functions mandated by the MICS or 25 CFR § 547." "Class III Gaming System" should be separately defined as "all components, whether or not electronic, computer, mechanical, or other technologic form, that function together to support covered games, including accounting functions mandated by the MICS or 25 CFR § 547."
25. While the Audit & Accounting Guide for Gaming may fall under the GAAP, the MICS only make certain that the standards for casino accounting are included. For the sake of the definition of "Generally Accepted Accounting Principles," we recommend reverting the language to read, "A widely accepted set of rules, conventions, standards, and procedures for reporting financial information, as established by the Financial Accounting Standards Board (FASB), including, but not limited to, the standards for casino accounting published by the American Institute of Certified Public Accountants (AICPA)."
26. Issuance of credit is prohibited by the Constitution of the Cherokee Nation. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since the term "issue slip" is not applicable to Cherokee Nation gaming, we recommend deleting the definition of "issue slip." In the place of this definition, we recommend including a definition for "House Banking Game." In line with 25 CFR Section 502.11, "House Banking Game" means "any game of chance that is played with the house as a participant in the game, where the house takes on all players, collects from all losers, and pays all winners, and the house can win."
27. As technology evolves, it is important to include clarifying terms that inform the requirements set out in the MICS. We recommend no change to the existing definition of "Jackpot payout" which reads, "the portion of a jackpot paid by gaming machine personnel."

The amount is usually determined as the difference between the total posted jackpot amount and accumulated credit paid by the machine. May also be the total amount of the jackpot.”

28. Issuance of credit is prohibited by the Constitution of the Cherokee Nation. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since the term "lines of credit" is not applicable to Cherokee Nation gaming, we recommend deleting the definition for the term “lines of credit”.
29. See prior comment.
30. See prior comment.
31. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS when choosing an encompassing term. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. While the definition for “soft count” in MICS section 542.2 specifically lists “drop box[es]” and “bill acceptor canisters[s],” retaining the existing term will prevent necessitating additional revisions to the SICS or other regulatory documents wherein this term is used. As such, the definition of “soft count” should be revised to read, “the count of the contents in a financial instrument storage component.”
32. See prior comment B (31). Additionally, references to credit issued should be deleted, per the Constitution of the Cherokee Nation. The definition for “statistical drop” should read, “total amount of money, chips, and tokens contained in the financial instrument storage component.”
33. Elimination of house-banking makes the proposed definition for “table games” more restrictive than the MICS definition, probably violating the Gaming Act. Either revert the definition to match the wording in the MICS or revise it to include the potential for house-banking or a pool. Further, this definition should be revised for clarity. We would recommend the following definition: "Table games- games that are banked by the house or wherein all bets are placed in a common player's pool, whereby the house or the common player's pool pays all winning bets and collects on all losing bets." Confusion with the

definition of "Card games" seems unlikely since here, the house or pool pays out winnings and collects on bets, but in a card game, the collection is based on a pay-to-play model. There is a common understanding within the industry as to the manner of games played, and in our view, this definition does not blur the line between the two terms.

34. Definitions for both "voucher" and "voucher system" should remain in the TICS, as they are required by MICS section 543.2. Voucher is defined as "A financial instrument of fixed wagering value, usually paper, that can be used only to acquire an equivalent value of cashable credits or cash through interaction with a voucher system," while Voucher system means "A system that securely maintains records of vouchers and coupons; validates payment of vouchers; records successful or failed payments of vouchers and coupons; and controls the purging of expired vouchers and coupons." We recommend also retaining the separate definition for "Cash-out tickets" as discussed in Comment B6.

C. Comment Section C on Section 2- Compliance:

1. Neither "scrupulously consistent" nor "do not conflict" covers the full intent of Section 22(C) of the Gaming Act, which states that rules and regulations "shall not exceed or conflict with the regulations issued by the [NIGC], including by not limited to the [MICS] not [the Compact]. To better reflect that, the description of Tribal Internal Control Standards in TICS section 2.1 (B) could read , "...that do not exceed or conflict with the MICS or other regulations issued by the National Indian Gaming Commission, any Tribal-State Gaming Compact, or the Indian Gaming Regulatory Act, as applicable."
2. We recommend changing TICS section 2.1 (C) to mirror the language in Section 542.4 of the MICS, which covers reconciling conflicts between Compacts and the MICS. To reflect the language of MICS section 542.4, this provision should read, "If there is a direct conflict between an internal control standard established in a Tribal-State compact and a standard or requirement set forth in the MICS, then the internal control standard established in a Tribal-State compact shall prevail. If an internal control standard in a Tribal-State compact provides a level of control that equals or exceeds the level of control under an internal control standard or requirement set forth in the MICS, then the Tribal-State compact standard shall prevail. If an internal control standard or a requirement set forth in the MICS provides a level of control that exceeds the level of control under an internal control standard established in a Tribal-State compact, then the internal control standard or requirement set forth in the MICS part shall prevail. "

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3. Comments regarding consistency with the MICs for TICS section 2.3 (A) have been taken into account and addressed; however, for the sake of clarity and in the interest of plain language, the wording should be reverted to "The CNGC must ensure that the Tribal Internal Control Standards (TICS) provide a level of control that does not exceed or conflict with the applicable standards set forth in the MICS and the Compact."
4. We recommend revising TICS section 2.3 (B)(1)-(4) to read as follows: "The CNGC shall establish deadlines for compliance with these Tribal Internal Control Standards (TICS) and shall ensure compliance with those deadlines as set forth by the National Indian Gaming Commission (NIGC) and in accordance with the Cherokee Nation Gaming Ordinance and Title 4 of the Cherokee Nation Code Annotated and shall establish, implement, and revise the control standards with this document as follows. Tribal Internal Control Standards shall: (1). Provide a level of control that does not exceed or conflict with any Tribal-State Compact or the minimum standards set forth in 25 CFR Parts 542 and 543; (2). Contain standards for currency transaction reporting that comply with IRS regulations and 31 CFR Chapter X; and (3). Establish standards for games authorized that are not currently addressed." The responsibility of gaming operations to develop and implement SICS would be better placed in Section 2.1 (D), which could be rephrased to read, "Each gaming operation is required and shall develop and implement a System of Internal Control Standards (SICS) that, at a minimum, comply with these Tribal Internal Control Standards and are approved by the CNGC."
5. As part of including the provisions from Chapter IV, section H of the Rules and Regulations within the TICS, we recommend that the entirety of the language proposed for omission from Section 2.6 of the TICS be retained to ensure compliance with MICS section 542.3 (f).

D. Comment Section D on Section 4- General Provisions:

1. The word "agent" implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for these TICS apply to, as established in the MICS. We recommend using the term "employee" here instead of "agent."
2. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS when choosing to use an encompassing term. Unlike "casino instrument storage container," "financial instrument

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storage component” is defined in the MICS at Section 543.2, and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term when referring to currency and cash equivalent controls will also prevent necessitating additional revisions to the SICS or other regulatory documents.

3. See prior comment D (1). Further, for clarity, we recommend revising this section to read, "when the standards in this document address the need for signature authorizations, unless otherwise specified, that signature shall be the employee's full name or initials (as required) and identification number, in legible writing."
4. It is our opinion that the CNGC may either delete or retain the provision detailing supervisory lines of authority, provided that language on supervision is returned to the applicable area-specific sections outlined herein. In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. Re-insert language on Supervisory Line of Authority into MICS-mandated sections of the TICS: 5.1 Live Bingo; 6.1 Pull Tabs; 9.2 Card Games (already covered here); 12.1 (A) Drop and Count; 13.1 (B) Cage Operations; 17.1 (A) Player Tracking; 15.1 (A) Gaming Promotions; 16.1 (A) Complimentaries; 20.1 (C) Information Technology (There is an existing section on supervision, but it needs to be supplemented with line of authority language); 21.1 Auditing Revenue; and 22.2 (A)(3) Surveillance.
5. We recommend that the language on submitting charts detailing the supervisory line of authority be combined to cover both Class II games and Class III (covered) games. This provision should read, "Upon request, the enterprise shall provide the CNGC with a chart of the supervisory lines of authority with respect to those directly responsible for the conduct of covered games and shall promptly notify the CNGC of any material changes thereto. For covered games, the enterprise shall also provide a chart of supervisory lines of authority to the SCA and shall promptly notify the SCA of any material changes thereto."
6. The word “agent” implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent."

7. The language in this provision is based on Part 5 (M) of the Compact, which must be implemented into the TICS. We recommend retaining this language to ensure compliance with the Compact. This provision should read, “In addition to other recordkeeping requirements contained in the TICS, the CNGC shall keep a record of, and shall report at least quarterly to the SCA, the number of covered games in each facility, by the name or type of each and its identifying number. The gaming operation shall maintain the following records for no less than three (3) years from the date generated:”
8. Part 5 (C)(2) of the Compact includes "the payout from the conduct of all covered games" in a list of records which must be kept. As such, omitting this same language from TICS section 4.10 could result in noncompliance. We recommend retaining "pay-out from the conduct of all covered games" in Section 4.10 (A).

E. Comment Section E on Section 5- Live Bingo:

1. "Bingo" is a more appropriate title for the section, since, like in the MICS, Class II games that use technological aids for the play of bingo are covered by this Section. We recommend changing the title of TICS section 5 from “Live Bingo” to “Bingo.”
2. Although Section 543.8 (E)(5)(i) does not explicitly state that it applies exclusively to Class II Gaming System Bingo, the out-right mentions of Class II Gaming Systems in subsections (ii) and (iv) lend credence to the interpretation. Further, limiting what supervisory or management employees may sign and verify the manual prize payouts would constitute a restriction in excess of the MICs. This provision should read, “Manual prize payouts above the following threshold (or a lower threshold, as authorized by management and approved by the CNGC) must require one of the two signatures and verifications to be a supervisory or management employee independent of the operation of Class II Gaming System Bingo.”
3. (For reference, this section is now labeled Section 5.4). To ensure that the level of detail required by the MICS is provided on the appropriate payout records, the phrase "alpha & numeric for player interface payouts" should be included in the line. This provision should be revised to read, "Amount of the payout (alpha & numeric for player interface payouts); and."

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4. (For reference, this section is now labeled Section 5.4). To ensure that the specific types of information required by the MICS is provided on the appropriate payout records, the phrase "or player interface identifier" should be included in the line, unless the operations no longer use player interface identifiers.
5. To ensure that regulated parties are aware of the full extent of their obligations under the TICS, we recommend including a reference to Section 11 in Section 5.4 (M). So that the appropriate sections are cross-referenced for compliance, we recommend revising this provision to read, "Cash payout limits shall be established with the gaming machine payout standards in Section 11- Financial Instruments." Alternatively, to prevent regulated parties from having to reference multiple sections of the TICS, the cash payout limit standards could be included in both section 5.4 (M) and section 11-Financial Instruments.
6. Although CNE notes that this language has been added to Section 7 on Gaming Systems, the text in Section 7.2 has been stricken. In comment section G, we recommend that the language slated for removal therein be retained. We recommend adding an additional subsection requiring compliance with 25 CFR 547, possibly as 5.5 (C) (moving the subsection on CNGC approval down to (D) and so on). The provision should read, "All Class II gaming equipment must comply with 25 CFR part 547, Minimum Technical Standards for Gaming Equipment Used with the Play of Class II Games."
7. Even if documentation from the server is not required because the gaming system does not track the information mentioned, MICS section 543.8(c)(4) still calls for compliance in noting the system limitations. Unless none of the gaming operations sell Class II gaming system bingo cards, we would recommend including this text as a new subsection at the end of section 5.5. This provision should read, "'Class II gaming system bingo card sales. In order to adequately record, track, and reconcile sales of bingo cards, the following information must be documented from the server (this is not required if the system does not track the information, but the system limitation(s) must be noted): 1. Date; 2. Time; 3. Number of Bingo Cards sold; 4. Dollar amount of bingo card sales; and, 5. Amount in, amount out, and other associated meter information."
8. We recommend restoring the omitted text in TICS section 5.7 (A) to include the reference to 25 CFR 547.4. Specifically, this provision should read, "The operation must establish, as approved by the CNGC, the threshold 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 will be documented." Alternatively, to avoid the need to for regulated parties to cross-reference the TICS and MICS, this provision could be revised to read, "The operation must establish, as approved by the CNGC, the threshold at which a variance, including deviations from the mathematical expectations of game play calculated and/or verified by a test laboratory and submitted to the CNGC under 25 CFR 547.4. Any such review will be documented."

F. Comment Section F on Section 6- Pull Tabs:

1. We recommend retaining the following language on supervision in TICS section 6.1: "Supervision must be provided as needed for pull tab operations and over pull tab storage areas by an agent(s) with authority equal to or greater than those being supervised." In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. It is our recommendation that the CNGC not strike supervision language from this section, regardless of whether it chooses to retain such language in Section 4- General Provisions as well.

G. Comment Section G on Section 7- Gaming Systems:

1. We recommend restoring the definition of "credit or customer credit" for clarity of interpretation so that it is not confused with unconstitutional issuances of credit. This provision should read, "For this section only, credit or customer credit means a unit of value equivalent to cash or cash equivalent wagered, won, lost, or redeemed by a customer."
2. Sections 7.1 (D)(1-2) (referred to in CNE comments as Section 7.1 (C)(1-2)), 7.11, and 7.12 have all been proposed for deletion in the revised TICS. However, should these provisions be retained, we would recommend using the term "employee" instead of "agent" within the provisions. The word "agent" implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS.
3. Section 7.2 has been eliminated from the TICS, and this language in particular is not present in the red-lined version of the proposed TICS. However, if technologic aids are used for

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gaming systems other than Bingo, the section should remain within Section 7 as well as in Section 5.5 (C). If the language is included here, we recommend that the provision be rephrased to the following: "The CNGC must approve technological aids before they are utilized for play."

4. This language has been proposed to be eliminated from Section 7. We would recommend retaining this language here to prevent regulated parties from having to reference multiple sections of the TICS to understand the scope of their obligations. This provision should read, "All Class II gaming equipment must comply with 25 CFR part 547, Minimum Technical Standards for Gaming Equipment Used with the Play of Class II Games."
5. The added terms "game program" and "equivalent game software media" do not exceed the terms of the MICS verification requirements. Rather, these terms serve to clarify that the MICS require any form of gaming software to be approved, including more technologically current equivalents of EPROMS. As such, we would recommend no change to the proposed language, which is as follows: "verification of duplicated EPROMs, game program or other equivalent game software media before being offered for play."
6. The added terms "game program" and "equivalent game software media" do not exceed the terms of the MICS. Rather, these terms serve to clarify that the MICS require all gaming software to be secured, including more technologically current equivalents of EPROMS. To remove these clarifying terms would risk noncompliance and could endanger the integrity of the operation's gaming systems. As such, we would recommend no change to the proposed language, which is as follows: "(4) Receipt and destruction of EPROMs, or other equivalent game software media; and, (5) Securing the EPROM, game program or other equivalent game software media, duplicator, and master game EPROMs, "or other equivalent game software media," from unrestricted access."
7. Due to the extra requirements that omitting the phrase "with potential jackpots in excess of \$100,000" could bring on, it is likely that the revised language of this section exceeds the MICS and violates section 22(C) of the Gaming Act, as it would apply this provision to all gaming machines. We recommend that this provision be revised to read, "Gaming machines with potential jackpots in excess of \$100,000 shall have the game software circuit boards locked or physically sealed. The lock or seal shall necessitate the presence of a person independent of the gaming machine department to access the device game program EPROM,

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or other equivalent game software media. If a seal is used to secure the board to the frame of the gaming device, it shall be pre-numbered.”

8. We recommend against deleting the terms “servers and player interfaces” from section 7.4 (C) to preserve the specificity of the MICS language in section 543.8 (g)(C)((3)(i). The provision should read, "The gaming operation must maintain the following records, as applicable, related to installed game servers and player interfaces."
9. Neither the word "component" or "gaming machine" used in section 7.5 (B) appear in source section 543.8 (g)(5)(i) of the MICS, although "component" is the only word marked as an addition by the CNE and in the proposed TICS red-line document. Both terms together replace "player interface" in the Guidance. In compliance with the Gaming Act, we recommend that the language should be changed to match section 543.8 (g)(5)(i): "Testing must be completed during the installation process to verify that the player interface has been properly installed. This must include testing of the following, as applicable."
10. Eliminating "Class II" before “gaming system” in section 7.5 (B)(1) would likely add to the amount of gaming systems that would need to be tested as required by MICS section 543.8(g)(5)(i)(A)). While this does not conflict with the MICS or the Compact, it may exceed them, violating the Gaming Act. We recommend that the provision read, "communication with the Class II gaming system." However, it is important to note here that, despite the specific requirements of this section, all gaming machines are subject to testing pursuant to MICS section 542.13 (g).
11. CNE objected to the definitions for "voucher" and "cash-out ticket" being combined since there are subtle distinctions between the terms. In response to Comment B(6), we suggested including two separate definitions for clarity. However here, in a provision dealing with installation testing, it is important that the testing is inclusive of all forms of printouts the player interface/gaming machine could potentially process and accept. Since both definitions are included in the MICS (542.2- Cash-out ticket and 543.2 Voucher) and this section covers gaming systems more broadly (not just bingo), the addition of "cash-out tickets" does not violate the Gaming Act.
12. See Prior Comment.

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13. Items covered by the term "gaming machine," which has been added to section 7.5 (B)(8), may be in excess of those covered under "player interface," since gaming machines may include games affected by skill. As a result, altering the coverage may violate the Gaming Act. However, this section addresses more than the Bingo covered in the MICS source section (rather, section 7.5 (B) covers gaming systems more generally) and the current version of the TICS includes gaming machines and player interfaces in items that should be tested during install. If applicable testing is not covered elsewhere, it may be important to include it here so as not to frustrate the Commission's responsibility for ensuring the integrity of gaming systems and equipment under the Ordinance.
14. While it could be argued that the added term "uninstall" exceeds the terms of the MICS source section 543.8(h)(2)(ii)(A), we do not perceive that the addition adds to the section's requirements. Rather, it serves to clarify what action may be needed in order to purge the software appropriately when dealing with modern gaming systems. The language here, "Uninstall, purge, destroy storage media and/or return the software to the software license holder/owner; and," should remain as-is since it does not expand the scope of the provision to be in excess of or in conflict with the MICS or the Compact.
15. This language is sourced directly from MICS section 543.8 (h)(2)(iii)(A-B), which identically reads, "For other related equipment such as blowers, cards, interface cards: Remove and/or secure equipment; and Document the removal or securing of equipment." Deleting this requirement would risk noncompliance. We recommend restoring this section.
16. While the language from section 7.11 in the current TICS has been proposed for deletion, most of the text remains in the TICS in other sections. (See Sections 5.7 (A), 21.4 (B),(C),(D), and (E) and 21.5 (C),(D), (E), (F), (G), (H), (I), (J), and (K). (Section 21.4(C)(2) says "hard count" instead of "soft count," as in 7.11 (M), but the language is otherwise identical. Language previously under 7.11 (F)(1)-(4),(I), (J),(K), and (U) are not located elsewhere in the proposed TICS. While these omitted sections should be added back into either this section or section 21, inclusion of the other provisions in at least one section of the TICS is enough to ensure compliance with the MICS. We recommend that, to ensure that requirements are easily accessible to regulated parties, the entirety of these requirements be kept together instead of divided among two sections of the TICS.
17. The word "agent" implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may conduct the in-meter

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reading as established in the MICS. We recommend using the term "employee" here instead of "agent."

18. To ensure coverage of the MICS requirements related to statistical reports, we recommend retaining section 7.11 (here specifically, section 7.11 (O) unless otherwise indicated. While this language has also been included in Section 21, there is no harm in ensuring that all regulated parties understand the scope of their obligations without needing to refer to multiple sections. The word "agent" implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent."
19. See Prior Comment.
20. Variance requirements for Class II gaming machines are located in Section 21.5 (I), in line with the MICS. Language on Class III requirements should remain separate. We recommend rejecting the proposed removal of the term "Class III" from section 7.11(S). To ensure that this MICS requirement is covered by the TICS, we recommend retaining section 7.11 (here specifically, section 7.11 (S) unless otherwise indicated. While this language has also been included in Section 21, there is no harm in ensuring that all regulated parties understand the scope of their obligations without needing to refer to multiple sections.
21. To ensure coverage of MICS requirements concerning who may perform maintenance of gaming machine monitoring systems, we recommend including this section language either in a restored Section 7.11 or in Section 21.5 (J), moving the existing subsection (J) down to create a subsection (K). The word "agent" implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent."
22. To ensure that the variance threshold requirements from the MICS is covered by the TICS, we recommend retaining section 7.11. While this language has also been included in Section 21.6, there is no harm in ensuring that all regulated parties understand the scope of their obligations without needing to refer to multiple sections. In retaining section 7.11, which has been proposed for deletion, we recommend deleting subsection (W) for redundancy since it is less comprehensive than subsection (T).

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23. This provision, which sets out who may perform gaming machine accounting and auditing procedures, has been stricken in Section 7. But Section 21.1 (A), states "audits must be performed by "employees" agent(s) independent of the transactions being audited." The word "agent" implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent." Further, we recommend including the language transposed from Section 7 to Section 21 in both sections to ease compliance for regulated parties.
24. Currently, this provision concerning for weigh sale and currency interface systems is split among Section 21.4 (F) and (F)(2). This provision has been proposed for deletion in Section 7. We would recommend including this language in both sections in the interest of ensuring all regulated parties have access to their regulatory obligations without referring to multiple sections of the TICS. Further, the word "agent" implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent." This provision should read, "For weigh scale and currency interface systems, for at least one drop period per month accounting/auditing employees shall make such comparisons as necessary to the system generated count as recorded in the gaming machine statistical report. Discrepancies shall be resolved prior to generation/distribution of gaming machine reports.
25. This provision concerning drop procedures has been deleted from the proposed TICS and included in Section 21; however, we would recommend retaining the language here as well. Further, the word "agent" implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent." This provision should read, "For each drop period, accounting/auditing employees shall compare the bill-in meter reading to the total bill acceptor drop amount for the period. Discrepancies shall be resolved before the generation/distribution of gaming machine statistical reports."
26. This provision, which requires content verification of has been moved to section 21.5 (L). To ensure that this MICS requirement is covered by the TICS, we recommend retaining section 7.12 (here specifically, section 7.12 (C)) While this language has also been included

in Section 21, there is no harm in ensuring that all regulated parties understand the scope of their obligations without needing to refer to multiple sections. Further, the word “agent” implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent."

27. This language has been proposed for deletion from the TICS. However, this subject is covered in Section 21.5 (I) and (J), and the language of Section 7.11 (T) (which we have recommended be retained) is in line with the language of the MICS.
28. This section has already been marked for deletion from the TICS. However, MICS requirements for footing vouchers and jackpots are sufficiently covered in Sections 21.2 and 11.4 (B).
29. This section has already been marked for deletion from the TICS. In our view, deletion of this provision is proper since the language is not applicable to the operation's drop and count procedures.
30. This section's language has been moved to Section 21.5 (M). To ensure that this MICS requirement is covered by the TICS, we recommend retaining section 7.12 (here specifically, section 7.12 (L)) unless otherwise indicated. While this language has also been included in Section 21, there is no harm in ensuring that all regulated parties understand the scope of their obligations without needing to refer to multiple sections. The word “agent” implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent."
31. This section has already been marked for deletion from the TICS. This language is included in both Section 7 and Section 21, so deleting this provision properly streamlines the TICS. We recommend deleting this provision as proposed.

H. Comment Section H on Section 8- Table Games:

1. The word “agent” implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the

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requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."

2. It is highly doubtful that the NIGC would reject a TICS provision that merely requires the posting of rules. Rules are favored, and the Nation is required by Part 5 (A) of the Compact to promulgate the rules necessary to implement the Compact. The requirement here to post rules would fall under this Compact provision since table games are covered by the Compact. We recommend retaining this provision.
3. Per MICS section 543.3 (d), the gaming operation is required to set a threshold at which a variance must be reviewed in order to comply with the MICS. We recommend retaining this provision. In the red-lined version of the proposed TICS, this provision includes the term "TGRA" instead of "CNGC." The provision should read, "the operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented."
4. The word "agent" implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."
5. See Prior Comment
6. See Prior Comment
7. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent the need for additional revisions to the SICS or other regulatory documents in which this term is used.
8. The word "agent" implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the

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requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."

9. See Prior Comment.

10. See Prior Comment.

11. See Prior Comment.

12. See Prior Comment.

13. See Prior Comment.

14. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

15. See Prior Comment.

16. The word “agent” implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."

17. See Prior Comment.

18. See Prior Comment

19. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial

instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

20. See Prior Comment.

21. The word “agent” implicitly connotes a greater level of vested authority than the term “personnel,” here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term “personnel” here instead of “agent.”

22. We recommend that the heading for this section be revised to clarify the content of the section and to reflect the wording in the MICS. The heading should read, “Standards for Playing Cards and Dice.” To fully comply with MICS section 542.12 (f), the content of this provision should read, “The CNGC, or the gaming operation as approved by the CNGC, shall establish and the gaming operation shall comply with a reasonable time period, which shall not exceed seven (7) days, within which to mark, cancel, or destroy cards and dice from play. This standard shall not apply where playing cards or dice are retained for an investigation.”

23. We recommend omitting this proposed section. 25 CFR Section 549, cited by the CNE in its comments, is reserved. The language in this provision is sourced from MICS section 543.10 which discusses progressive pots and pools as applied to card games. There is no indication in the MICS that these provisions are intended to extend to progressive table games. As such, applying the language of this section to progressive table games would be in excess of the MICS. We would, however, strongly urge CNE to address this subject in its own internal control policies and procedures.

24. This language is required by MICS section 542.12 (i). Including these requirements in Section 21 does not violate the Gaming Act as it does not exceed the MICS. However, to ensure that all MICS requirements are covered by the TICS, we recommend including the language from MICS section 542.12 (i) in section 8. While this language has also been included in Section 21, there is no harm in ensuring that all regulated parties understand the scope of their obligations without needing to refer to multiple sections.

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25. There are no Accounting and Auditing Standards included in proposed section 8. Expanding this section in Section 21 does not violate the Gaming Act as it does not exceed the MICS. However, to ensure that all MICS requirements are covered by the TICS, we recommend including the language from MICS section 542.12 (j) in section 8. While this language has also been included in Section 21, there is no harm in ensuring that all regulated parties understand the scope of their obligations without needing to refer to multiple sections. This language is sourced from MICS section 542.12 (l) and is therefore appropriately applied to table games.
26. Issuance of credit, including "marker credit play" is prohibited by the Constitution of the Cherokee Nation. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since "marker credit play" is not applicable to Cherokee Nation gaming, we recommend that this section be deleted. In comment section A, we recommended instituting a provision in Section 4- General Provision stating that issuance of credit is prohibited as a matter of the Nation's constitutional law.
27. Issuance of credit, including through acceptance of "name credit instruments" is prohibited by the Constitution of the Cherokee Nation. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since requirements related to "name credit instruments accepted in the pit" are not applicable to Cherokee Nation gaming, we recommend that this section be deleted. In comment section A, we recommended that issuance of credit is prohibited as a matter of the Nation's constitutional law.
28. N/A. No comment for this number.
29. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since the CNE does not accept call bets at its pits, we recommend that this section be deleted.
30. Even though rim credit and other forms of credit are covered in the MICS, 27, issuance of credit, including through "rim credit" is prohibited by the Constitution of the Cherokee Nation. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since requirements related to "rim credit" are not applicable to Cherokee Nation gaming, we recommend that this section be deleted. In comment section A, we

recommended that issuance of credit is prohibited as a matter of the Nation's constitutional law.

31. Even though the MICS provide standards for the acceptance of foreign currency, the CNGC is only required to implement applicable provisions of the MICS through the TICS. Since the CNE does not accept foreign currencies, we recommend that this section be deleted. Even though the text of this section conditions its applicability on whether an operation accepts foreign currency, its inclusion could spark unnecessary confusion. We further recommend adding a provision to Section 4- General provisions which outlines the policy against accepting foreign currency. Such a provision could read, "Cherokee Nation Gaming Operations do not accept or exchange foreign currencies."
32. Subsection (C) which applies information technology controls to table games does not violate the Gaming Act. Instead, as evidenced by the phrase "all relevant controls," this provision serves to reference provisions located in Section 20 that already apply to table games. Similarly, subsection (D) merely alerts the reader of the section that additional obligations are located in another section. No change is needed for compliance purposes. However, we recommend including all applicable information technology provisions in both Section 8 and Section 20 and all applicable auditing provisions in both Section 8 and Section 20.
33. Per MICS section 543.3 (d), the gaming operation is required to set a threshold at which a variance must be reviewed in order to comply with the MICS; however, this provision is already included in Section 8.1 (C). We recommend deleting this provision to avoid redundancy within the section.

I. Comment Section I on Section 9- Card Games:

1. We recommend retaining this language in Section 9.4 (A)(2) to ensure compliance with MICS section 543.10 (C)(2). Additionally, the sentence "The removal and cancellation process requires CNGC review and approval" should be added to the end of the provision. Omitting a portion of this requirement risks noncompliance.
2. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial

instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

3. In our view, the determination on whether to accept these changes is a stylistic choice. These changes make no significant difference to the meaning of the provision other than to add emphasis to both requirements in the Section. The language does not risk noncompliance as-is.
4. The word “agent” implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."
5. See Prior Comment.
6. See Prior Comment.
7. While these sections do not need to be removed since they are pulled from Section 542.12 (o) of the MICS, they should be deleted for relevance to prevent confusion with policies and procedures regarding foreign currencies. In comment section H, we recommend that a provision be added to Section 4- General Provisions explaining the policy on Foreign Currencies.

J. Comment Section J on Section 10- Pari-Mutuel:

1. The word “agents” implicitly connotes a greater level of vested authority than the term "employees," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employees" here instead of "agents."
2. See Prior Comment.
3. See Prior Comment.

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4. To ensure full compliance with the Compact's notice and non-interference requirements, we recommend adding the phrase "in accordance with the Off-Track Wagering Compact between Cherokee Nation and the State of Oklahoma." to the end of this provision.
5. The only section of the Off-Track Wagering Compact that discusses amendments or modifications refers to those to the Compact itself, not to the house rules. However, in carrying out its duty to regulate and oversee the conduct of gaming operations pursuant to Section 22 (A) of the Gaming Act, it is essential for the CNGC to have a copy of all applicable off-track wagering rules. As such, we recommend revising this section to read, "The gaming operation must inform the CNGC of any amendments or modifications to the off-track wagering house rules prior to implementation."
6. The closing provision of Appendix A Section C of the Off-Track Wagering Compact states that "nothing shall prevent the Nation from providing an alternative computer system..." and CNGC approval may be a conflicting barrier. We recommend removing the phrase "as approved by the CNGC" from the end of this section. This provision should read, "Provide sufficient hard disk storage with magnetic tape backup storage at a minimum of 2.1 gigabytes each or some other storage of similar or greater capacity."
7. To avoid confusion, we recommend separating these requirements into new section headings. Section B should read, "Program source code shall not be available to Gaming Employees or to Nation's data processing employees." Section C should read, "Access to the main processors located at the source location is limited to authorized source location personnel or substitute entity personnel from the signal source locations." The language currently in Section B and C should be moved down to a new subsection (D) and so on, as necessary.
8. Section B should read, "Access to writer/cashier terminals will be restricted to agents by means of operator numbers and passwords necessary to log on to the system." In subsection B(2), the term "agents," should be replaced with "writers/cashiers" in both instances. The word "agents" implicitly connotes a greater level of vested authority than the term "writers/cashiers," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. Under the same reasoning as the suggested revisions to section (B) (2), section C should read, "A gaming operation employee or other employee,

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approved by the CNGC may perform routine maintenance and service of the hardware components of the Gaming Facility's wagering and communication equipment."

9. Section 9 (a) (2) of the Off-Track Wagering Compact requires that maintenance logs be maintained in relation to all off-track wagering gaming equipment. The Compact does not, however, list what should be recorded in the logs. We recommend altering the language to state, "The gaming operation shall establish and maintain a log of all routine and non-routine maintenance of all gaming equipment pertaining to off-track wagering."
10. While the Compact does not mandate submitting service agreements to the CNGC, it does provide that the Nation will enter into the Agreements for the off-track wagering authorized by the Compact. In order to ensure that any wagering undertaken as a result of/with the aid of services from these contracts is in accordance with the Compact, it is necessary to provide that the agreement contain compliance provisions. The first sentence must be retained to ensure compliance; however, the second sentence should be deleted. This provision should read, "Any service agreement entered into by the gaming operation with a third-party to provide simulcast services or provide pari-mutuel wagering/totalizer services must contain provisions sufficient to establish and maintain compliance with these internal controls, the rules and regulations of the CNGC, and any tribal-state compact to which the Nation is a party."
11. The word "agents" implicitly connotes a greater level of vested authority than the term "writers/cashiers," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writers/cashiers" here instead of "agents" in both instances in this section.
12. In our opinion, the determination of whether to use the term "customer" or "patron" is a stylistic choice. However, if the SICS already employ the word "customer," we would recommend no change. See discussion in Section A.
13. The word "agent" implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."

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14. The word “agent” implicitly connotes a greater level of vested authority than the term "writer," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer" here instead of "agent."
15. We recommend retaining the proposed language. The gaming operation may have a secure room that is used to store multiple items. The MICS do not intend to limit gaming operations by requiring pari-mutuel tickets be stored in isolation. Such a requirement would be impractical. Instead, this requirement intends to ensure that unused tickets are secure. Either a pari-mutuel storage room or another secure location would achieve that aim.
16. If “post time” reflects a different time standard than "locked out," the section language should be reverted so as not to exceed the Compact by either adding or taking away time when the computer system will function. However, if the two phrases would close the opportunity for ticket voiding at the same time, "post time" may be clearer and lead to less confusion and noncompliance.
17. The word “agent” implicitly connotes a greater level of vested authority than the term "writer/cashier," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer/cashier" here instead of "agent."
18. The word “agent” implicitly connotes a greater level of vested authority than the term "writer/cashier," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer/cashier" here instead of "agent."
19. The word “agent” implicitly connotes a greater level of vested authority than the term "writer/cashier," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer/cashier" here instead of "agent."
20. While both terms are often used interchangeably, we see no compelling reason here to amend the TICS. Change "operation" to "facility" to reflect the language of the Compact and avoid unnecessary revisions.

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21. The word “agent” implicitly connotes a greater level of vested authority than the term "clerk," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "clerk" here instead of "agent."
22. While both terms are often used interchangeably, as noted above, we see no compelling reason here to amend the TICS. Change "operation" to "facility" to reflect the language of the Compact and avoid unnecessary revisions.
23. This section is pulled directly from Section J (3)(b) of the Off-Track Wagering Compact. As such, the language should remain as it is in the proposed TICS: "If an unpaid ticket is found that matches the lost ticket report, the unpaid ticket will be "locked" in the computer system to prevent payment to other than the claimant for the holding period of one hundred twenty (120) days after the conclusion of the racing meet on which the wager was placed."
24. While both terms are often used interchangeably, as noted above, we see no compelling reason here to amend the TICS. Change "operation" to "facility" to reflect the language of the Compact and avoid unnecessary revisions.
25. The word “agent” implicitly connotes a greater level of vested authority than the term "writer/cashier," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer/cashier" here instead of "agent."
26. In order to fully cover the requirements in the Appendix of the Off-Track Wagering Compact, we recommend incorporating the following: "the Gaming Facility bears no responsibility with respect to the actual running of any race or races upon which it accepts bets. In all cases, the off-track betting pari-mutuel pool distribution shall be based upon the order of finish posted at the track as “official." The determination of the Judges, stewards or other appropriate officials at the track shall be conclusive in determining the payoffs of the Gaming Facility. Additionally, while the terms "operation" and "facility" are often used interchangeably, as noted above, we see no compelling reason here to amend the TICS. Change "operation" to "facility" at the end of the proposed provision to reflect the language of the Compact and avoid unnecessary revisions.

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27. While both terms are often used interchangeably, as noted above, we see no compelling reason here to amend the TICS. Change "operation" to "facility" to reflect the language of the Compact and avoid unnecessary revisions.
28. The word "agent" implicitly connotes a greater level of vested authority than the term "writer/cashier," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer/cashier" here instead of "agent."
29. In order to fully cover the requirements in the Appendix of the Off-Track Wagering Compact, we recommend incorporating the following language for Appendix D, Section 2 on Closing Procedures: "The cash drawer is then counted by the cashier/writer and the shift supervisor. Both sign the count sheet. The computer terminal is accessed to determine the writer's total cash balance. This is compared to the count sheet and variations are investigated."
30. The word "agents" implicitly connotes a greater level of vested authority than the term "employees," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employees" here instead of "agents."
31. The word "agent" implicitly connotes a greater level of vested authority than the term "writer," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer" here instead of "agent." Functionally, a screen activated device ("SAM") and a kiosk serve the same function in the context of pari-mutuel wagering. Since "SAM" is the term both defined in this section and specifically used in section 542.11 (g)(3)(v), we recommend rejecting the proposed change to this provision. This provision should read, "Amount of wagers (by ticket, writer/screen activated machine ("SAM"), track/event, and total);
32. This section was likely intended to reflect the language in MICS section 542.11 (g)(3)(vi). Currently, it repeats the language of above section 10.10 (C)(5), which is based on MICS section 542.11(g)(3)(v). We recommend revising the word "wagers" here to "payouts" to comprehensively cover the applicable sections of the MICS. Further, the word "agent" implicitly connotes a greater level of vested authority than the term "writer," here impermissibly increasing the standard for who may undertake the requirement established

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in the MICS. We recommend using the term "writer" here instead of "agent." Functionally, a screen activated device ("SAM") and a kiosk serve the same function in the context of pari-mutuel wagering. Since "SAM" is the term both defined in this section and specifically used in section 542.11 (g)(3)(vi), we recommend rejecting the proposed change to this provision. This provision should read, "Amount of payouts (by ticket, writer/screen activated machine ("SAM"), track/event, and total);"

33. The word "agent" implicitly connotes a greater level of vested authority than the term "writer," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer" here instead of "agent." Functionally, a screen activated device ("SAM") and a kiosk serve the same function in the context of pari-mutuel wagering. Since "SAM" is the term both defined in this section and specifically used in section 542.11 (g)(3)(vii), we recommend rejecting the proposed change to this provision. This section should read, "Tickets refunded (by ticket, writer, track/event, and total);"
34. The word "agent" implicitly connotes a greater level of vested authority than the term "writer," impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer" here instead of "agent." Functionally, a screen activated device ("SAM") and a kiosk serve the same function in the context of pari-mutuel wagering. Since "SAM" is the term both defined in this section and specifically used in section 542.11 (g)(3)(ix), we recommend rejecting the proposed change to this provision. This section should read, "Voucher sales/payments (by ticket, writer/SAM, and track/event);"
35. The word "agent" implicitly connotes a greater level of vested authority than the term "writer," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer" here instead of "agent."
36. Functionally, a screen activated device ("SAM") and a kiosk serve the same function in the context of pari-mutuel wagering. Since "SAM" is the term both defined in this section and specifically used in Appendix L of the Off-Track Wagering Compact. We recommend reverting to use of the term "SAM vouchers." The provision should read, "A Recap Report that provides daily amounts and contains information by track and total information regarding write, refunds, payouts, outs, payments on outs, and federal tax withholding for each track. The report will also contain information regarding SAM voucher activity."

37. Functionally, a screen activated device ("SAM") and a kiosk serve the same function in the context of pari-mutuel wagering. Since "SAM" is the term both defined in this section and specifically used in Appendix L of the Off-Track Wagering Compact. We recommend reverting to use of the term "SAM terminals." The provision should read, "A Teller Balance Report that summarizes daily activity by track and writer/ cashier, and SAM terminals. The report will contain the following information: tickets sold, tickets cashed, tickets canceled, draws, returns, computed cash turn-in, actual turn-in, and over/short."
38. Functionally, a screen activated device ("SAM") and a kiosk serve the same function in the context of pari-mutuel wagering. Since "SAM" is the term both defined in this section and specifically used in Appendix L of the Off-Track Wagering Compact. We recommend reverting to use of the term "SAM activity." The provision should read, "A SAM Activity Report that contains a summary of kiosk activity including the SAM number, ticket sales, ticket cash outs, voucher sales, and voucher cash outs."
39. Per MICS section 543.3 (d), the gaming operation is required to set a threshold at which a variance must be reviewed in order to comply with the MICS. We recommend retaining this provision. As such, we recommend retaining this provision as proposed.
40. To ensure that this MICS requirement is covered by the TICS, we recommend retaining the language that was formerly Section 10.8 within the proposed TICS. While this language has also been included in Section 21, there is no harm in ensuring that all regulated parties understand the scope of their obligations without needing to refer to multiple sections.

K. Comment Section K on Section 13- Casino Instruments:

1. Removing "fill" may lead to unintended consequences, namely creating an additional burden of documentation not intended by the NIGC, which would violate the Gaming Act. The language should read, "Game outcome is not required if a computerized jackpot/fill system is used."
2. While the section follows the heading wording of two Guidance sections, labeling a new section appropriately has no operative effect and does not conflict with or exceed the MICS or the Compact. To eliminate this text and insert the tabbed language into another section would detract from clarity and pose a greater risk to compliance. The language should not be altered or omitted.

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3. This language is required by MICS section 543.8 (d)(4)(ii); therefore, we recommend including this section language in the TICS to ensure full compliance. This provision should read, "For all games offering a prize payout of \$1,200 or more, as the objects are drawn, the identity of the objects are immediately recorded and maintained for a minimum of 24 hours."
4. Omitting "fill" may lead to unintended consequences, namely opening up systems to access that the NIGC intended to be restricted. The language should read, "Computerized jackpot/fill systems shall be restricted so as to prevent unauthorized access and fraudulent payouts by one person as required by Section 20-information Technology of this document."
5. This language is required by MICS section 542.13 (n) which covers cash-out tickets. We recommend retaining this language in the TICS to ensure full compliance with the MICS. This provision should read, "For gaming machines that utilize cash-out tickets, the following standards apply. This standard is not applicable to Tiers A and B. Tier A and B gaming operations shall develop adequate standards governing the security over the issuance of the cash-out paper to the gaming machines and the redemption of cash-out slips."
6. All of the auditing standards applicable to Gaming Systems have been moved to Section 21 of the proposed TICS. To ensure that parties referencing this section understand their full obligations, we recommend retaining these provisions in Section 11. Technically, these provisions only need to be included once in the TICS for federal compliance. Accordingly, the CNGC may choose to include a cross-reference to this section of the TICS in Section 21 which reads, "Gaming machine accounting and auditing standards are located in Section 11-Casino Instruments." We would recommend, though, that provisions related to auditing be preserved in both sections to ensure that regulated parties can fully understand their obligations without needing to refer to multiple sections of the TICS.
7. We do not perceive any material changes created by the proposed relocation of this provision within Section 11. Further, MICS section 542.3(d) states that gaming operations must develop and implement controls that "at a minimum" comply with the TICS. We would recommend retaining this provision as proposed.
8. This language has been moved to Section 21.4 (I), and all of the auditing standards applicable to Gaming Systems have been moved to Section 21 of the proposed TICS. To ensure that parties referencing this section understand their full obligations, we recommend retaining these provisions in Section 11. As noted, these provisions only need to be included once in the TICS for federal compliance. Accordingly, the CNGC may choose to include a

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cross-reference to this section of the TICS in Section 21 which reads, "Gaming machine accounting and auditing standards are located in Section 11- Casino Instruments." We would recommend, though, that provisions related to auditing be preserved in both sections to ensure that regulated parties can fully understand their obligations without needing to refer to multiple sections of the TICS.

9. In addition to ensuring that the gaming machine has the necessary requirements set out in the MICS, the second sentence needs the context of the first sentence to make sense and avoid potential noncompliance caused by confusion. The first sentence should remain in the TICS. This provision should read, "The customer may request a cash-out ticket from the gaming machine that reflects all remaining credits. The cash-out ticket shall be printed at the gaming machine by an internal document printer. The cash-out ticket/vouchers shall be valid for a time period specified by the CNGC, or the gaming operation as approved by the CNGC. Cash-out tickets may be redeemed for payment or inserted in another gaming machine and wagered, if applicable, during the specified time period."
10. The phrase "of the cash-out ticket" does not add to the meaning of the provision. Rather, it simply modifies the already-identified party -- the cashier/redeemer. Removing the phrase does not open to door to interpretations of the provision that would be in excess of the MICS due to the context of the sentence which connects the cash-out ticket and the redeemer. "Of the cash-out ticket" does not need to be added for compliance.
11. Since the MICS impose a requirement in the sentence proposed for omission, it must be included to ensure compliance. If the sentence in question were to be deleted from the TICS, regulated parties would not be aware that the MICS require that paid cash-out tickets remain in the cashier's bank. The section should read, "If valid, the cashier (redeemer of the cash-out ticket) pays the customer the appropriate amount and the cash-out ticket is electronically noted "paid" in the system. The "paid" cash-out ticket shall remain in the cashiers" bank for reconciliation purposes. The host validation computer system shall electronically reconcile the cashier's banks for the paid cashed-out tickets. "
12. We recommend remedying the inadvertently added requirements by separating the sentences in this provision into two distinct sections. Section J should read "If the host validation computer system temporarily goes down, cashiers may redeem cash-out tickets at a cashier's station after recording the following:" The first sentence, "Document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated (e.g., mutilated, expired, lost, or stolen voucher)" should be included as part of a newly-restored list discussing specific controls that need to be established. We recommend

that the sentence, "Document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated (e.g., mutilated, expired, lost, or stolen voucher)" be deleted from this provision and retained as part of Section 11.4 (O) (addressed below in comment K(16)).

13. Moving this language within Section 11.4 does not impact the requirements under the TICS or risk noncompliance since it has not been moved into or out of the context of another provision. The text should remain as it is in the proposed TICS.
14. This language sets out crucial actions that need to be undertaken in the case of computer system failure. We recommend including this language to ensure compliance. This provision should read, "If the host validation computer system is down for more than four (4) hours, the gaming operation shall promptly notify the CNGC or its designated representative."
15. For clarity and alignment with the MICS, we recommend revising this language to read "Gaming machine systems that utilize cash-out tickets shall comply with all other standards (as applicable) in these TICS, including...." This exact language is pulled from MICS section 542.13 (n)(12), which also contains subsections (i), (ii), and (iii). Currently, the language of subsections (n)(12)(i-iii) is not covered by the TICS. Therefore, we recommend creating new subsections, TICS section 11.4 (M) (1), (2), and (3), to include the specifically applicable standards in MICS in section 542.13 (n)(12)(i-iii). The text of these sections should read, "(1) Standards for bill acceptor drop and count; (2) Standards for coin drop and count; and (2) Standards concerning EPROMS or other equivalent game software media."
16. Include this language in the TICS to ensure that the controls specifically required by the MICS, which may not be generated based on general provision requiring the creation of controls, are created. Including this section also covers the documentation requirement established in MICS section 543.18 (h)(3) which we recommended for omission from TICS section 11.4(J).
17. See response to comment K(8). The placement of this particular provision has no impact on the meaning or effect section 11.4. It should remain in 11.4 (K), as currently it is in the proposed TICS.

L. Comment Section L on Section 12- Drop & Count:

1. We recommend retaining the language on supervision. In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated

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party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. It is our recommendation that the CNGC not strike supervision language from this section, regardless of whether it chooses to retain such language in Section 4- General Provisions as well.

2. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICs should adopt the definition set out in the MICS. Financial Instrument Storage Component is defined as, “any component that store financial instruments, such as a drop box, but typically used in connection with player interfaces.” Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
3. See Prior Comment.
4. The word “agent” implicitly connotes a greater level of vested authority than the term “employee,” here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term “employee” here instead of “agent.”
5. See Prior Comment
6. While there are similar provisions outlined in Section 22- Surveillance (Sections 22.16 (c)(1) and (c)(2)(a)), those provisions are not specific to drop and count procedures and equipment. The language proposed to be deleted here is pulled directly from MICS section 543.21 (c)(5) and is tailored to the surveillance of count rooms, in particular. Therefore, we would recommend retaining this provision, which should read as follows: “The surveillance system must monitor and record with sufficient clarity a general overview of all areas where cash or cash equivalents may be stored or counted; and, the surveillance system must provide coverage of count equipment with sufficient clarity to view any attempted manipulation of the recorded data.”
7. While we do not perceive the change of the name “Financial Instrument Storage Component” to an abbreviation of “Casino Instrument Storage Container” to be a violation

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of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the definition set out in the MICS. Financial Instrument Storage Component is defined as, “any component that store financial instruments, such as a drop box, but typically used in connection with player interfaces.” Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

8. The word “agents” implicitly connotes a greater level of vested authority than the term “members,” here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term “members” here instead of “agents.”
9. The language added here is included in Section 12.2 (A)(3). Repeating this provision, especially so close to its second mention, does not add any operative value to the Section. As Subsection (A)(3) is more detailed, we recommend striking this language for redundancy.
10. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Here specifically, it is our opinion that the language of the current TICS should be preserved for its specificity. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used. Further, so as not to restrict the scope of independence that an agent must have for this task, we recommend preserving the phrase “card game” before the word “shift” in this provision.
11. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Here specifically, it is our opinion that the language of the current TICS should be preserved for its specificity. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used

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in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

12. See Prior Comment.

13. See Prior Comment.

14. Given the common understanding of card games within the NIGC regulatory structure, it is likely that this addition could cause confusion as to the coverage of the provision. Since the rest of this section refers to card and table games, adding "card" here would leave an unnecessary gap in recording. For clarity, we recommend rejecting the addition of the term "card."

15. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Here specifically, it is our opinion that the language of the current TICS should be preserved for its specificity. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

16. See Prior Comment.

17. See Prior Comment.

18. The word "agents" implicitly connotes a greater level of vested authority than the term "employees," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employees" here instead of "agents." Regarding the addition of "transportation," it is our opinion that this edit should be rejected, since removal may but does not necessarily include transportation. Using the phrase "gaming machine storage container" may be confusing in application, since the term is not defined within the TICS. Further, if our recommendation to use the MICS term "financial instrument storage component" is accepted, the term "gaming machine storage container" would not follow the naming structure found throughout the rest of the document. Here, we would recommend rephrasing this sentence to read, "For Tier A and B gaming operations, at least two agents must be involved in the removal of the gaming machine

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financial instrument storage component drop, at least one of whom is independent of the gaming machine department."

19. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent the need for additional revisions to the SICS or other regulatory documents wherein this term is used.
20. This language is pulled directly from the MICS and contains important requirements regarding the transport process of financial instrument storage containers. This provision should be preserved as written in the current TICS.
21. See Prior Comment.
22. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
23. The language regarding the employees in the count room in the subsequent sections concerns Tier C gaming operations, whereas the instant language covers Tier A and Tier B gaming operations. Given the differences in application, we recommend preserving the added language and accepting the suggested edits. However, we recommend that the changes from "member" and "employees" to the term "agents" be rejected.
24. This language is pulled directly from the MICS and contains important requirements regarding count room procedures. This provision should be preserved as written in the current TICS.
25. The proposed changes to this provision conflict with the language of the MICS, section 543.17(c)(5), which explicitly allow for vault agents to participate on the count team given

the specified conditions are met. Omitting "vault agents" and adding the requirement that count team agents be "independent of the cage/vault department" may wrongly restrict the individuals who may be a part of the count team. We recommend preserving the language as it is in the current TICS in order to mirror the language of the MICS.

26. "While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent the need for additional revisions to the SICS or other regulatory documents wherein this term is used. Overall, it is our opinion that is wise, whenever possible to mirror the exact language of the MICS in the TICS since it is the basis for all audits. We recommend that the CNGC replace this provision with the exact language of the MICS: "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."
27. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Here, specificity is used in the current TICS to encompass each form of storage component. Since this is a subsection, it is our opinion that each type need not be spelled out again here. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
28. The word "agent" implicitly connotes a greater level of vested authority than the term "member," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the terms "member" and "members" here, respectively, instead of "agent."
29. In the proposed revisions to the TICS, the change suggested by the CNE has already been implemented. However, within the proposed TICS, the term "member" has been changed to "agent." We recommend that the CNGC reject this change and preserve use of the word "member." The word "agent" implicitly connotes a greater level of vested authority than the

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term "member," here impermissibly increasing the standard for who may undertake the requirement established in the MICS.

30. In comparison to the source sections of the MICS, §§542.21(f)(4)(ii), 542.31(f)(4)(ii), and 542.41(f)(4)(ii), the substitution of the term "agent" in the last sentence is improper. In contrast, use of the term "agent" in the first sentence is in accordance with MICS section 543.17 (f)(10). The word "agent" implicitly connotes a greater level of vested authority than the term "members," here, in the last sentence, impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "members" instead of "agent" in the last sentence.
31. The word "agent" implicitly connotes a greater level of vested authority than the term "member," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "member" here instead of "agent."
32. In the current TICS, the term "casino instrument storage container" is used here. It is our opinion that, for consistency throughout the TICS, "financial instrument storage component" should be used. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2, and it is our opinion that the TICS should adopt the term used in the MICS.
33. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used. Here, it is our opinion that the TICS should preserve the current language, "table games/card game drop box and financial instrument storage component."
34. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS.

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Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used. Here, it is our opinion that the TICS should preserve the current language, "table games drop box and financial instrument storage component."

35. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2, and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used. Here, it is our opinion that the TICS should preserve the current language, "table games drop box and financial instrument storage component."
36. While credit mechanisms are covered by the MICS, the Constitution of the Cherokee Nation prohibits issuance of any credit not approved by the Cherokee Council. While adding "as applicable" would bring the TICS into alignment with both the MICS and the Constitution of the Cherokee Nation, we recommend rejecting the addition of the term "marker." Adding the term "marker" would be inconsistent with the entirety of the TICS since all other references to credit practices and mechanisms have been suggested for deletion. It is our recommendation that this provision read, "The opening/closing table inventory forms must be either..."
37. While credit mechanisms are covered by the MICS, the Constitution of the Cherokee Nation prohibits issuance of any credit not approved by the Cherokee Council. We recommend rejecting the addition of the term "marker." Adding the term "marker" would be inconsistent with the entirety of the TICS since all other references to credit practices and mechanisms have been suggested for deletion. It is our recommendation that this provision read, "If a computerized system is used, accounting personnel can trace the opening/closing table inventory forms to the count sheet. Discrepancies must be investigated with the findings documented and maintained for inspection."
38. The word "agent" implicitly connotes a greater level of vested authority than the term "member," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. While both voucher and cash-out ticket are defined in the MICS and suggested to be defined in the TICS, the MICS only reference vouchers in this section. In order to mirror the language of the MICS, we recommend revising the

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language to read, "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."

39. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used. This section should read, "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..."
40. This exact requirement can be found in MICS Section 543.17 (h)(1); therefore, we recommend including this language in the TICS. However, in order to ensure both compliance with the MICS and consistency throughout the TICS, we recommend changing "CISC" to "financial instrument storage component." While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents in which this term is used.
41. See Prior Comment.
42. See Prior Comment.
43. Since cash-out tickets and vouchers are separately defined herein, requiring both to be redeemed (along with pull tabs) would be to add a burden not intended by the MICS. Further, changing the departments which the NIGC has designated at "appropriate" in the MICS constitutes a conflict. It is our opinion that the CNGC should reject all proposed changes to this provision and adopt the language used in the MICS, "Redeemed vouchers and pull tabs

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

44. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

45. See Prior Comment.

M. Comment Section M on Section 13- Cage Operations:

1. Since this section is directly quoted from MICS Section 542.14 (a), it should be covered in the TICS. This language has not been moved to another section, so it should be preserved here.
2. Retain the language on supervision. In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. It is our recommendation that the CNGC not strike supervision language from this section, regardless of whether it chooses to retain such language in Section 4- General Provisions as well.
3. While credit mechanisms are covered by the MICS, the Constitution of the Cherokee Nation prohibits issuance of any credit not approved by the Cherokee Council. We recommend rejecting the addition of the term "marker." Adding the term "marker" would be inconsistent with the entirety of the TICS since all other references to credit practices and mechanisms have been suggested for deletion. In Section 4- General Provisions, we suggested adding language similar to what the CNE has suggested here, explaining that issuance of credit of any kind is constitutionally prohibited. It is our opinion that reiterating here that "checks are not allowed to be held," though, would be aid in compliance of the regulated parties.

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4. The language in Section 542.14(d)(3) is, "a suggested bankroll formula will be provided by the Commission upon request." Here, when the NIGC uses the term "Commission," it refers to itself, not the CNGC. In cases where the NIGC refers to the CNGC, the CNGC is referred to as the "TGRA." In order to stay true to the spirit of the regulation, the final sentence should not be omitted and should read "A suggested bankroll formula will be provided by the NIGC upon request from the CNGC." In our opinion, the determination of whether to use the term "customer" or "patron" is a stylistic choice. However, if the SICS already employ the word "customer," we would recommend no change.
5. The word "agent" implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent." The addition of the phrase "who was not involved in the initial count and fill of the cassette" serves to impose additional restrictions on the count and fill process not anticipated by the MICS. As such, it is our opinion that the MICS language should be utilized: "Currency cassettes must be counted and filled by an agent and verified independently by at least one agent, all of whom must sign each cassette."
6. In our view, the phrase "and procedures that safeguard the integrity of the kiosk system" does not violate the Gaming Act. While "safeguarding the integrity of the kiosk system" implies protection of the intangible elements of the kiosk, the NIGC conveys that protecting the kiosk overall is the goal of this provision by emphasizing that the "controls" should address "protection of circuit boards containing programs" (emphasis added). It is our opinion that the added phrase is clarifying, not excessive, of the MICS requirement.
7. Since Cherokee Nation Gaming Operations do not accept customer deposits, including a provision concerning how to handle customer deposits may be misleading to those parties working in the Cage. As such, we recommend deleting this provision and section 13.5 as a whole. If this provision is retained, the determination of whether to use the term "customer" or "patron" is a stylistic choice. However, if the SICS already employ the word "customer," we would recommend no change.
8. See Prior Comment.
9. Since Cherokee Nation Gaming Operations do not accept customer deposits, including a provision concerning how to handle customer deposits may be misleading to those parties working in the Cage. As such, we recommend deleting this provision and section 13.5 as a whole. If this provision is retained, the determination of whether to use the term "customer"

or "patron" is a stylistic choice. However, if the SICS already employ the word "customer," we would recommend no change.

10. See Prior Comment.

11. Since Cherokee Nation Gaming Operations do not accept customer deposits or foreign currencies, including a provision concerning how to handle customer deposits or foreign currency transactions may be misleading to those parties working in the Cage. As such, we recommend deleting this provision and section 13.5 as a whole.

12. Since Cherokee Nation Gaming Operations do not accept customer deposits, including a provision concerning how to handle customer deposits may be misleading to those parties working in the Cage. As such, we recommend deleting this provision and section 13.5 as a whole.

13. See Prior Comment.

14. See Prior Comment.

N. Comment Section N on Section 14-Key and Access Controls

1. Adding the phrase "including duplicates" serves to clarify the meaning of "all keys." While the addition may be redundant, its inclusion ensures that regulated parties have a full understanding of the scope of coverage. Since the addition is merely serving to clarify the meaning of "all keys," it is not in excess of the MICS or in violation of the Gaming Act. We recommend no change to the proposed language.
2. According to MICS Section 543.17 (j)(1), the subsections under Section 14.1 (B) should be: "drop box cabinet; drop box release; drop box content; and storage racks and carts used for the drop." In our view, the current subsections 14.1(B)(1)(a-i) should be replaced with this language.
3. According to MICS Section 543.17 (j)(1), the subsections under Section 14.1 (B) should be: "drop box cabinet; drop box release; drop box content; and storage racks and carts used for the drop." In our view, the current subsections 14.1(B)(1)(a-i) should be replaced with this language.

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4. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents in which this term is used. Here, even though the section heading does not have operative effect, we recommend reverting the title to "Table Games Drop Box/Financial Instrument Storage Component Keys" for consistency with the entirety of the TICS.
5. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used. We recommend no change to the language in the current TICS.
6. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
7. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

8. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
9. The word “agent” implicitly connotes a greater level of vested authority than the term "persons," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "persons" here instead of "agent." While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
10. The word “agent” implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent." While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
11. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at

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Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used. Here, even though the title of the section does not have any operative effect, it is our opinion that the title should be changed to "Financial Instrument Storage Component Release Key Controls" in the interest of uniformity throughout the TICS.

12. The phrase "other than the count team" should be deleted in order to match the intent of MICS section 542.31 (o)(2). While the use of "financial instrument storage component" would not conflict with the MICS, we recommend fully adopting the MICS language for this provision: "Only the person(s) authorized to remove bill acceptor canisters from the gaming machines shall be allowed access to the release keys."
13. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used. The word "agent" implicitly connotes a greater level of vested authority than the term "persons," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "persons" here instead of "agent."
14. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
15. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Here, even though the title of the section has no operative effect, we recommend rejecting the change to "CISC" for

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consistency. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

16. The word “agent” implicitly connotes a greater level of vested authority than the term "person," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "person" here instead of "agent." While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
17. The word “agent” implicitly connotes a greater level of vested authority than the term "persons," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "persons" here instead of "agent." While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
18. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Here, even though the title of the section has no operative effect, we recommend rejecting the change to "CISC" for consistency. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having

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to make additional revisions to the SICS or other regulatory documents wherein this term is used.

19. The word “agent” implicitly connotes a greater level of vested authority than the term "persons," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "persons" here instead of "agent." While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents in which this term is used.

20. The word “agent” implicitly connotes a greater level of vested authority than the term "persons," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "persons" here instead of "agent." While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

21. The word “agent” implicitly connotes a greater level of vested authority than the term "members," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "members" here instead of "agent." While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

22. Deleting this section of text would increase the amount of control required in computerized key security systems not intended by the MICS. The MICS language imposes the control requirement on systems that restrict access to table games and gaming machines. Unless the only form of computerized key security systems are those which restrict access to table games/cards and gaming machines, it is our opinion that the language should remain as it is in the current TICS.
23. Deleting this section of text would broaden the areas to which these controls would be applicable, given that there are computerized key systems used for areas other than table games/cards and gaming machine drop and counts. The language should read "The following table games/cards and gaming machine drop and count key control procedures shall apply."
24. The word "agents" implicitly connotes a greater level of vested authority than the term "employees," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employees" here instead of "agents."
25. In the interest of regulated parties having full knowledge of controls applicable to their work areas, we would recommend including the sections proposed for omissions in the TICS. This language may be either kept or omitted from Section 21- Auditing Revenue, given that there is a reference in Section 21-Auditing Revenue referring audit personnel to consult this section.

O. Comment Section O on Section 15-Key and Access Controls

1. Retain the language on supervision. In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. It is our recommendation that the CNGC not strike supervision language from this section, regardless of whether it chooses to retain such language in Section 4- General Provisions as well.

P. Comment Section P on Section 16-Complimentaries

1. Retain the language on supervision. In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of

responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. It is our recommendation that the CNGC not strike supervision language from this section, regardless of whether it chooses to retain such language in Section 4- General Provisions as well.

2. In the context of the section, adding the phrase "a listing" is clarifying rather than excessive of the MICS. Establishing procedures including "the agents authorized to approve the issuance of complimentary services or items" necessarily includes making writing out those authorized agents in list form. Since this addition merely serves to clarify the requirements in the MICS, we recommend no change to the proposed language.
3. This language was developed specifically to provide clarity to regulated parties. Clarifying provisions are not in excess of the MICS, but rather, serve to ensure that regulated parties are fully aware of and properly comply with their requirements. As such, we recommend that this language remain in the TICS.
4. We recommend rejecting the proposed changes to this provision. First, the language in the current TICS, sourced from MICS section 542.17(b) is more stringent than the language in section 543.12 (b)(4)(i). As noted in Section II of the CNE's introductory memo, past practice in developing the TICS has included choosing the more stringent of two MICS requirements when addressing a topic covered in two MICS sections. Further, retaining the language used in the current TICS will not necessitate further revisions to the SICS. However, if the CNGC chooses to retain the edits herein, we would recommend adding the phrase "which shall not be greater than \$100" to the end of the provision to ensure compliance.

Q. Comment Section Q on Section 17-Player Tracking

1. Retain the language on supervision. In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. It is our recommendation that the CNGC not strike supervision language from this

section, regardless of whether it chooses to retain such language in Section 4- General Provisions as well.

2. Awareness of up-to-date terms and conditions for player's club membership is essential to the CNGC's ability to aptly regulate gaming under the Compact. However, neither the MICS nor the Compact require submission of said terms and conditions. As such, we recommend revising this provision to read, " Terms and conditions for player tracking (player's club) membership will be submitted to the CNGC upon request."
3. The source section of this language, MICS section 542.13 (o)(4), applies solely to "gaming machines that utilize account access cards to activate play of the machine." Thus, the account creation and access standards in MICS section 542.13 (o)(4) only apply to account access cards. The term "account access card" is defined in MICS section 542.2 as an "instrument used to access customer accounts for wagering at a gaming machine." First, gaming machines at Cherokee Nation gaming operations do not require that a patron insert a Player's Club Card in order to use the machine. Therefore, MICS section 542.13 (o)(4) is not applicable to Cherokee Nation gaming machines. Further, Player's Club Cards are not account access cards under MICS section 542.13 (o)(4) since they are not tied to deposit accounts. Thus, the account creation and access standards in section 542.13 (o)(4) are not applicable to Player's Club Cards. As such, we recommend that sections 17.2 (B)(1-3) and 17.3 (C)(1-3) be removed from the TICS.

R. Comment Section R on Section 18-Financial Transactions

1. This note appears to have been deleted from this section. Further, this section contains a definition for the word "customer" and uses the term with frequency throughout. We do not foresee confusion or noncompliance arising from words that are generally understood to have the same meaning and similarly used throughout the MICS, especially if, in defining the chosen term, the CNGC provides that the other word may be used to mean the same thing. In our opinion, the determination of whether to use the term "customer" or "patron" is a stylistic choice. However, if the SICS already employ the word "customer," we recommend no change.
2. This language explains the standard of knowledge a casino is deemed to have by FinCEN and the IRS as related to transactions and activity that need to be reported. While pieces of this definition are mentioned throughout Section 18- Financial Transactions, it is helpful

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for compliance to consolidate the entirety of information in one definition. We recommend preserving this language in the TICS.

3. Knowledge of what constitutes a monetary instrument is important for ensuring proper reporting and compliance with Title 31 standards. As such, we recommend retaining the language in the current TICS, which mirrors 31 CFR §§ 1010.100(dd)(1), 1010.100(dd)(1)(i), and 1010.100(dd)(1)(ii).
4. "Negotiable instruments" is fully defined under "monetary instruments" above, using the language from 31 CFR 1010.100 (dd)(1)(iii). We recommend preserving the complete definition of "negotiable instruments" therein. However, if the CNGC chooses to retain this separate definition, we recommend accepting revision replacing "negotiable instruments" with "checks and drafts," since it is clearer not to define a term with the term itself. However, it is our opinion that the reference to Section 1010.340 of Title 31 should not be deleted since it contains details that inform the instant requirement.
5. To ensure compliance with Title 31, it is our opinion that this definition should be included in the TICS. However, we would recommend adding a note clarifying that accepting such instruments is against policy.
6. The requirement that a system of internal controls be "designed to assure and monitor compliance" places a higher burden on the gaming operation than "the requirement that the system be "reasonably designed to assure and monitor compliance." To preserve the intent of Title 31, this section should read, "Pursuant to the Title 31/Bank Secrecy Act, each casino shall develop and implement a written Compliance Program and system of internal controls reasonably designed to assure and monitor compliance, which includes detailed procedures used to comply with these standards. The Compliance Program shall be approved by the CNGC. The gaming operation casino shall ensure that the system of internal controls and Compliance Program remain current in respect to any changes to Title 31 or other events could impact the validity and effectiveness of the system of internal controls or the Compliance program."
7. To better reflect Title 31 requirements, this section should read, "IRS/FinCEN form 8300- Non-gaming businesses (such as shops, restaurants, entertainment, and hotels) that receive currency in one transaction or aggregated cash transactions in excess of ten thousand dollars

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(\$10,000) which are located at a casino that has below one million dollars (\$1,000,000) in gross annual gaming revenue are required to file a form 8300."

8. This section should read, "Exchanges of currency for currency; and," Even though handling and acceptance of foreign currency is allowed and regulated under Title 31, including this language here may unnecessarily mislead CNE staff.
9. This section should read, "Exchanges of currency for currency; and," Even though handling and acceptance of foreign currency is allowed and regulated under Title 31, including this language here may unnecessarily mislead CNE staff. Alternatively, the inclusion of a note indicating that CNE does not permit the acceptance or exchange of foreign currency may be in order.
10. In this comment, CNE points out that an internal note that said, "add acceptable forms of identification. Consistent with IRS standards (omit military)" was accidentally left in the revised version of the TICS. At the time of our review, the note had already been deleted from the section. Now, sections 18.5 (D)(2)-(4) address acceptable forms of identification.
11. In this comment, CNE points out that an internal note that said, "add" was accidentally left in the revised version of the TICS. At the time of our review, the note had already been deleted from the section. Now, TICS section 18.5 (D)(2) addresses verification of identity for a person who identifies as an alien or non-United States resident.
12. Language covering this requirement has been moved to Section 18.5. However, for clarity, the provision should read, "Each casino shall file a report with the IRS in accordance with the current IRS filing deadlines of each transaction or aggregate transactions in currency, involving either cash in or cash out, of more than Ten Thousand Dollars (\$10,000.00) in the casino's twenty- four (24) hour gaming day. Multiple currency transactions shall be treated as a single transaction if the casino has knowledge that they are by or on behalf of any person and result in either cash in or cash out totaling more than \$10,000 during any gaming day."
13. Since credit is not allowed to be offered under the Constitution of the Cherokee Nation, adding language that has no applicability outside credit would put gaming operations at risk of acting in contradiction of the Constitution. As a result, this section should read, "Personal checks."

14. Setting out the purpose of compliance is important in ensuring the regulated parties understand their full obligations and the potential results of their actions. As such, this section should remain in the TICS. However, we recommend revising this section to read "Casinos are subject to examination by FinCEN or its delegates for compliance with Title 31 § 1021.320, on which this section is based. Failure to satisfy the requirements of this section may be a violation of Title 31."

S. Comment Section S on Section 19-Accounting

1. Although the CNGC is not given explicit right to access, inspect, examine, photocopy, and audit the listed materials in 25 CFR 571.5, the CNGC may have the need to undertake these actions in order to fulfill its regulatory and oversight requirements under the Compact. Such an action would not be in violation of the Gaming Act, since Section 22(C) only prohibits terms in excess or in conflict with the Compact or the MICS. Instead, this would serve to ensure that the terms of the Compact are met. As such, we recommend revising the final sentence of this provision to read, "The CNGC, as needed to carry out its regulatory and oversight responsibilities under the Compact, and/or the NIGC or its authorized agent(s) shall have access to and the right to inspect, examine, photocopy, and audit all papers, books, and records (including computer records)."
2. Section 19.1 (B)(1-5) lists out the purposes for which net revenue from gaming activity can be used under IGRA. All determinations related to net revenue are made by the Nation and the Cherokee Nation Business. The gaming operation accounting departments regulated by this section of the TICS deal exclusively with gross revenue. Therefore, IGRA's restrictions on net revenue are not applicable here. Including non-applicable provisions in the TICS may be confusing to regulated parties, and as such, we recommend that this provision be deleted.
3. Section 19.2 (A)(2) reads, "Prepares general accounting records according to Generally Accepted Accounting Principles on a double-entry system of accounting, maintaining detailed, supporting, subsidiary records, including but not limited to." As a result, it would be redundant for dependent subsections (a) and (b) to also begin with the word "prepares." To increase the clarity of the provisions, we recommend that they be revised as follows: "(a). Detailed records of gaming activity in an accounting system to identify and track all revenues, expenses, assets, liabilities, and equity for each gaming

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operation; (b). Detailed records of all markers, IOU's, returned checks, held checks, or other similar credit instruments;" Further, it appears that the added term "indebtedness" has been removed from the proposed TICS. However, if the CNGC were to add the term "indebtedness" in parentheses after the term "liabilities" in section 19.2 (A)(2)(a), inclusion would merely be clarifying.

4. Section 19.2 (A)(2) begins with the word "prepares," and as a result, it would be redundant for subsections (a) and (b) to also begin with the word "prepares." We recommend deleting the word "prepares" from the beginning of this provision.
5. Including the verb "records" makes this provision more difficult to understand in the context of this section. Further, revising this provision to match the MICS language will clarify the nature and source of the records referenced. We recommend that this provision be revised to read, "Journal entries prepared by the gaming operation and by its independent accountants; and..." It is our opinion that the verbs at the beginning of Section 19.2 (A)(2) (d),(e),(f),(g),(h), and (l) should be deleted. Section (i) should be revised to read "Compliance with fee calculation requirements set forth by the NIGC and the Tribal-State Compact as outlined in CNGC Rules & Regulations, Chapter IV, Section C." Section j should read, "Comparison of recorded accountability for assets to actual assets at periodic intervals, including taking appropriate action with respect to any variances." Section k should read, "Ensuring functions, duties, and responsibilities are appropriately segregated in accordance with sound business practices."
6. The requirement that cage accountability be reconciled to the general ledger on a monthly basis is located in two TICS sections: 19.2 (B)(1) and 13.7 (A). The CNE points out that accounts are expected to be familiar with each section of the TICS and argue that, as result, the requirement only needs to be included in Section 13-Cage Operations. It is our opinion that including language on cage accountability in both sections can only bolster the likelihood of compliance with MICS section 542.14 (g)(1). Section 19.2 (B)(1) also states that cage accountability is subject to the recording requirements set out in Section 19.2 (A)(2). Not all of the requirements in subsection (A)(2) apply to cage accountability. As such, we would recommend rephrasing this provision to read, "in addition to any applicable standards in section (A)(2), the cage accountability shall be reconciled to the general ledger at least monthly." Even though the MICS do not use the term "cage accountability" as a heading, using "cage accountability" as a heading within the TICS does not exceed the MICS. As a heading, the term "cage accountability" has no operative

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effect. Rather, it is purely organizational. We recommend that the heading for section 19.2 (B) should remain as-is.

7. While credit and credit mechanisms are covered by the MICS, the Constitution of the Cherokee Nation prohibits issuance of any credit not approved by the Cherokee Council. The CNGC does not have a duty to implement non-applicable MICS through the TICS under MICS section 543.3(b). Inclusion of these provisions would be inconsistent with the entirety of the TICS since all other references to credit practices and mechanisms have been suggested for deletion. We recommend removing this language from the TICS.
8. While credit and credit mechanisms are covered by the MICS, the Constitution of the Cherokee Nation prohibits issuance of any credit not approved by the Cherokee Council. The CNGC does not have a duty to implement non-applicable MICS through the TICS under MICS section 543.3(b). Inclusion of the section of the provision related to credit accounting procedures would be inconsistent with the entirety of the TICS since all other references to credit practices and mechanisms have been suggested for deletion. We recommend removing the phrase "and credit" from this provision. However, this language is required under MICS section 542.14 (g)(5). As a result, only the non-applicable language should be deleted and the provision should read, "All cage accounting procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the CNGC upon request."
9. The Gaming Act prohibits the promulgation of any regulations that either conflict with or exceed the terms of the MICS or the Compact. Neither the MICS nor the Compact require that the operation submit a chart of accounts on a quarterly basis to the CNGC. As such, we recommend removing this provision from the TICS.
10. See Prior Comment.
11. See Prior Comment.
12. The Gaming Act prohibits the promulgation of any regulations that either conflict with or exceed the terms of the MICS or the Compact. Neither the MICS nor the Compact require that the operation submit unaudited financial statements on a monthly basis to the CNGC. As such, we recommend removing this provision from the TICS.

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13. The added terms "rake, ante, commissions, entry fee, and admission fees" are merely clarifying. Thus, adding these terms to the provision does not run the risk of violating the Gaming Act. However, in order to more closely mirror the language of the MICS, we recommend that the language read, "For each card game and any other game in which the gaming operation is not a party to a wager (non-house banked games), gross revenue equals all money received by the operation as compensation for conducting the game (e.g. rake, ante, commissions, entry fee, and admission fees)."
14. While credit and credit mechanisms are covered by the MICS, the Constitution of the Cherokee Nation prohibits issuance of any credit not approved by the Cherokee Council. The CNGC does not have a duty to implement non-applicable MICS through the TICS under MICS section 543.3(b). Inclusion of these provisions would be inconsistent with the entirety of the TICS since all other references to credit practices and mechanisms have been suggested for deletion. We recommend removing this language from the TICS.
15. TICS section 19.5 (M)(1) has been corrected to reference section E of TICS section 19.5.
16. The standards laid out in MICS section 542.19 (d)(4) are sufficiently covered in proposed TICS section 19.5 (E). However, solely adopting that language would leave a gap in coverage of MICS section 542.19 (d)(1). As such, the language of this section should be revised to read, "For table games, gross revenue equals the closing table bankroll, plus credit slips for cash, chips, tokens or personal/payroll checks returned to the cage, plus drop, less opening table bankroll and fills to the table, and money transfers issued from the game through the use of a cashless wagering system."
17. This language is a combination of requirements under MICS section 5(C) and 571.7 which give the SCA and the NIGC respectively the right to inspection. Although the CNGC is not given explicit right to access, inspect, examine, photocopy, and audit the listed materials in 25 CFR 571.7 or the Compact, the CNGC may need to undertake these actions in order to fulfil its regulatory and oversight requirements under the Compact. Such an action would not be in violation of the Gaming Act, since Section 22(C) only prohibits terms in excess or in conflict with the Compact or the MICS. Instead, this would serve to ensure that the terms of the Compact are met. As such, we recommend revising the final sentence of this provision to read, "The gaming operation shall maintain all accounting records and financial statements required by this section, or any other records specifically required (as applicable) in permanent form and as written or entered, whether manually or by computer, and which shall be maintained and made available for inspection by the

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CNGC, as needed to carry out its regulatory and oversight responsibilities under the Compact, , the NIGC, and/or the SCA (as applicable for covered games).

18. Compact Part 5 (C)(2) states that the enterprise or Tribe should keep record of "payout from all covered games." To alter this language to: "payout records from all wagering activities" would be to impose a record-keeping burden not anticipated by either the Compact or the MICS. As such, the language here should be revised to match the Compact: "Payout from the conduct of all covered games."
19. While there is no Section 19.6(6), this section does contain language at Section 19.6 (B)(6). This subsection covers record keeping of bingo, pull tab, keno, and pari-mutuel wagering statistical reports and is based on MICS Section 542.19 (k)(vii).

T. Comment Section T on Section 20-Information Technology

1. This language is sourced from 25 CFR Section 543.20 (a)(1)-(2). To retain consistency with the MICS, this section should read "Supervision. Controls must identify the supervisory agent in the department or area responsible for ensuring that the department or area is operating in accordance with established policies and procedures. The supervisory agent must be independent of the operation of Class II games."
2. While the NIGC extends this provision to cover Class III gaming in the Guidance, the MICS only apply this language to Class II gaming systems. Since neither the Compact nor the MICS on Class III gaming cover information technology, this language should be revised to read, "Class II gaming systems' physical and logical controls. Controls must be established and procedures implemented to ensure adequate..."
3. 25 CFR 543.20 (g)(2) states that, "Records must be kept of all new installations and/or modifications to Class II gaming systems. These records must include, at a minimum..." No language in the MICS or the Compact apply these same requirements to Class III Gaming Systems, so this language should be revised to read, "Records must be kept of all new installations and/or modifications to Class II gaming systems. These records must include, at a minimum:"

U. Comment Section U on Section 21-Auditing Revenue

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1. Retain the language on supervision. In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. It is our recommendation that the CNGC not strike supervision language from this section, regardless of whether it chooses to retain such language in Section 4- General Provisions as well.
2. While not all revenue audit procedures are required to be submitted to the CNGC upon request, omitting that the CNGC may request such procedures for gaming machines and table games risks noncompliance. To best represent the requirements under MICS section 543.24(c), 542.12(j)(5), and 542.13(m)(10), we recommend that this text be revised to read, "The performance of all revenue audit procedures, the exceptions noted, and the follow up of all revenue audit exceptions must be documented and maintained for inspection. Revenue audit procedures for table games and gaming machines must be provided to the CNGC upon request.
3. For consistency with Section 5 of the TICS (which we have recommended be titled "Bingo") and Section 543.8 of the MICS, this language should be revised to read, "each gaming operation shall perform the following auditing/accounting functions for Bingo operations..." Further, the title heading for section 21.2 should read, "Bingo Audit Standards."
4. In line with the MICS and the other sections of Bingo in the TICS, this provision should cover all forms of bingo. As such, suggested revisions to this provision should be rejected. However, omitting the phrase "including variances related to the receipt, issuance, and use of bingo card inventories" leaves a gap in coverage of MICS section 543.24 (d)(10)(i). We recommend revising Section 21.6 (A) to read, "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."
5. "The detail of these sections is not sufficiently represented in Section 21.4 to cover the requirements of MICS sections 543.24(d)(1)(iv) and 543.24(d)(1)(v). We recommend preserving this language in the TICS to ensure full compliance.

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6. It is our recommendation that instead of referencing Section 21- Auditing Revenue in the area-specific sections, Section 21- Auditing Revenue should include references to the area specific sections that contain auditing provisions. Here, section 21.4 could read, "Auditing standards related to Gaming Systems are located in Section 7-Gaming Systems." Alternatively, in order to ease the burden on internal auditors who must be aware of and well-versed on each provision related to auditing, the CNGC could both return the provisions to their appropriate original sections and concurrently retain the language in Section 21- Auditing Revenue. While the TICS only need to cover the MICS auditing requirements once in order to maintain compliance, duplication would not be harmful and may be beneficial in the interest of clarity. Regarding the terms of section 21.4 (I), the term "accounting/auditing agent(s)" should be changed to "the gaming operation" so as not to limit who may complete the task beyond the terms of the MICS.
7. It is our recommendation that instead of referencing Section 21- Auditing Revenue in the area-specific sections, Section 21- Auditing Revenue should include references to the area specific sections that contain auditing provisions. Here, section 21.4 could read, "Auditing standards related to Gaming Systems are located in Section 7-Gaming Systems." Alternatively, in order to ease the burden on internal auditors who must be aware of and well-versed on each provision related to auditing, the CNGC could both return the provisions to their appropriate origin sections and concurrently retain the language in Section 21- Auditing Revenue. While the TICS only need to cover the MICS auditing requirements once in order to maintain compliance, duplication would not be harmful and may be beneficial for purposes of clarity.
8. The word "agents" implicitly connotes a greater level of vested authority than the term "employees," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employees" here instead of "agents."
9. Provisions 21.6 (F) and (G) should be deleted for applicability. While variance requirements generally are covered by 543.3(f), this section does not apply to table games. It is our recommendation that instead of referencing Section 21- Auditing Revenue in the area-specific sections, Section 21- Auditing Revenue should include references to the area specific sections that contain auditing provisions. Here, section 21.6 could read, "Auditing standards related to Table Games Accounting are located in Section 8-Table Games." Alternatively, in order to ease the burden on internal auditors who must be aware of and

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well-versed on each provision related to auditing, the CNGC could both return the provisions to their appropriate origin sections and concurrently retain the language in Section 21- Auditing Revenue. While the TICS only need to cover the MICS auditing requirements once in order to maintain compliance, duplication would not be harmful.

10. Provisions 21.6 (F) should be deleted for applicability. While variance requirements generally are covered by 543.3(f), this section does not apply to table games. It is our recommendation that instead of referencing Section 21- Auditing Revenue in the area-specific sections, Section 21- Auditing Revenue should include references to the area specific sections that contain auditing provisions. Here, section 21.7 could read, "Auditing standards related to Table Game Performance Standards are located in Section 8-Table Games." Alternatively, in order to ease the burden on internal auditors who must be aware of and well-versed on each provision related to auditing, the CNGC could both return the provisions to their appropriate origin sections and concurrently retain the language in Section 21- Auditing Revenue. While the TICS only need to cover the MICS auditing requirements once in order to maintain compliance, duplication would not be harmful.
11. This language has no operative effect, so it does not exceed the terms of either the MICS or the Compact. Instead, this provision only serves to add clarity and aid in the flow of the section. We recommend no change.
12. This language is located at section 21.8 (D) in the proposed TICS. For clarity, we recommend deleting this provision and revising Section 21.6 (A) to read, "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."
13. To ensure full compliance with the MICS, the language of this section should mirror that of section 542.11 (h) of the MICS, including the requirement that the pari-mutuel audit must be conducted by personnel independent of the pari-mutuel operation. It is our recommendation that instead of referencing Section 21- Auditing Revenue in the area-specific sections, Section 21- Auditing Revenue should include references to the area specific sections that contain auditing provisions. Here, section 21.9 could read, "Auditing standards related to pari-mutuel accounting and auditing are located in Section 10-Pari Mutuel." Alternatively, in order to ease the burden on internal auditors who must be aware of and well-versed on each provision related to auditing, the CNGC could both return the

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provisions to their appropriate origin sections and concurrently retain the language in Section 21- Auditing Revenue. While the TICS only need to cover the MICS auditing requirements once in order to maintain compliance, duplication would not be harmful.

14. To ensure full compliance with the MICS, the language of this section should mirror that of section 542.10 (k) of the MICS. It is our recommendation that Section 21- Auditing Revenue should include references to the area specific sections that contain auditing provisions. Here, section 21.10 could read, "Auditing standards related to keno are located in Section 10-Pari Mutuel." Alternatively, in order to ease the burden on internal auditors who must be aware of and well-versed on each provision related to auditing, the CNGC could both return the provisions to their appropriate origin sections and concurrently retain the language in Section 21- Auditing Revenue. While the TICS only need to cover the MICS auditing requirements once in order to maintain compliance, duplication would not be harmful.
15. This comment is the second comment labeled as number 14 in the CNE comments and in the attached excel document. 21.12 (B) describes the same report that is required to be reviewed in 21.12 (A). Separating the two sections does not change the requirements set out in the MICS but rather organizes the requirements in a way that can be easily understood by regulated parties. To be thorough, we recommend accepting the revisions in Section 21.12 (A) and revising Section 21.12 (B)(2) to read "The reports required in Section 16- Complimentaries must be made available to those entities authorized by the CNGC or by Tribal law or ordinance."
16. This comment is labeled as number 15 in the CNE comments and in the attached excel document. It is our recommendation that instead of referencing Section 21- Auditing Revenue in the area-specific sections, Section 21- Auditing Revenue should include references to the area specific sections that contain auditing provisions. Here, section 21.12 (C) could read, "Auditing standards related to complimentary services are located in Section 16-Pari Complimentaries." Under this approach, what is now Section 21.12 (B)(2) would be moved up to (B)(1). Alternatively, in order to ease the burden on internal auditors who must be aware of and well-versed on each provision related to auditing, the CNGC could both return the provisions to their appropriate origin sections and concurrently retain the language in Section 21- Auditing Revenue. While the TICS only need to cover the MICS auditing requirements once in order to maintain compliance, duplication would not be harmful.

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17. This comment is labeled as number 16 in the CNE comments and in the attached excel document. MICS sections 542.41(t)(3)(i) and 542.41(u)(3)(i) apply specifically to gaming machines and table games, respectively, whereas section 543.24(d)(8)(iii)(A) applies to drop and count in the context of auditing revenue more broadly. In the context of Section 21-Auditing Revenue, it is our opinion that the "quarterly" requirement from section 543.24(d)(8)(iii)(A) is the best representation of the applicable MICS requirement. Revisions to this provision should be rejected.
18. This comment is labeled as number 17 in the CNE comments and in the attached excel document. MICS sections 542.41(t)(3)(ii) and 542.41(u)(3)(ii) apply specifically to gaming machines and table games, respectively, whereas section 543.24(d)(8)(iii)(B) applies to drop and count in the context of auditing revenue more broadly. In the context of Section 21-Auditing Revenue, it is our opinion that the "quarterly" requirement from section 543.24(d)(8)(iii)(A) is the best representation of the applicable MICS requirement. Revisions to this provision should be rejected.
19. This comment is labeled as number 18 in the CNE comments and in the attached excel document. Since this language is based on MICS section 543.24 (d)(9)(1), which covers cage, vault, cash, and cash equivalents within the context of auditing revenue, Section 21-Auditing revenue is a more appropriate location for these provisions than Section 19-Accounting. However, the language of section 21.15 (A) is also required by MICS section 542.14 (g)(1)- accounting/auditing standards. As such, the language in section 21.15 (A) should remain in place here, at section 19.2 (B)(1), and at section 13.7(B) to ensure full compliance by all regulated parties.
20. This comment is labeled as number 19 in the CNE comments and in the attached excel document. This provision is not applicable since CNE gaming operations immediately process checks submitted as payment. It would not be possible for a check to later be returned. As such, this section should be deleted for applicability.
21. This comment is labeled as number 20 in the CNE comments and in the attached excel document. As noted in comment U(11) above, we recommend revising Section 21.6 (A) to read, "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" in order to reflect the language of the MICS. Placing this requirement under

"inventory audit standards' in totality adds to the clarity of the section and will aid in compliance.

22. This comment is labeled as number 21 in the CNE comments and in the attached excel document. The language of this section applies specifically to accounting records. Therefore, this section is more appropriately placed solely in Section 19.6. Section 21.17 should be deleted.

V. Comment Section V on Section 22-Surveillance

1. Retain the language on supervision. In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. It is our recommendation that the CNGC not strike supervision language from this section, regardless of whether it chooses to retain such language in Section 4- General Provisions as well.
2. As revised, this provision reads, “the surveillance system must be maintained and operated from a secured location, such as a locked cabinet. The surveillance system must include date and time generators that accurately record and display the date and time of recorded events on video and/or digital recordings. The displayed date and time shall not significantly obstruct the recorded view.” In the current TICS, this provision only specifies that the date and time generators “possess the capability” to record and display the date and time. The phrase "possess the capability" implies that, while the machine must be able to record and display the date and time, it does not have to actively record and display the date and time in practice. More simply, the system is required to be *able* to do it, not to *actually* do it. Removing the phrase implies that the system must actually record those details at all times. The MICS source language does use the phrase "possess the capability." However, later in the provision, the sentence "the displayed date and time shall not significantly obstruct the view” implies that the date and time must be displayed at all times on all recordings. Under that interpretation, removing the phrase "possess the capability" would not exceed the requirements of the MICS. However, in our opinion, since this change does not make a significant difference to the meaning or clarity of the provision, we recommend rejecting the change to prevent having to make additional edits to the existing SICS.

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3. This language is applied to Tier B and C operations in MICS sections 542.33(y) and 542.42(z), respectively. There is no such log keeping requirement in the MICS section applicable to Tier A operations. As such, this provision should read, "For Tiers B and C," Surveillance personnel shall maintain a log of all surveillance activities. Such log shall be maintained by Surveillance operation room personnel and shall be stored securely within the Surveillance department. At a minimum, the following information shall be recorded in a surveillance log:"
4. MICS section 542.23 (i) states that "the surveillance system shall record the bingo ball drawing device, the game board, and the activities of the employees responsible for drawing, calling, and entering the balls drawn or numbers selected. " Sections 542.33 (j)(1) and 542.43(k)(1), just above the sections cited by the CNE, states that "The surveillance system shall possess the capability to monitor the bingo ball drawing device or random number generator, which shall be recorded during the course of the draw by a dedicated camera with sufficient clarity to identify the balls drawn or numbers selected." To ensure full compliance, we recommend revising this section to read, "For Tier B and C gaming operations, the surveillance system shall monitor and record the game board and the activities of the employees responsible for drawing, calling, and entering the balls drawn or numbers selected."
5. In our opinion, the determination of whether to use the term "customers" or "patrons" is a stylistic choice. However, if the SICS already employ the word "customer," we would recommend no change.
6. In our opinion, the determination of whether to use the term "guests" or "patrons" is a stylistic choice. However, if the SICS already employ the word "guests," we would recommend no change.
7. See Prior Comment.
8. Under MICS sections 542.43 (p)(1) and (p)(1)(iii), 542.33 (o)(1) and (o)(1)(iii), and 542.23 (I)(1) and (I)(1)(iii), the gaming operation may either utilize one dedicated camera and one pan-tilt zoom camera per four tables or one pan-tilt zoom camera without another dedicated camera per two tables. This provision should be revised to read "Except as otherwise provided in Section 22.11 below, the surveillance system of gaming operations operating

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table games shall provide either: (1) One (1) dedicated camera and one pan-tilt zoom camera per four tables, or; (2) one pan-tilt zoom camera per two tables."

9. In our opinion, the determination of whether to use the term "customers" or "patrons" is a stylistic choice. However, if the SICS already employ the word "customer," we would recommend no change.
10. MICS sections 542.43 (p)(2)(ii), 542.33 (o)(2)(ii), and 542.23 (l)(2)(ii) each require "one (1) overhead camera." While the distinction between overhead and dedicated here may be minimal given the requirement for one camera per table, we recommend retaining use of the term "overhead" for complete consistency with the MICS. Further, the term "overhead" will aid in compliance, since it provides location specificity missing from the term "dedicated."
11. In our opinion, the determination of whether to use the term "customers" or "patrons" is a stylistic choice. However, if the SICS already employ the word "customer," we would recommend no change.
12. See Prior Comment.
13. This comment does not correspond to the content of the section referenced. However, this provision is justified by MICS sections 542.23 (j), 542.33 (k), and 542.43 (l). While section 542.23 (j) does not use the phrase "with sufficient clarity," it requires that the surveillance system be capable of identifying employees. In our view, there is no effective difference in the phrasing of these identical aims. We recommend accepting the revisions to this provision.
14. The language of MICS section 543.21 (c)(3)(ii) states, "For card game tournaments, a dedicated camera(s) must be used to provide an overview of tournament activities, and any area where cash or cash equivalents are exchanged." There is no such requirement for table games. As such, the MICS language should be adopted here.
15. The requirements regarding surveillance of keno vary slightly between requirements for Tier B and C operations and Tier A operations. As such, we recommend revising the language here to better encompass the intent of the MICS. Section A should read, "For Tier A gaming operations, the surveillance system shall record the keno ball-drawing device,

the general activities in each keno game area, and be capable of identifying the employees performing the different functions.” Section B should read, "For Tier B and C gaming operations, The surveillance system shall:" Section B(1) should read, "possess the capability to monitor the keno ball-drawing device or random number generator, which shall be recorded during the course of the draw by a dedicated camera with sufficient clarity to identify the balls drawn or numbers selected." Finally, section B (2) should read, "monitor and record general activities in each keno game area with sufficient clarity to identify the employees performing the different functions.”

16. We recommend rejecting the proposed revision of this provision. Since MICS section 542.23 does not have a requirement for providing an overview of cash transactions, adding such a requirement by omission would be exceeding the MICS. However, MICS section 542.23 does require that Tier A gaming operations' surveillance systems record a general overview of all areas where currency or coin may be stored or counted. Cash transactions may fall under that umbrella. If so, the edit to this provision would be appropriate.
17. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

W. Comment Section W on Section 23-Internal Audit

1. MICS section 542.3(d) states that gaming operations must develop and implement controls that "at a minimum" comply with the TICS. This provision applies that regulatory requirement appropriately to internal audit provisions. We recommend no change to the proposed language.
2. Here, we recommend reverting to the MICS language found in 543.23(c)(3) to reflect the chain of reporting established by the NIGC. While the phrase "all areas of regulatory oversight" is likely intended here to be limited to those areas affected by the internal audit on gaming, it may lead to unnecessary confusion due to the interaction between the CNE,

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CNGC, and the CNB. This section should read, "Internal auditor(s) report directly to the Cherokee Nation, CNGC, audit committee, or other entity designated by the Cherokee Nation."

3. Since these requirements are specifically set out in the MICS and have not been moved to another location in the TICS, we recommend retaining this provision.
4. In the proposed documents, a space for scope of Agreed Upon Procedures is reserved in Chapter IV, Section H of the Cherokee Rules and Regulations. In order to ensure full compliance with federal requirements, we recommended that those procedures be included in Section 2- Compliance. As such, we recommend that either the Agreed Upon Procedures be placed solely in Section 2- Compliance and a reference to the applicable section added within this provision, or the complete agreed upon procedures should be listed out in both sections.
5. This language is required by MICS section 543.23 (3). While the CPA's ability to rely on the internal audit is referenced earlier in the TICS (currently located in Section H of the Rules and Regulations but recommended for relocation to Section 2- Compliance), it is our view that in order to ensure full compliance with the "review of internal audit" requirements in the MICS, this section should be restored. However, the reference to Section 2.7 (F) may require updating after the contents of Chapter IV, Section H of the Cherokee Rules and Regulations and the Agreed Upon Procedures are included into Section 2- Compliance.
6. Controls are specifically called for to cover these terms in MICS section 543.23 (c). While Section 23.1 (A) could be interpreted to require controls to be established here, in or view, the language suggested for deletion should be retained for clarity of obligation. This section should read, 'Controls must be established and procedures implemented to ensure that internal audit personnel shall perform audits of all major gaming areas of the gaming operation, including each department of a gaming operation, at least annually, to review compliance with TICS, SICS, and the NIGC MICS, which include at least the following areas:.'
7. While the added terms (supervision, exemptions, betting ticket and equipment standards, check-out standards, and computer report standards) may be covered by the inclusive language of the MICS, for the purpose of regulatory standards, we can only be certain that the items specifically listed out in the MICS are included. Therefore, we recommend that

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this provision read, "Pari-mutual wagering, including write and payout procedures, and pari-mutual auditing procedures."

8. While the additions to section 23.4 (A)(4) may be covered by the inclusive language of the MICS, for the purpose of regulatory standards, we can only be certain that the items specifically listed out in the MICS are included. Therefore, we recommend that this provision be revised to only include language from the MICS. However, since the terms in the MICS includes credit provisions, we recommend that those elements of the terms be omitted. As revised, this provision should read, "Table games, including but not limited to, fill procedures, soft drop/count procedures and the subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies."
9. While the additions to the provision on Gaming Machines may be covered by the inclusive language of the MICS, for the purpose of regulatory standards, we can only be certain that the items specifically listed out in the MICS are included. Therefore, we recommend that this provision be revised to only include language from the MICS: "Gaming machines, including but not limited to, jackpot payout and gaming machine fill procedures, gaming machine drop/count and bill acceptor drop/count and subsequent transfer of funds, unannounced testing of weigh scale and weigh scale interface, unannounced testing of count room currency counters and/or currency interface, gaming machine drop cabinet access, tracing of source documents to summarized documentation and accounting records, reconciliation to restricted copies, location and control over sensitive keys, compliance with EPROM duplication procedures, and compliance with MICS procedures for gaming machines that accept currency or coin(s) and issue cash-out tickets or gaming machines that do not accept currency or coin(s) and do not return currency or coin(s)." The provision concerning Bingo should remain unchanged, as it lines up with the terms of the MICS.
10. While the additions to the provision on Gaming Machines may be covered by the inclusive language of the MICS, for the purpose of regulatory standards, we can only be certain that the items specifically listed out in the MICS are included. Therefore, we recommend that this provision be revised to only include language from the MICS: "Keno, including but not limited to, game write and payout procedures, sensitive key location and control, and a review of keno auditing procedures."

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11. This provision is located at TICS Section 23.2 (A)(16), but the CNE cites this provision as 23.2 (B) in their comments. The CNGC is not granted sole audit power by the Gaming Act. Other entities may require that an internal audit be conducted. MICS sections 542.22 (b)(1)(xi), 542.32 (b)(1)(xi), and 542.43 (b)(1)(xi) each specify that the Nation itself or another entity it designates may also call for an audit. As such, it is our opinion that the language used in the current TICS be used in the proposed TICS to reflect the various bodies that may be responsible for conducting audits. This provision should read, "Any other internal audits as required by the Cherokee Nation, CNGC audit committee, or other entity designated by the Cherokee Nation."
12. Since the same independent accountant is not required to conduct all of the audit and accounting functions under the MICS, we recommend keeping the words "if" and "also" to make clear that different independent accountants may have completed the observation and the internal audit. We recommend rejecting the additional edits to better align the TICS language with the language of the MICS. This section should read, "Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without the employees being forewarned that their activities will be observed). Additionally, if the independent accountant also performs the internal audit function, the accountant shall perform separate observations of the table games/gaming machine drops and counts to satisfy the internal audit observation requirements and independent accountant tests of controls as required by the American Institute of Certified Public Accountants guide."
13. This provision is based on MICS Section 542.3 (f)(3)(ii) which covers the procedures a CPA must use in reviewing the internal audit. However, the source MICS section also lays out details about what the annual compliance audit should cover that are applicable in this section, specifically, that it should encompass a portion of or all of the most recent business year. Further, the language that the CNE suggests including here is covered by TICS section 23.2 (A). We recommend retaining this provision as-is.
14. The language proposed for omission does not fit well under this section's heading, "documentation." However, since this language is required in the MICS, in our view, it should be included within section 23- Internal Audit. We recommend that Section 23.3 (B) be revised to read, "The internal audit department shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. Institute of Internal Auditors standards are recommended but not required." The sentence "The internal audit department shall operate with audit programs, which, at a minimum, address the

- MICS," should be inserted into a new subsection under Section 23.2. We recommend that this language be placed at or near the beginning of Section 23.2 for ease of understanding.
15. This provision does not include information from all operative sections cited by the CNE because, like the MICS, the language has been divided into subsections. Under MICS section 542.22 (e), 542.32 (e), and 542.42 (e), all material exceptions resulting from internal audit work have to be investigated and resolved. However, the MICS do not specify a timeline for completing corrective action. As such, it is our opinion that the language should be revised to read. "Management shall respond stating corrective measures to be taken to avoid recurrence of the audit exception."
 16. We recommend revising this section to read, "Internal Audit Findings shall be included in the report delivered to management, the Cherokee Nation, the CNGC, the audit committee, or other entity designated by the Cherokee Nation for corrective action." While the Tribal Council and Tribal Administration have not been specifically designated to receive this report by the MICS or the Compact, if the Nation has so designated elsewhere, the CNGC may choose whether or not to additionally list those bodies here without violating the Gaming Act.

X. Comment Section X on Section X-Lines of Credit

Since the issuance of credit is prohibited by the Constitution of the Cherokee Nation, dedicating a TICS section entirely to credit would be unnecessarily confusing and misleading to regulated parties. In light of the recommendation to delete all other provisions concerning credit, we recommend omitting this section altogether for consistency and applicability. Please see Section II. A reference to credit being constitutionally prohibited is included in Section 4- General Provisions. If the Nation at some future time should authorize the issuance of credit, this Section could be inserted at that time, hence the Section could be reserved with a note that issuance of credit is currently prohibited at all Cherokee Nation gaming facilities.

Y. Comment Section Y on Section XX-Keno

Per the terms of the Compact, keno cannot legally be offered at Cherokee Nation gaming facilities. Please see Section II. As a result, dedicating a TICS section entirely to Keno would be confusing to regulated parties. We recommend omitting this section altogether for inapplicability. However, if at some future time Keno should be authorized, this Section could be inserted at that time. Hence, the Section could be reserved with a note stating that offering Keno is not currently permitted under the Compact. In case this Section is implemented in the future, we have included our

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recommendations based on CNE's comment below. For this section, CNE advised that the language within the Section should reflect the language covering Keno in the MICS. As such, the numbered comments below are so numbered for organizational clarity but do not correspond to similarly numbered individual comments by CNE.

1. "Writer identification number" is not included in the language of Section 542.10 (b)(1) of the MICS. However, writer identification number here merely serves to clarify what the MICS intend to be recorded. However, it is our recommendation that this addition should be deleted unless there is a regulatory need for this alternative to be included to retain consistency with the terms of the MICS.
2. The word "agent" implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."
3. The language in this provision is sourced from the Guidance and is in excess of the MICS requirements. We recommend replacing this language with the language from MICS Section 542.10(c)(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."
4. The word "agent" implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."
5. This language is not included in the MICS concerning keno in Section 542.10. Instead, these are for Bingo under 25 CFR 543.8. As such, we recommend removing this provision from the section.
6. The phrase "or a lower threshold as authorized by management and approved by CNGC" is not included in 542.10 of the MICS. While section 542.10 (e)(2) grants the CNGC the power to establish procedures precluding payment on certain tickets, that provision does not extend to cover prize payouts and does not mention management authorization. We recommend revising the provision to read, "Prize payouts/winning tickets over a specified

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dollar amount, (not to exceed \$10,000 for locations with more than \$5 million annual keno write and \$3,000 for all other locations) must also require the following:"

7. The word “agent” implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."
8. The added language here is sourced from the Guidance. There are no similar requirements in the MICS. As a result, we recommend that these provisions be deleted.
9. This provision is duplicative with the language in section XX.6. Even though this language is categorized under "check out standards at the end of each keno shift," the content is focused on cash proceeds. As such, this provision better fits within section XX.6 -- Cash and Cash Equivalent Controls. We recommend that this provision be deleted and the same language be retained in Section XX.6 (A).
10. This language is also placed in section XX.6 (A)(1) under the heading "Cash and Cash Equivalent Controls," which better fits the content of the provision. Further, this subsection would not make sense independent of proposed section XX.5 (G) which we recommend for deletion above. This provision should be deleted. Section XX.5 (G)(2) should be moved below section XX.6 (A)(1). The language of section XX.6 (A)(1) matches the terms of the MICS and should be retained as-is.
11. The added language here is sourced from the Guidance. There are no similar requirements in the MICS. As a result, we recommend that these provisions be deleted.
12. The word “agent” implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."
13. MICS section 542.10 (h)(iv)(4) states that investigations are required for fluctuations from the base level for a month in excess of plus or minus three percent. Language allowing management and the CNGC to set the thresholds is sourced from the Guidance and could allow for thresholds in excess of the MICS, risking noncompliance. We recommend revising

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this section to read, "At a minimum, investigations shall be performed for statistical percentage fluctuations from the base level for a month in excess of $\pm 3\%$. The base level shall be defined as the gaming operation's win percentage for the previous business year or the previous twelve (12) months."

14. This provision appropriately combines the requirements of MICS sections 542.10 (j)(2) and 542.10 (j)(3); however, the revisions replace the term "authorized personnel" with "authorized agents." The word "agents" implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agents."
15. This language is duplicative of the above Section XX.10 (B) which covers MICS source section 542.10 (j)(2). As such, we recommend that this provision be deleted for clarity.
16. This provision is based on MICS section 543.3 (d) which lays out how tribal governments can comply with Section 543 of the MICS. We recommend that this language be included in Section 4- General Provisions. However, keeping regulated parties in mind, we recommend keeping this provision in each section of coverage wherein variances are addressed. Section XX mentions variances four times outside of this section; therefore, this language should be retained.

We hope that these comments prove helpful. Please let us know if you have any questions or require any additional information.



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August 14, 2020

MEMORANDUM

TO: Janice Walters Purcell, Executive Director
Cherokee Nation Gaming Commission

FROM: John Chapman Young
Senior Assistant Attorney General

RE: Final Response to Comments from Cherokee Nation Enterprises (“CNE”) regarding
the Proposed Revisions to Tribal Internal Control Standards

DATE: August 14, 2020

II. Introduction

In accordance with 1 CNCA § 305(C)(4), the Cherokee Nation Office of the Attorney General (“OAG”) submits the following as its final response to the comments provided by Cherokee Nation Entertainment, LLC (CNE”) on July 26th and October 9th, 2019, to the Tribal Internal Control Standards (“TICS”) published on June 26th, 2019.

As part of this response, both the CNGC proposed revisions and CNE’s comments were checked against the current TICS, pertinent National Indian Gaming Commission (“NIGC”) regulations, including Part 543 and the newly retired Part 542 setting forth Class II and III Minimum Internal Control Standards

(MICS),¹⁰ the Compacts between the Cherokee Nation and the State of Oklahoma, and the Cherokee Nation Gaming Act.¹¹

This response begins with a summary of the issues presented in CNE’s introductory memo in Section II, identifying those concerns that recur throughout the comments. Each of CNE’s recurring concerns are addressed in Section III, which immediately follows this introduction. This response sets forth in the heading of each subsection with a short discussion explaining CNGC’s reasoning following. In Section IV, we address each of the proposed revisions on a section-by-section basis with a brief discussion supporting each provision.

CNE’s comments are organized into individual sections, and each comment section addresses a different section of the TICS. For example, comment section “B” focuses on TICS Section 1- Definitions, while comment section “C” addresses TICS Section 2- Compliance. CNE also numbers each comment within an individual comment section, restarting numbering at the beginning of each comment section. For instance, comment section “A” contains comments numbered one (1) through thirteen (13), and comment section “B” includes comments numbered one (1) through thirty-four (34). For ease of reference, our analysis follows CNE’s organizational structure in both Section IV and the attached comment chart.

In Section IV, we indicate both the comment section and the TICS section it addresses in the heading. The number labels for our recommendations correspond to CNE’s numbering within each comment section. For example, the first comment in comment section “B” is labeled “1.” under the heading “Comment Section B on Section 1- Definitions.” This section of the response is subject to considerable redundancy due to the volume of comments. To mitigate some of the redundancy, we have inserted the phrase “See Prior Comment” where the response is identical to the immediately preceding comment. Where the response is not identical, we include the full comment.

Our responses are based on a strict reading of the text of applicable law, regulations and Compact provisions as juxtaposed against the Gaming Act, we have applied certain rulemaking principles in crafting our recommendations. Foremost, we view it important in the rulemaking process to always bear in mind those charged with carrying out regulatory provisions. Redundancy, for example, may be undesirable in many types of documents, but useful in the context of a large, complex regulatory framework. Individuals will typically limit their review to those rules that apply to the individual’s area of responsibility. If a provision that pertains to a particular function is contained only in the introductory

¹⁰ Although 25 C.F.R. 542 has been withdrawn by the agency, compliance with the provisions set forth therein remains necessary pursuant to terms contained in the Oklahoma Gaming Compact.

¹¹ 22(C)

section of the rule and not in the body of the rule applicable to that function, an individual may not be aware of it, creating a potential for non-compliance.

IV. Summary of CNE Comments and Concerns

As an initial matter, CNE expressed a number of overarching concerns about the revisions as a whole. First, the CNE believes that the revisions to Chapter IV, Section H of the Cherokee Rules and Regulations were released in violation of the Cherokee Nation Administrative Procedure Act. Second, the CNE raises an objection to use of the recently published NIGC Guidance No. 2018-3, “Guidance of the Class III Minimum Internal Control Standards” in revising the TICS.

In Section II of the Introductory Memo, CNE notes that the CNGC received approval at the June 21, 2019 CNGC meeting to post the revisions to the TICS. Importantly, though, CNE believes that the approval did not extend to the publication of any revisions to separate regulations, including Chapter IV, Section H of the Cherokee Rules and Regulations. Instead, it puts forward that the regulation should have been separately published for public comment.

Further, CNE objects to the inclusion of information in the regulation that was previously included in the TICS. In the current TICS, Section 2- Compliance contains MICS requirements related to the annual independent, external audit of gaming operation financials. In the proposed revisions, many of the details of these requirements have been transposed from the TICS to Chapter IV, Section H of the Cherokee Rules and Regulations, now entitled “External Audit.” CNE expresses concern that removing such vital information from the TICS may lead to noncompliance since the TICS are required to implement the MICS.

Section III establishes why the CNE believes that incorporating the NIGC Guidance into the language of the TICS is in error. In *Colorado River Indian Tribes v. National Indian Gaming Commission*, The D.C. Circuit held that the NIGC lacked the authority to enforce Class III MICS. 466 F. 3d 134 (D.C. Cir. 2006). In response, the NIGC has since retired 25 CFR §542 and published “Guidance on Class III Minimum Internal Control Standards,” which is non-binding and unenforceable. However, the Oklahoma compact specifically adopts 25 CFR § 542, the Class III MICS, as the applicable internal control standards. In addressing the retirement of 25 CFR § 542 and the NIGC’s adoption of the Guidance document, the State of Oklahoma has taken the position that, while tribes have an obligation to meet or exceed 25 CFR § 542, adopting the standards in the Guidance document is an intra-tribal decision.

With the addition of § 22(C) of the Gaming Act, the Cherokee Nation Tribal Council made clear its intent to strictly limit the content of the Nation’s TICS to the content of the Class III MICS as required

by the Compact. Specifically, the Gaming Act prohibits the CNGC from promulgating any regulation that either conflicts with or is in excess of the Oklahoma compact. Since the Guidance is in excess of 25 CFR §§ 542 and 543, the CNE believes that “any adoption of Guidance requirements” would constitute a violation of the Gaming Act. Therefore, it is CNE’s opinion that the TICS should adhere strictly to the terms of 25 CFR §§ 542 and 543 and the Compact in revising the TICS.

The CNGC disagrees with removing internal control standards from the TICS for replacement in another regulation. The external auditors audit to the MICS and/or TICS, so it is useful to have all MICS provisions in the TICS to avoid exceptions. Again, users of the TICS may not think to review other regulations for applicable provisions. There is a higher probability of compliance when all relevant standards are contained in the TICS. Furthermore, compliance with guidance documents is voluntary. Where the guidance document contains higher standards than those in Part 542, it is at least arguable that adoption of the higher standard violates the Gaming Act.

III. Recurring Concerns

1. “Financial Instrument Storage Component” Should Not be Changed to “Casino Instrument Storage Container.”

While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” as a *per se* violation of Section 22(C) of the Gaming Act, thus we utilize the term “financial instrument storage component” throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our positions that the TICs should adopt the definition set out in the MICS. Financial Instrument Storage Component is defined as, “any component that store financial instruments, such as a drop box, but typically used in connection with player interfaces.”

In the proposed TICS the CNGC changes the MICS definition of “financial instrument storage component” only as necessary to reflect the terms used in the new name. It does not expand the scope of the term itself. Like “financial instrument storage component,” “casino instrument storage container” is an encompassing term that works to represent the myriad varieties of storage receptacles in generally applicable provisions wherein listing each type would be impractical. It is understood that such a minute change could result in timely and costly revisions to established Systems of Internal Controls (SICS). It is most prudent, then, to only make revisions that are absolutely necessary. We do not believe that revising the name “financial instrument storage component” to “casino instrument storage container” would likely constitute such a necessity.

It is also our view that the name change would not significantly aid in compliance. Since these TICS are applicable exclusively to gaming, replacing “financial” with “casino” may do more to muddy the waters about what is being stored than it would to clarify the source of the financial materials stored therein. In sum, it is the view of the CNGC that the proposed change would lead to unnecessary difficulties without substantially contributing to the Nation’s compliance efforts. Therefore, the TICS use of the term “financial instrument storage component.”

2. Per the MICS, Provisions Concerning Supervision should be Distributed among the Specifically Applicable Sections.

In the MICS and the current TICS, provisions concerning supervisory lines of authority are located in the individual sections to which they apply. However, in the proposed revisions to the TICS, supervision requirements are only addressed in Section 4 – General Provisions. Solely referencing supervision requirements within the General Provisions risks noncompliance. Therefore, it is our opinion that the provision on supervisory lines of authority may either be deleted from or kept in Section 4.9, but proposed deletions of supervision provisions in Sections 5.1, 6.1, 9.2, 12.1, 13.1, 17.1, 15.1, 16.1, 20.1, 21.1, and 22.2 should be rejected.

The language on supervision is virtually identical in each of the MICS sections. However, in our experience, when drafting regulations, it is wise to take those parties being regulated into account. While it may be redundant to write out the same requirement multiple times across several sections, doing so may have a dramatic impact on compliance. In this case, it is unlikely that an employee will read any TICS section other than that which is applicable to their specific responsibilities. For example, then, under the proposed revisions, if an individual who deals exclusively with Gaming Promotions reviews section 15- Gaming Promotions but not Section 4- General Provisions, they will be unaware of the supervision requirements necessary for compliance in their department. By including the requirements related to the supervisory line of authority in each applicable section, accidental noncompliance could be easily circumvented.

3. Provisions in Chapter IV, Section H of the Cherokee Rules and Regulations Entitled “External Audit” Should be Incorporated into the TICS.

Because external audits are already covered by the TICS, it would not be unreasonable to simply incorporate these additional provisions into the TICS. These provisions do not add requirements exceeding the MICS that would invalidate their addition, given minor changes in response to the submitted comments.

Moving this information into the TICS would serve a dual purpose. First, the move would nullify CNE's critique that presenting a section of the Cherokee Rules and Regulations for comment alongside the TICS violates the Administrative Procedure Act. If there were no longer a second regulatory document separate from the TICS to consider, there would be no need to withdraw and resubmit it for public comment, delaying its enactment and effect. Second, consolidating the specific, detailed requirements of the compliance review into one document increases the likelihood of meeting all of the requisite requirements. As it is currently arranged, regulated parties would need to refer to multiple documents in order to comply with their regulatory obligations. In reviewing a document as comprehensive as the TICS, a regulated party reasonably may not be aware of or expect to need to seek out and understand a second, separate document, even if that document is broadly referenced. Simply, distributing requirements among multiple documents increases the risk of noncompliance.

We recommend that these provisions be added to Section 2- Compliance. In the current TICS, provisions related to the annual independent financial audit are located in Section 2.7. The proposed TICS Section 2.6 entitled "External Audit Standards" solely contains a reference to the Chapter IV, Section H of the Cherokee Rules and Regulations. Instead, it is our view that the content of Chapter IV, Section H, as edited, should be transposed within Section 2.6 of the TICS.

4. All Provisions in the Proposed TICS Concerning Credit or Deposit Accounts Should be Deleted Since the Extension of Credit is Prohibited by the Constitution of the Cherokee Nation, provided that the TICS Should Clearly State that the Issuance of Credit is Prohibited as a Matter of Cherokee Nation Constitutional Law.

Pursuant to Article X, Section 7 of the Constitution of the Cherokee Nation, no Cherokee gaming operation is permitted to offer credit. This prohibition includes credit effectively issued through deposit accounts or by holding checks. Because the MICS contains provisions pertaining to the issuance of credit it would normally be advisable to include all MICS requirements in the TICS. However, including these provisions in particular could prove unnecessarily confusing to regulated parties. If these provisions are included in the TICS, there is a possibility that some future management official or other employee might mistakenly believe that the issuance of credit to a patron is permitted by the TICS, which could result in problems.

Accordingly, we find it prudent to omit all provisions related to credit throughout the MICS, however, we strongly urge that language be included in the TICS clearly stating that the issuance of credit is prohibited as a matter of Cherokee Nation Constitutional law. Adding in such language would help to preempt any confusion that may arise by auditors, federal regulators, or others about the absence of credit provisions in the TICS. We recommend adding text in Section 4- General Provisions that includes language similar to the following: "In accordance with the Constitution of the Cherokee Nation, no

Cherokee gaming entity may issue any form of credit, including the holding checks or the use of markers, to any individual or entity.”

5. Since Cherokee Nation Gaming Operations do Not Accept Foreign Currencies, Provisions Concerning Foreign Currency Should be Deleted from the TICS and the TICS Should Clearly State that the Acceptance of Foreign Currency is Prohibited.

Similar to the foregoing discussion on the issuance of credit, the MICS contain provisions for the acceptance and handling of foreign currency. CNE policies, however, prohibit the acceptance of foreign currencies, hence, including requirements specific to handling such currencies could prove confusing and misleading to employees. An employee who has reviewed the TICS and noticed provisions regarding foreign currency, for example, might mistakenly accept foreign currency from a patron. While such a mistake would not amount to noncompliance with the MICS; it would constitute a violation of CNE policy. In our view, including inapplicable provisions are confusing and place an undue burden on employees to figure out which provisions apply and which do not. For these reasons, we recommend omitting sections of the proposed TICS related to the acceptance and handling of foreign currency, but including language specifying that the acceptance of foreign currency is prohibited.

6. Where the Language has Not Been Altered in the MICS, the CNGC Should Not Replace the Word “Employee” or Its Equivalent (E.G. “Personnel”) with the Term “Agent.”

Throughout the proposed revisions to the TICS, terms including “employee,” “member,” and “personnel” have been replaced with the term “agent” or “agents” absent a similar change in the language of the source sections in the MICS. In those cases, we recommend rejecting the proposed language change.

The word “agent” implicitly connotes a higher level of vested authority than any of the various terms it replaces in the proposed revisions. Using “agent” therefore sets a higher standard for those undertaking the requirement than was anticipated or intended by the MICS.

Further, while we suggest defining “CNGC agent” for the sake of external auditing provisions (currently located in the Cherokee Rules and Regulations document), and the term “agent” is defined in the TICS, it is not commonly understood in the way that “employee,” “member,” and “personnel” are understood. The definition for “agent” implies that there is, at the least, a two-layer approval process, including both authorization by the gaming operation and approval (either of the process or the person being authorized) by the CNGC. Expanding the number of requirements for which an agent is required may result in compliance delays since the individuals responsible would each need to be individually processed. Such barriers would not arise under the language in the MICS. Utilizing the term “agent,”

then, is not merely using a uniform term with an equivalent meaning to the term it replaced. While it arguable that this revision in terminology may violate Section 22(C) of the Gaming Act by heightening performance standards in excess of the MICS, changes in the vernacular create confusion.

That said, it is important to note, though, that not every instance where the word “agent” is used is improper. In several sections, “agent” is used intentionally. For example, in Section 543.8 (b)(2)(i) of the MICS, the NIGC requires that an “authorized agent” inspect, count, inventory, and secure bingo cards newly received from a supplier. Just a few provisions below, in Section 543.8 (e)(5)(ii), a “supervisory or management employee” is required to provide one of the signatures and verifications for manual prize payouts above a certain threshold. By looking at those sections, it is apparent that the NIGC was cognizant of the distinction between agents and other individuals. If the NIGC had wanted provisions to be carried out by an agent, it expressed that intent. After the enactment of Section 22(C) of the Gaming Act, it is not within the authority of the CNGC to raise the bar from “employee” or its equivalent to “agent” where the NIGC did not do so within the MICS themselves.

7. Replacing the Term “Customer” with the Term “Patron” has No Major Operational Effect on the Meaning of the Regulations; Either Term is Permissible, but we Recommend Avoiding Changes that Merely Substitute one Synonym for Another.

In our view, the decision on whether to use the term “customer” or the term “patron” is a stylistic one. The difference between the two terms would have no major operational effect on the meaning of the regulations. However, if the existing SICS already use the term “customer” throughout, we would recommend no change to the current language of the TICS for purposes of consistency.

The term “patron” is defined in Section 543.3 of the MICS as follows: “A person who is a customer or guest of the gaming operation and may interact with a Class II game. Also, may be referred to as a ‘player.’” The closeness in meaning of the two potential terms is well-evidenced by the use of “customer” within the MICS definition for “patron.” Based on the MICS definition, an individual need not undertake any additional activities to be considered a patron instead of a customer. The terms seem to be used interchangeably throughout the MICS, even though “customer” is used more frequently throughout Section 542 and “patron” is more often used in Section 543.

“Customer” is not defined anywhere in the MICS. However, the term “established customer” is defined in Title 31 regulations applicable to casinos, and the CNE expresses concern that replacing the term “customer” with “patron” in the TICS may lead to failures to comply with Title 31 anti-money laundering requirements. As such, CNE’s comments suggest foregoing all proposed revisions that replace “customer” with “patron.” We concur. Whether or not such confusion would arise, we discern no meaningful benefit from switching from one synonym to another. In the interest of efficiency and

consistency, we recommend preserving the current use of “customer.” As previously stated, in our opinion only those changes necessary for compliance should be implemented.

Whichever term is used, we recommend ensuring that its definition in “Section 1- Definitions” reflects that the term may also be referred to as the unused term, even if one term is used consistently throughout the TICS. For example, if the CNGC decides to use the term “customer,” we would suggest that the definition read, “any person who is a patron or guest of the gaming operation and may interact with games. Also may be referred to as a “player.”

8. Provisions Related to Auditing Should Be Distributed Across Specifically Applicable Sections of The TICS Rather Than Solely Consolidated in Section 21- Auditing Revenue.

In several sections of the TICS, including multiple provisions from Section 7- Gaming Systems, all provisions related to internal audits have been deleted from the sections in which they are currently located and placed into Section 21- Auditing Revenue. We recommend that these provisions be returned to the sections where they are located in the current TICS. Further, we recommend that the CNGC either insert a reference to the sections various sections containing auditing requirements into Section 21- Auditing Revenue, or alternatively, include the provisions related to auditing in both applicable sections for comprehensive purposes.

While consolidation of all auditing provisions may be beneficial for internal auditors, omitting area-specific financial and recording requirements from the sections in which the area is covered in depth could result in noncompliance. As noted above, it is our view that requiring regulated parties to reference multiple documents in order to fully understand their regulatory obligations is burdensome. The CNGC has taken great care to ensure that all of the Nation’s regulatory responsibilities are laid out in the TICS. Ensuring that each subject section is as comprehensive as possible also makes certain that all requirements are readily accessible to and understood by the regulated parties.

It is our recommendation that instead of referencing Section 21- Auditing Revenue in the area-specific sections, Section 21- Auditing Revenue should include references to the area specific sections that contain auditing provisions—Specifically, Section 7- Gaming Systems, Section 8- Table Games, Section 10- Pari-Mutuel, and Section 16- Complimentaries. Alternatively, in order to ease the burden on internal auditors who must be aware of and well-versed on each provision related to auditing, the CNGC could both return the provisions in their appropriate origin sections and concurrently retain the language in Section 21- Auditing Revenue. While the TICS only need to cover the MICS auditing requirements once in order to maintain compliance, duplication would not be harmful.

V. Individual Comment Responses

Z. Comment Section A on Chapter IV, Section H of the Cherokee Rules and Regulations

14. Because external audits are covered by the TICS, it would not be unreasonable to simply incorporate the entirety of Chapter IV, Section H of the Cherokee Rules and Regulations into the TICS. This section of rules and regulations is not nearly as comprehensive as the TICS and it creates a necessity for users to refer to multiple documents in order to fully understand the requirements, which invites non-compliance. These provisions, as edited, do not add requirements that exceed the MICS. Further, incorporating these provisions into the TICS avoids the Administrative Procedure Act concern of issuing this regulation alongside the TICS.
15. We recommend changing "unfettered, unrestricted access" to "reasonable, necessary access." Use of the term "unfettered, unrestricted access" is appropriate in relation to regulators who have legal authority to access all areas of the gaming operation, but the same is not true of auditors, who are contracted to perform audits. Naturally, it is important for gaming enterprises to cooperate fully in the performance of audits, but unfettered, unrestricted access goes too far. Additionally, the provision pertaining to CNGC's authority to "oversee" audits should be revised to state that the CNGC will "coordinate with the auditors and verify the completion" of the audit in the interest of the independent nature of the audit itself.
16. The phrase "in connection with the operation" merely serves to clarify the extent of the record keeping required which is already established by the provision. However, in order to maintain consistency with source section 571.7 (a) of the NIGC regulations, we recommend that the provision read, "Each licensed gaming operation shall keep permanent books of account or records, including inventory records of gaming supplies, sufficient to establish the amount of gross and net income, deductions and expenses, receipts and disbursements, and other information required in any financial statement, report, or other accounting prepared in connection with the operation pursuant to IGRA or NIGC regulations."
17. The source section of this language, 25 CFR 571.17 (B) vests determination power in the Commission itself. To reflect the requirements of the NIGC regulations here, we recommend that the term "agent(s)/representatives" be replaced with "CNGC agents." This substitution also necessitates adding a definition of "CNGC agents" to Section 1- Definitions of the TICS. The definition of "CNGC agent(s)" could read, "agents or representatives authorized by the CNGC." Further, we recommend revising subsection (b) to read, "Has properly and completely accounted for all transactions and other matters monitored by the CNGC, NIGC, and/or SCA in accordance with the established MICS, NIGC regulations, and any Tribal Gaming Compact(s)."

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18. For clarity and consistency with the above provision, we recommend replacing the term "agent(s)/representatives" with "CNGC agent(s)." The term "accounting" is not defined in the source regulation. The NIGC guidance provides insight into Generally Accepted Accounting Principles, but it does not define the term in this context. However, it seems unlikely that this term would be misconstrued, in the context of the preceding sections, to the point that it would violate the Gaming Act. This provision should read, "Accounting books or records required by the CNGC and the NIGC regulations shall be kept at all times available for inspection by CNGC agent(s). They shall be retained for no less than 5 years."
19. We recommend changing "unrestricted access" to "reasonable, necessary access" in subsections (a) and (c), as "unrestricted access" may expose enterprise information that is not relevant to the audit and should remain private. While this section does not exactly correspond to any one section of the NIGC regulations, ensuring that the auditor has access to the appropriate amount of information ensures that the auditor is able to perform their work pursuant to the Generally Accepted Auditing Standards, as required in § 571.12 of the NIGC regulations. Since this section is aimed at meeting the regulatory requirements, it does not violate the Gaming Act.
20. We recommend that this language, along with the entirety of the provisions from this section, be incorporated into the TICS. The language to be incorporated from this provisions is as follows: "In conjunction with the annual independent financial statement audit, required under paragraph (C)(1), the CNGC shall ensure the CPA/Firm performs an 'Agreed-Upon Procedures' (AUP) assessment to verify that each gaming operation is in compliance with the MICS, and/or TICS and SICS. The CPA/firms may rely on internal audit to perform work related to the assessment in accordance with the AUP Scope of Work."
21. Section 2.6 of the proposed TICS solely contains a reference to this section of the Rules and Regulations, Chapter IV, Section H entitled "External Audit." It is our opinion that requiring regulated parties to refer to two separate documents to understand their regulatory obligations risks noncompliance. As such, we recommend including this entire section in the TICS.
22. Section 2.6 of the proposed TICS solely contains a reference to this section of the Rules and Regulations, Chapter IV, Section H entitled "External Audit." It is our opinion that requiring regulated parties to refer to two separate documents to understand their regulatory obligations risks noncompliance. As such, we recommend including this entire section in the TICS. We further recommend changing "the" to "a" before "state board of accountancy" to ensure that the operation is not unreasonably limited in its choice of CPA or firm.

23. The ability to grant extensions for the NIGC reporting deadline rests solely with the NIGC. We recommend making clear that the CNGC can facilitate a request for, but cannot guarantee an extension. As part of this, we recommend creating and including a deadline for asking the CNGC to request an extension. For example, the provision could read, "The annual independent audit and related reports required under paragraphs (C)(5) must be concluded and reports released to the CNGC within 120 days of the gaming operation's fiscal year end or as otherwise indicated; however, the CPA/Firm may ask that the CNGC communicate a request to the NIGC for an extension where the circumstances justifying the extension request are beyond the CPA's/Enterprise's control. The CPA/Firm must communicate their request to the CNGC no later than X days before the 120-day deadline."
24. From the information provided, it seems that this provision includes details missing from the Vendor Access SICS to which the CNE is referring, namely the requirement that the CPA/Firm provide a listing of agent(s)/representative(s) and their contact numbers. That seems to undermine the argument that the section is totally superfluous. We recommend retaining this provision, currently located at Section D(3) and implementing it into the terms of the TICS.
25. This provision detailing expenditures and transfers of gaming revenue should be deleted as it presents unnecessary issues. Expenditures of net gaming revenue are already directed by the law.
26. This provision should be revised to read: "Annually, a CPA/firm shall perform an "Agreed-Upon Procedures" (AUP) assessment to verify that each gaming operation is in compliance with the MICS, and/or TICS and SICS." As part of including the provisions from this section of the Rules and Regulations within the TICS, we recommend that the language proposed for omission from Section 2.6 of the TICS be retained to ensure compliance with MICS section 542.3 (f).

AA. Comment Section B on Section 1- Definitions:

35. The sentence suggested for omission here, "In the event of a discrepancy between these definitions and those found in a Tribal-state compact(s), the Compact(s)'s definition shall control," is part of the general introduction to Section 1 of the TICS. This language outlines how to appropriately interpret a definition in a situation where the definitions in the Compact and the TICS conflict. We recommend retaining this sentence to preempt any such conflict.

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36. There are currently no references to “Adjusted Gross Revenues” in the TICS. As a result, we recommend removing the definition for “Adjusted Gross Revenues”.
37. We recommend that the definition of “Bill acceptor/validator” be revised to read, "Bill Acceptor- the device that accept and reads cash by denomination in order to accurately register customer credits." Although we do not view the proposed changes to this definition as a violation of the Gaming Act, using the MICS language will reduce the need for further revisions to regulatory documents and will ensure compliance with the MICS.
38. The term "bill acceptor drop," previously defined here, appears to only have appeared in § 23.2(A)(6) of the TICS on Internal Audits. The reference to “bill acceptor drop” has now been deleted. Since there is no reference point for the definition, it is appropriate to delete it.
39. The terms "Cage Credit" and "Cage Marker Form" are not applicable to any Cherokee Nation gaming, pursuant to the Constitution which prohibits the issuance of credit. As such, these definitions should be deleted.
40. The terms “cash-out ticket” and “voucher” have separate definitions in the MICS and, in order to ensure compliance, should be defined separately in the TICS. Define “Cash-out ticket” as "an instrument of value generated by a gaming machine representing a cash amount owed to a customer at a specific gaming machine. This instrument may be wagered at other machines by depositing the cash-out ticket in the machine bill acceptor," and “Voucher” as "A financial instrument of fixed wagering value, usually paper, that can be used only to acquire an equivalent value of cashable credits or cash through interaction with a voucher system.”
41. It is important that the definition for “Casino Management System” cover both vouchers and cash-out tickets since both are processed by the casino management system. For clarity, information that applies to each should be contained in separate sentences. Integrate the full Voucher System Definition as written in the MICS into the definition: "A system that securely maintains records of vouchers and coupons; validates payment of vouchers; records successful or failed payments of vouchers and coupons; and controls the purging of expired vouchers and coupons." In a separate sentence, cover the information as it applies to gaming cash-out tickets.
42. The provision proposed to be deleted, “Complimentary services and items exclude any services and/or items provided, at no cost or at a reduced cost, to a person for business and/or governmental purposes, which are categorized and treated as business expenses of the gaming operation” is part of the definition of “Complimentary services and items.” The instant provision serves as clarifying language; it was specifically developed to aid in

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understanding and complying with the MICS requirements concerning complimentaries. This language should not be deleted.

43. There is no definition in the MICS or the guidance for "controls;" however, the definition should be included for the sake of clarity. To match the formatting of the current definitions and adopt the MICS definition of SICS from section 543.2, the definition should read, "Controls- Systems of Internal Control Standards (SICS), an overall operational framework for a gaming operation that incorporates principles of independence and segregation of function, and is comprised of written policies, procedures, and standard practices based on overarching regulatory standards specifically designed to create a system of checks and balances to safeguard the integrity of a gaming operation and protect its assets from unauthorized access, misappropriation, forgery, theft, or fraud."
44. "Count room" is defined in MICS section 542.2 as "A secured room where the count is performed in which the cash and cash equivalents are counted." We recommend adopting the MICS definition in the TICS.
45. Covered games should be defined as "all games authorized pursuant to the Compact between the Cherokee Nation and the State of Oklahoma."
46. Issuance of credit is prohibited by the Constitution of the Cherokee Nation. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since the term "credit limit" is not applicable to Cherokee Nation gaming, we recommend that this definition be deleted. Further, we recommend instituting a provision in Section 4- General Provision stating that issuance of credit is unconstitutional.
47. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" continue to be used in the definition of "Drop (for gaming machines). Here, where specificity is used in the MICS definition, we recommend adopting the exact language used in the MICS. This provision should be revised to read, "Drop (for gaming machines)- the total amount of cash, cash-out tickets, coupons, coins, and tokens removed from drop buckets and/or bill acceptor canisters." throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent necessitating additional revisions to the SICS or other regulatory documents wherein this term is used."
48. Drop (for kiosks) is not defined in the MICS. However, for purposes of clarification, there is no harm in including a definition for the term. Unlike the term "gaming instruments,"

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which has been deleted from the proposed definition, there is a comprehensive definition for "financial instruments." We recommend no change to the proposed definition, which reads as follows: "Drop (for Kiosks) - The total amount of financial instruments removed from an electronic kiosk."

49. Issuance of credit is prohibited by the Constitution of the Cherokee Nation. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since the phrase "credit issued at the table" is not applicable to Cherokee Nation gaming, we recommend removing it from the definition. Further, While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2, and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent the need for additional revisions to the SICS or other regulatory documents in which this term is used.
50. The terms "Drop box," "Drop box content keys," "Drop box release keys," "drop box storage rack keys," and "drop cabinet" each describe elements of the drop procedure that are mentioned in later applicable sections in these TICS. As such, it is our opinion that including a reference definition for each of these terms individually is important. We suggest adding definitions for "Drop Box," "Drop box contents keys," "drop box release keys," "Drop box storage rack keys," and "Drop cabinet" into the TICS.
51. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent the need for additional revisions to the SICS or other regulatory documents in which this term is used.
52. See Prior Comment.
53. See Prior Comment.
54. The proposed definition for "casino instrument storage container" here seems to be based on the definition of "Drop box release keys" in the previous version of the TICS and the definition for "Bill acceptor canister release key" in the MICS. The definition for "Drop

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Box release keys" in the current TICS is, "they key used to release drop boxes from tables." The definition for Bill acceptor release key reads, "Bill acceptor canister release key means the key used to release the bill acceptor canister from the bill acceptor device." Thus, discarding the changes would not bring the definition into alignment with the MICS, since the name and content would still be different. Depending on the intention of the CNGC in including this definition, the Commission should either include the original definition of either or both "drop box release keys" or "bill acceptor canister release key" from the MICS or change the terms used to reflect the name "financial instrument storage component release key." Retaining the existing term will also prevent necessitating additional revisions to the SICS or other regulatory documents wherein this term is used.

55. The definition of "casino instrument storage container rack key" is based on the MICS definitions for "Bill acceptor canister storage rack key" and "Drop box storage rack keys." Therefore, discarding the changes alone would not make the definition in line with the MICS. However, changing the name of the term (and internal wording to reflect the name) does not expand the breadth of the term beyond what is laid out in the MICS. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS when choosing an encompassing term. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS as an encompassing term. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
56. The definition for "game play credits" is pulled directly from Part 3, § 15 of the Compact. Accordingly, it does not violate the Gaming Act and should remain as follows: "a method of representing value obtained from the exchange of cash or cash equivalents, or earned as a prize, in connection with electronic gaming. Game play credits may be redeemed for cash or cash equivalents."
57. Issuance of credit is prohibited by the Constitution of the Cherokee Nation. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since the phrase "Gaming operation accounts receivable (for gaming operation credit)" is not applicable to Cherokee Nation gaming, we recommend deleting its corresponding definition.
58. To meet the requirements of the MICS, the name of this definition should be changed from "Gaming System" to "Class II Gaming System." "Class II Gaming System" should be defined as, "all components, whether or not technologic aids in electronic, computer, mechanical, or other technologic form, that function together to aid the play of one or more

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Class II games, including accounting functions mandated by the MICS or 25 CFR § 547." "Class III Gaming System" should be separately defined as "all components, whether or not electronic, computer, mechanical, or other technologic form, that function together to support covered games, including accounting functions mandated by the MICS or 25 CFR § 547."

59. While the Audit & Accounting Guide for Gaming may fall under the GAAP, the MICS only make certain that the standards for casino accounting are included. For the sake of the definition of "Generally Accepted Accounting Principles," we recommend reverting the language to read, "A widely accepted set of rules, conventions, standards, and procedures for reporting financial information, as established by the Financial Accounting Standards Board (FASB), including, but not limited to, the standards for casino accounting published by the American Institute of Certified Public Accountants (AICPA)."
60. Issuance of credit is prohibited by the Constitution of the Cherokee Nation. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since the term "issue slip" is not applicable to Cherokee Nation gaming, we recommend deleting the definition of "issue slip." In the place of this definition, we recommend including a definition for "House Banking Game." In line with 25 CFR Section 502.11, "House Banking Game" means "any game of chance that is played with the house as a participant in the game, where the house takes on all players, collects from all losers, and pays all winners, and the house can win."
61. As technology evolves, it is important to include clarifying terms that inform the requirements set out in the MICS. We recommend no change to the existing definition of "Jackpot payout" which reads, "the portion of a jackpot paid by gaming machine personnel. The amount is usually determined as the difference between the total posted jackpot amount and accumulated credit paid by the machine. May also be the total amount of the jackpot."
62. Issuance of credit is prohibited by the Constitution of the Cherokee Nation. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since the term "lines of credit" is not applicable to Cherokee Nation gaming, we recommend deleting the definition for the term "lines of credit".
63. See prior comment.
64. See prior comment.
65. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a

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violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS when choosing an encompassing term. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. While the definition for “soft count” in MICS section 542.2 specifically lists “drop box[es]” and “bill acceptor canisters[s],” retaining the existing term will prevent necessitating additional revisions to the SICS or other regulatory documents wherein this term is used. As such, the definition of “soft count” should be revised to read, “the count of the contents in a financial instrument storage component.”

66. See prior comment B (31). Additionally, references to credit issued should be deleted, per the Constitution of the Cherokee Nation. The definition for “statistical drop” should read, “total amount of money, chips, and tokens contained in the financial instrument storage component.”
67. Elimination of house-banking makes the proposed definition for “table games” more restrictive than the MICS definition, probably violating the Gaming Act. Either revert the definition to match the wording in the MICS or revise it to include the potential for house-banking or a pool. Further, this definition should be revised for clarity. We would recommend the following definition: "Table games- games that are banked by the house or wherein all bets are placed in a common player's pool, whereby the house or the common player's pool pays all winning bets and collects on all losing bets." Confusion with the definition of "Card games" seems unlikely since here, the house or pool pays out winnings and collects on bets, but in a card game, the collection is based on a pay-to-play model. There is a common understanding within the industry as to the manner of games played, and in our view, this definition does not blur the line between the two terms.
68. Definitions for both "voucher" and "voucher system" should remain in the TICS, as they are required by MICS section 543.2. Voucher is defined as "A financial instrument of fixed wagering value, usually paper, that can be used only to acquire an equivalent value of cashable credits or cash through interaction with a voucher system," while Voucher system means "A system that securely maintains records of vouchers and coupons; validates payment of vouchers; records successful or failed payments of vouchers and coupons; and controls the purging of expired vouchers and coupons." We recommend also retaining the separate definition for "Cash-out tickets" as discussed in Comment B6.

BB. Comment Section C on Section 2- Compliance:

6. Neither "scrupulously consistent" nor "do not conflict" covers the full intent of Section 22(C) of the Gaming Act, which states that rules and regulations "shall not exceed or conflict with the regulations issued by the [NIGC], including by not limited to the [MICS] not [the Compact]. To better reflect that, the description of Tribal Internal Control Standards in TICS

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section 2.1 (B) could read , "...that do not exceed or conflict with the MICS or other regulations issued by the National Indian Gaming Commission, any Tribal-State Gaming Compact, or the Indian Gaming Regulatory Act, as applicable."

7. We recommend changing TICS section 2.1 (C) to mirror the language in Section 542.4 of the MICS, which covers reconciling conflicts between Compacts and the MICS. To reflect the language of MICS section 542.4, this provision should read, "If there is a direct conflict between an internal control standard established in a Tribal-State compact and a standard or requirement set forth in the MICS, then the internal control standard established in a Tribal-State compact shall prevail. If an internal control standard in a Tribal-State compact provides a level of control that equals or exceeds the level of control under an internal control standard or requirement set forth in the MICS, then the Tribal-State compact standard shall prevail. If an internal control standard or a requirement set forth in the MICS provides a level of control that exceeds the level of control under an internal control standard established in a Tribal-State compact, then the internal control standard or requirement set forth in the MICS part shall prevail. "
8. Comments regarding consistency with the MICs for TICS section 2.3 (A) have been taken into account and addressed; however, for the sake of clarity and in the interest of plain language, the wording should be reverted to "The CNGC must ensure that the Tribal Internal Control Standards (TICS) provide a level of control that does not exceed or conflict with the applicable standards set forth in the MICS and the Compact."
9. We recommend revising TICS section 2.3 (B)(1)-(4) to read as follows: "The CNGC shall establish deadlines for compliance with these Tribal Internal Control Standards (TICS) and shall ensure compliance with those deadlines as set forth by the National Indian Gaming Commission (NIGC) and in accordance with the Cherokee Nation Gaming Ordinance and Title 4 of the Cherokee Nation Code Annotated and shall establish, implement, and revise the control standards with this document as follows. Tribal Internal Control Standards shall: (1). Provide a level of control that does not exceed or conflict with any Tribal-State Compact or the minimum standards set forth in 25 CFR Parts 542 and 543; (2). Contain standards for currency transaction reporting that comply with IRS regulations and 31 CFR Chapter X; and (3). Establish standards for games authorized that are not currently addressed." The responsibility of gaming operations to develop and implement SICS would be better placed in Section 2.1 (D), which could be rephrased to read, "Each gaming operation is required and shall develop and implement a System of Internal Control Standards (SICS) that, at a minimum, comply with these Tribal Internal Control Standards and are approved by the CNGC."

10. As part of including the provisions from Chapter IV, section H of the Rules and Regulations within the TICS, we recommend that the entirety of the language proposed for omission from Section 2.6 of the TICS be retained to ensure compliance with MICS section 542.3 (f).

CC. Comment Section D on Section 4- General Provisions:

9. The word “agent” implicitly connotes a greater level of vested authority than the term “employee,” here impermissibly increasing the standard for these TICS apply to, as established in the MICS. We recommend using the term “employee” here instead of “agent.”
10. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS when choosing to use an encompassing term. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2, and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term when referring to currency and cash equivalent controls will also prevent necessitating additional revisions to the SICS or other regulatory documents.
11. See prior comment D (1). Further, for clarity, we recommend revising this section to read, “when the standards in this document address the need for signature authorizations, unless otherwise specified, that signature shall be the employee's full name or initials (as required) and identification number, in legible writing.”
12. It is our opinion that the CNGC may either delete or retain the provision detailing supervisory lines of authority, provided that language on supervision is returned to the applicable area-specific sections outlined herein. In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. Re-insert language on Supervisory Line of Authority into MICS-mandated sections of the TICS: 5.1 Live Bingo; 6.1 Pull Tabs; 9.2 Card Games (already covered here); 12.1 (A) Drop and Count; 13.1 (B) Cage Operations; 17.1 (A) Player Tracking; 15.1 (A) Gaming Promotions; 16.1 (A) Complimentaries; 20.1 (C) Information Technology (There is an existing section on supervision, but it needs to be supplemented with line of authority language); 21.1 Auditing Revenue; and 22.2 (A)(3) Surveillance.
13. We recommend that the language on submitting charts detailing the supervisory line of authority be combined to cover both Class II games and Class III (covered) games. This provision should read, “Upon request, the enterprise shall provide the CNGC with a chart of

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the supervisory lines of authority with respect to those directly responsible for the conduct of covered games and shall promptly notify the CNGC of any material changes thereto. For covered games, the enterprise shall also provide a chart of supervisory lines of authority to the SCA and shall promptly notify the SCA of any material changes thereto."

14. The word "agent" implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent."
15. The language in this provision is based on Part 5 (M) of the Compact, which must be implemented into the TICS. We recommend retaining this language to ensure compliance with the Compact. This provision should read, "In addition to other recordkeeping requirements contained in the TICS, the CNGC shall keep a record of, and shall report at least quarterly to the SCA, the number of covered games in each facility, by the name or type of each and its identifying number. The gaming operation shall maintain the following records for no less than three (3) years from the date generated:"
16. Part 5 (C)(2) of the Compact includes "the payout from the conduct of all covered games" in a list of records which must be kept. As such, omitting this same language from TICS section 4.10 could result in noncompliance. We recommend retaining "pay-out from the conduct of all covered games" in Section 4.10 (A).

DD. Comment Section E on Section 5- Live Bingo:

9. "Bingo" is a more appropriate title for the section, since, like in the MICS, Class II games that use technological aids for the play of bingo are covered by this Section. We recommend changing the title of TICS section 5 from "Live Bingo" to "Bingo."
10. Although Section 543.8 (E)(5)(i) does not explicitly state that it applies exclusively to Class II Gaming System Bingo, the out-right mentions of Class II Gaming Systems in subsections (ii) and (iv) lend credence to the interpretation. Further, limiting what supervisory or management employees may sign and verify the manual prize payouts would constitute a restriction in excess of the MICs. This provision should read, "Manual prize payouts above the following threshold (or a lower threshold, as authorized by management and approved by the CNGC) must require one of the two signatures and verifications to be a supervisory or management employee independent of the operation of Class II Gaming System Bingo."
11. (For reference, this section is now labeled Section 5.4). To ensure that the level of detail required by the MICS is provided on the appropriate payout records, the phrase "alpha & numeric for player interface payouts" should be included in the line. This provision should

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be revised to read, "Amount of the payout (alpha & numeric for player interface payouts); and."

12. (For reference, this section is now labeled Section 5.4). To ensure that the specific types of information required by the MICS is provided on the appropriate payout records, the phrase "or player interface identifier" should be included in the line, unless the operations no longer use player interface identifiers.
13. To ensure that regulated parties are aware of the full extent of their obligations under the TICS, we recommend including a reference to Section 11 in Section 5.4 (M). So that the appropriate sections are cross-referenced for compliance, we recommend revising this provision to read, "Cash payout limits shall be established with the gaming machine payout standards in Section 11- Financial Instruments." Alternatively, to prevent regulated parties from having to reference multiple sections of the TICS, the cash payout limit standards could be included in both section 5.4 (M) and section 11-Financial Instruments.
14. Although CNE notes that this language has been added to Section 7 on Gaming Systems, the text in Section 7.2 has been stricken. In comment section G, we recommend that the language slated for removal therein be retained. We recommend adding an additional subsection requiring compliance with 25 CFR 547, possibly as 5.5 (C) (moving the subsection on CNGC approval down to (D) and so on). The provision should read, "All Class II gaming equipment must comply with 25 CFR part 547, Minimum Technical Standards for Gaming Equipment Used with the Play of Class II Games."
15. Even if documentation from the server is not required because the gaming system does not track the information mentioned, MICS section 543.8(c)(4) still calls for compliance in noting the system limitations. Unless none of the gaming operations sell Class II gaming system bingo cards, we would recommend including this text as a new subsection at the end of section 5.5. This provision should read, "'Class II gaming system bingo card sales. In order to adequately record, track, and reconcile sales of bingo cards, the following information must be documented from the server (this is not required if the system does not track the information, but the system limitation(s) must be noted): 1. Date; 2. Time; 3. Number of Bingo Cards sold; 4. Dollar amount of bingo card sales; and, 5. Amount in, amount out, and other associated meter information."
16. We recommend restoring the omitted text in TICS section 5.7 (A) to include the reference to 25 CFR 547.4. Specifically, this provision should read, "The operation must establish, as approved by the CNGC, the threshold 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 will be documented." Alternatively, to avoid the need to for regulated parties to cross-reference the TICS and MICS, this provision could be revised to

read, “The operation must establish, as approved by the CNGC, the threshold at which a variance, including deviations from the mathematical expectations of game play calculated and/or verified by a test laboratory and submitted to the CNGC under 25 CFR 547.4. Any such review will be documented.”

EE. Comment Section F on Section 6- Pull Tabs:

2. We recommend retaining the following language on supervision in TICS section 6.1: "Supervision must be provided as needed for pull tab operations and over pull tab storage areas by an agent(s) with authority equal to or greater than those being supervised." In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. It is our recommendation that the CNGC not strike supervision language from this section, regardless of whether it chooses to retain such language in Section 4- General Provisions as well.

FF. Comment Section G on Section 7- Gaming Systems:

32. We recommend restoring the definition of “credit or customer credit” for clarity of interpretation so that it is not confused with unconstitutional issuances of credit. This provision should read, "For this section only, credit or customer credit means a unit of value equivalent to cash or cash equivalent wagered, won, lost, or redeemed by a customer."
33. Sections 7.1 (D)(1-2) (referred to in CNE comments as Section 7.1 (C)(1-2)), 7.11, and 7.12 have all been proposed for deletion in the revised TICS. However, should these provisions be retained, we would recommend using the term “employee” instead of “agent” within the provisions. The word “agent” implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS.
34. Section 7.2 has been eliminated from the TICS, and this language in particular is not present in the red-lined version of the proposed TICS. However, if technologic aids are used for gaming systems other than Bingo, the section should remain within Section 7 as well as in Section 5.5 (C). If the language is included here, we recommend that the provision be rephrased to the following: "The CNGC must approve technological aids before they are utilized for play."
35. This language has been proposed to be eliminated from Section 7. We would recommend retaining this language here to prevent regulated parties from having to reference multiple

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sections of the TICS to understand the scope of their obligations. This provision should read, "All Class II gaming equipment must comply with 25 CFR part 547, Minimum Technical Standards for Gaming Equipment Used with the Play of Class II Games."

36. The added terms "game program" and "equivalent game software media" do not exceed the terms of the MICS verification requirements. Rather, these terms serve to clarify that the MICS require any form of gaming software to be approved, including more technologically current equivalents of EPROMS. As such, we would recommend no change to the proposed language, which is as follows: "verification of duplicated EPROMs, game program or other equivalent game software media before being offered for play."
37. The added terms "game program" and "equivalent game software media" do not exceed the terms of the MICS. Rather, these terms serve to clarify that the MICS require all gaming software to be secured, including more technologically current equivalents of EPROMS. To remove these clarifying terms would risk noncompliance and could endanger the integrity of the operation's gaming systems. As such, we would recommend no change to the proposed language, which is as follows: "(4) Receipt and destruction of EPROMs, or other equivalent game software media; and, (5) Securing the EPROM, game program or other equivalent game software media, duplicator, and master game EPROMs, "or other equivalent game software media," from unrestricted access."
38. Due to the extra requirements that omitting the phrase "with potential jackpots in excess of \$100,000" could bring on, it is likely that the revised language of this section exceeds the MICS and violates section 22(C) of the Gaming Act, as it would apply this provision to all gaming machines. We recommend that this provision be revised to read, "Gaming machines with potential jackpots in excess of \$100,000 shall have the game software circuit boards locked or physically sealed. The lock or seal shall necessitate the presence of a person independent of the gaming machine department to access the device game program EPROM, or other equivalent game software media. If a seal is used to secure the board to the frame of the gaming device, it shall be pre-numbered."
39. We recommend against deleting the terms "servers and player interfaces" from section 7.4 (C) to preserve the specificity of the MICS language in section 543.8 (g)(C)((3)(i). The provision should read, "The gaming operation must maintain the following records, as applicable, related to installed game servers and player interfaces."
40. Neither the word "component" or "gaming machine" used in section 7.5 (B) appear in source section 543.8 (g)(5)(i) of the MICS, although "component" is the only word marked as an addition by the CNE and in the proposed TICS red-line document. Both terms together replace "player interface" in the Guidance. In compliance with the Gaming Act, we recommend that the language should be changed to match section 543.8 (g)(5)(i): "Testing

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must be completed during the installation process to verify that the player interface has been properly installed. This must include testing of the following, as applicable."

41. Eliminating "Class II" before "gaming system" in section 7.5 (B)(1) would likely add to the amount of gaming systems that would need to be tested as required by MICS section 543.8(g)(5)(i)(A)). While this does not conflict with the MICS or the Compact, it may exceed them, violating the Gaming Act. We recommend that the provision read, "communication with the Class II gaming system." However, it is important to note here that, despite the specific requirements of this section, all gaming machines are subject to testing pursuant to MICS section 542.13 (g).
42. CNE objected to the definitions for "voucher" and "cash-out ticket" being combined since there are subtle distinctions between the terms. In response to Comment B(6), we suggested including two separate definitions for clarity. However here, in a provision dealing with installation testing, it is important that the testing is inclusive of all forms of printouts the player interface/gaming machine could potentially process and accept. Since both definitions are included in the MICS (542.2- Cash-out ticket and 543.2 Voucher) and this section covers gaming systems more broadly (not just bingo), the addition of "cash-out tickets" does not violate the Gaming Act.
43. See Prior Comment.
44. Items covered by the term "gaming machine," which has been added to section 7.5 (B)(8), may be in excess of those covered under "player interface," since gaming machines may include games affected by skill. As a result, altering the coverage may violate the Gaming Act. However, this section addresses more than the Bingo covered in the MICS source section (rather, section 7.5 (B) covers gaming systems more generally) and the current version of the TICS includes gaming machines and player interfaces in items that should be tested during install. If applicable testing is not covered elsewhere, it may be important to include it here so as not to frustrate the Commission's responsibility for ensuring the integrity of gaming systems and equipment under the Ordinance.
45. While it could be argued that the added term "uninstall" exceeds the terms of the MICS source section 543.8(h)(2)(ii)(A), we do not perceive that the addition adds to the section's requirements. Rather, it serves to clarify what action may be needed in order to purge the software appropriately when dealing with modern gaming systems. The language here, "Uninstall, purge, destroy storage media and/or return the software to the software license holder/owner; and," should remain as-is since it does not expand the scope of the provision to be in excess of or in conflict with the MICS or the Compact.

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46. This language is sourced directly from MICS section 543.8 (h)(2)(iii)(A-B), which identically reads, "For other related equipment such as blowers, cards, interface cards: Remove and/or secure equipment; and Document the removal or securing of equipment." Deleting this requirement would risk noncompliance. We recommend restoring this section.
47. While the language from section 7.11 in the current TICS has been proposed for deletion, most of the text remains in the TICS in other sections. (See Sections 5.7 (A), 21.4 (B),(C),(D), and (E) and 21.5 (C),(D), (E), (F), (G), (H), (I), (J), and (K). (Section 21.4(C)(2) says "hard count" instead of "soft count," as in 7.11 (M), but the language is otherwise identical. Language previously under 7.11 (F)(1)-(4),(I), (J),(K), and (U) are not located elsewhere in the proposed TICS. While these omitted sections should be added back into either this section or section 21, inclusion of the other provisions in at least one section of the TICS is enough to ensure compliance with the MICS. We recommend that, to ensure that requirements are easily accessible to regulated parties, the entirety of these requirements be kept together instead of divided among two sections of the TICS.
48. The word "agent" implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may conduct the in-meter reading as established in the MICS. We recommend using the term "employee" here instead of "agent."
49. To ensure coverage of the MICS requirements related to statistical reports, we recommend retaining section 7.11 (here specifically, section 7.11 (O) unless otherwise indicated. While this language has also been included in Section 21, there is no harm in ensuring that all regulated parties understand the scope of their obligations without needing to refer to multiple sections. The word "agent" implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent."
50. See Prior Comment.
51. Variance requirements for Class II gaming machines are located in Section 21.5 (I), in line with the MICS. Language on Class III requirements should remain separate. We recommend rejecting the proposed removal of the term "Class III" from section 7.11(S). To ensure that this MICS requirement is covered by the TICS, we recommend retaining section 7.11 (here specifically, section 7.11 (S) unless otherwise indicated. While this language has also been included in Section 21, there is no harm in ensuring that all regulated parties understand the scope of their obligations without needing to refer to multiple sections.

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52. To ensure coverage of MICS requirements concerning who may perform maintenance of gaming machine monitoring systems, we recommend including this section language either in a restored Section 7.11 or in Section 21.5 (J), moving the existing subsection (J) down to create a subsection (K). The word “agent” implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent."
53. To ensure that the variance threshold requirements from the MICS is covered by the TICS, we recommend retaining section 7.11. While this language has also been included in Section 21.6, there is no harm in ensuring that all regulated parties understand the scope of their obligations without needing to refer to multiple sections. In retaining section 7.11, which has been proposed for deletion, we recommend deleting subsection (W) for redundancy since it is less comprehensive than subsection (T).
54. This provision, which sets out who may perform gaming machine accounting and auditing procedures, has been stricken in Section 7. But Section 21.1 (A), states "audits must be performed by "employees" agent(s) independent of the transactions being audited." The word “agent” implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent." Further, we recommend including the language transposed from Section 7 to Section 21 in both sections to ease compliance for regulated parties.
55. Currently, this provision concerning for weigh sale and currency interface systems is split among Section 21.4 (F) and (F)(2). This provision has been proposed for deletion in Section 7. We would recommend including this language in both sections in the interest of ensuring all regulated parties have access to their regulatory obligations without referring to multiple sections of the TICS. Further, the word “agent” implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent." This provision should read, “For weigh scale and currency interface systems, for at least one drop period per month accounting/auditing employees shall make such comparisons as necessary to the system generated count as recorded in the gaming machine statistical report. Discrepancies shall be resolved prior to generation/distribution of gaming machine reports.
56. This provision concerning drop procedures has been deleted from the proposed TICS and included in Section 21; however, we would recommend retaining the language here as well. Further, the word “agent” implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the

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requirement established in the MICS. We recommend using the term "employee" here instead of "agent." This provision should read, "For each drop period, accounting/auditing employees shall compare the bill-in meter reading to the total bill acceptor drop amount for the period. Discrepancies shall be resolved before the generation/distribution of gaming machine statistical reports."

57. This provision, which requires content verification of has been moved to section 21.5 (L). To ensure that this MICS requirement is covered by the TICS, we recommend retaining section 7.12 (here specifically, section 7.12 (C)) While this language has also been included in Section 21, there is no harm in ensuring that all regulated parties understand the scope of their obligations without needing to refer to multiple sections. Further, the word "agent" implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent."
58. This language has been proposed for deletion from the TICS. However, this subject is covered in Section 21.5 (I) and (J), and the language of Section 7.11 (T) (which we have recommended be retained) is in line with the language of the MICS.
59. This section has already been marked for deletion from the TICS. However, MICS requirements for footing vouchers and jackpots are sufficiently covered in Sections 21.2 and 11.4 (B).
60. This section has already been marked for deletion from the TICS. In our view, deletion of this provision is proper since the language is not applicable to the operation's drop and count procedures.
61. This section's language has been moved to Section 21.5 (M). To ensure that this MICS requirement is covered by the TICS, we recommend retaining section 7.12 (here specifically, section 7.12 (L)) unless otherwise indicated. While this language has also been included in Section 21, there is no harm in ensuring that all regulated parties understand the scope of their obligations without needing to refer to multiple sections. The word "agent" implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent."
62. This section has already been marked for deletion from the TICS. This language is included in both Section 7 and Section 21, so deleting this provision properly streamlines the TICS. We recommend deleting this provision as proposed.

GG. Comment Section H on Section 8- Table Games:

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34. The word “agent” implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."
35. It is highly doubtful that the NIGC would reject a TICS provision that merely requires the posting of rules. Rules are favored, and the Nation is required by Part 5 (A) of the Compact to promulgate the rules necessary to implement the Compact. The requirement here to post rules would fall under this Compact provision since table games are covered by the Compact. We recommend retaining this provision.
36. Per MICS section 543.3 (d), the gaming operation is required to set a threshold at which a variance must be reviewed in order to comply with the MICS. We recommend retaining this provision. In the red-lined version of the proposed TICS, this provision includes the term "TGRA" instead of "CNGC." The provision should read, "the operation must establish, as approved by the CNGC, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented."
37. The word “agent” implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."
38. See Prior Comment
39. See Prior Comment
40. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent the need for additional revisions to the SICS or other regulatory documents in which this term is used.
41. The word “agent” implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the

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requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."

42. See Prior Comment.

43. See Prior Comment.

44. See Prior Comment.

45. See Prior Comment.

46. See Prior Comment.

47. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

48. See Prior Comment.

49. The word "agent" implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."

50. See Prior Comment.

51. See Prior Comment

52. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS.

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Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

53. See Prior Comment.
54. The word “agent” implicitly connotes a greater level of vested authority than the term “personnel,” here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term “personnel” here instead of “agent.”
55. We recommend that the heading for this section be revised to clarify the content of the section and to reflect the wording in the MICS. The heading should read, “Standards for Playing Cards and Dice.” To fully comply with MICS section 542.12 (f), the content of this provision should read, “The CNGC, or the gaming operation as approved by the CNGC, shall establish and the gaming operation shall comply with a reasonable time period, which shall not exceed seven (7) days, within which to mark, cancel, or destroy cards and dice from play. This standard shall not apply where playing cards or dice are retained for an investigation.”
56. We recommend omitting this proposed section. 25 CFR Section 549, cited by the CNE in its comments, is reserved. The language in this provision is sourced from MICS section 543.10 which discusses progressive pots and pools as applied to card games. There is no indication in the MICS that these provisions are intended to extend to progressive table games. As such, applying the language of this section to progressive table games would be in excess of the MICS. We would, however, strongly urge CNE to address this subject in its own internal control policies and procedures.
57. This language is required by MICS section 542.12 (i). Including these requirements in Section 21 does not violate the Gaming Act as it does not exceed the MICS. However, to ensure that all MICS requirements are covered by the TICS, we recommend including the language from MICS section 542.12 (i) in section 8. While this language has also been included in Section 21, there is no harm in ensuring that all regulated parties understand the scope of their obligations without needing to refer to multiple sections.
58. There are no Accounting and Auditing Standards included in proposed section 8. Expanding this section in Section 21 does not violate the Gaming Act as it does not exceed the MICS. However, to ensure that all MICS requirements are covered by the TICS, we recommend including the language from MICS section 542.12 (j) in section 8. While this language has also been included in Section 21, there is no harm in ensuring that all regulated parties understand the scope of their obligations without needing to refer to multiple sections. This

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language is sourced from MICS section 542.12 (l) and is therefore appropriately applied to table games.

59. Issuance of credit, including "marker credit play" is prohibited by the Constitution of the Cherokee Nation. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since "marker credit play" is not applicable to Cherokee Nation gaming, we recommend that this section be deleted. In comment section A, we recommended instituting a provision in Section 4- General Provision stating that issuance of credit is prohibited as a matter of the Nation's constitutional law.
60. Issuance of credit, including through acceptance of "name credit instruments" is prohibited by the Constitution of the Cherokee Nation. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since requirements related to "name credit instruments accepted in the pit" are not applicable to Cherokee Nation gaming, we recommend that this section be deleted. In comment section A, we recommended that issuance of credit is prohibited as a matter of the Nation's constitutional law.
61. N/A. No comment for this number.
62. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since the CNE does not accept call bets at its pits, we recommend that this section be deleted.
63. Even though rim credit and other forms of credit are covered in the MICS, 27, issuance of credit, including through "rim credit" is prohibited by the Constitution of the Cherokee Nation. The CNGC is only required to implement applicable provisions of the MICS through the TICS. Since requirements related to "rim credit" are not applicable to Cherokee Nation gaming, we recommend that this section be deleted. In comment section A, we recommended that issuance of credit is prohibited as a matter of the Nation's constitutional law.
64. Even though the MICS provide standards for the acceptance of foreign currency, the CNGC is only required to implement applicable provisions of the MICS through the TICS. Since the CNE does not accept foreign currencies, we recommend that this section be deleted. Even though the text of this section conditions its applicability on whether an operation accepts foreign currency, its inclusion could spark unnecessary confusion. We further recommend adding a provision to Section 4- General provisions which outlines the policy against accepting foreign currency. Such a provision could read, "Cherokee Nation Gaming Operations do not accept or exchange foreign currencies."

65. Subsection (C) which applies information technology controls to table games does not violate the Gaming Act. Instead, as evidenced by the phrase "all relevant controls," this provision serves to reference provisions located in Section 20 that already apply to table games. Similarly, subsection (D) merely alerts the reader of the section that additional obligations are located in another section. No change is needed for compliance purposes. However, we recommend including all applicable information technology provisions in both Section 8 and Section 20 and all applicable auditing provisions in both Section 8 and Section 20.
66. Per MICS section 543.3 (d), the gaming operation is required to set a threshold at which a variance must be reviewed in order to comply with the MICS; however, this provision is already included in Section 8.1 (C). We recommend deleting this provision to avoid redundancy within the section.

HH. Comment Section I on Section 9- Card Games:

8. We recommend retaining this language in Section 9.4 (A)(2) to ensure compliance with MICS section 543.10 (C)(2). Additionally, the sentence "The removal and cancellation process requires CNGC review and approval" should be added to the end of the provision. Omitting a portion of this requirement risks noncompliance.
9. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
10. In our view, the determination on whether to accept these changes is a stylistic choice. These changes make no significant difference to the meaning of the provision other than to add emphasis to both requirements in the Section. The language does not risk noncompliance as-is.
11. The word "agent" implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."
12. See Prior Comment.

13. See Prior Comment.
14. While these sections do not need to be removed since they are pulled from Section 542.12 (o) of the MICS, they should be deleted for relevance to prevent confusion with policies and procedures regarding foreign currencies. In comment section H, we recommend that a provision be added to Section 4- General Provisions explaining the policy on Foreign Currencies.

II. Comment Section J on Section 10- Pari-Mutuel:

41. The word “agents” implicitly connotes a greater level of vested authority than the term “employees,” here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term “employees” here instead of “agents.”
42. See Prior Comment.
43. See Prior Comment.
44. To ensure full compliance with the Compact's notice and non-interference requirements, we recommend adding the phrase “in accordance with the Off-Track Wagering Compact between Cherokee Nation and the State of Oklahoma.” to the end of this provision.
45. The only section of the Off-Track Wagering Compact that discusses amendments or modifications refers to those to the Compact itself, not to the house rules. However, in carrying out its duty to regulate and oversee the conduct of gaming operations pursuant to Section 22 (A) of the Gaming Act, it is essential for the CNGC to have a copy of all applicable off-track wagering rules. As such, we recommend revising this section to read, “The gaming operation must inform the CNGC of any amendments or modifications to the off-track wagering house rules prior to implementation.”
46. The closing provision of Appendix A Section C of the Off-Track Wagering Compact states that “nothing shall prevent the Nation from providing an alternative computer system...,” and CNGC approval may be a conflicting barrier. We recommend removing the phrase “as approved by the CNGC” from the end of this section. This provision should read, “Provide sufficient hard disk storage with magnetic tape backup storage at a minimum of 2.1 gigabytes each or some other storage of similar or greater capacity.”

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47. To avoid confusion, we recommend separating these requirements into new section headings. Section B should read, “Program source code shall not be available to Gaming Employees or to Nation's data processing employees.” Section C should read, "Access to the main processors located at the source location is limited to authorized source location personnel or substitute entity personnel from the signal source locations." The language currently in Section B and C should be moved down to a new subsection (D) and so on, as necessary.
48. Section B should read, "Access to writer/cashier terminals will be restricted to agents by means of operator numbers and passwords necessary to log on to the system." In subsection B(2), the term "agents," should be replaced with "writers/cashiers" in both instances. The word “agents” implicitly connotes a greater level of vested authority than the term "writers/cashiers," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. Under the same reasoning as the suggested revisions to section (B) (2), section C should read, "A gaming operation employee or other employee, approved by the CNGC may perform routine maintenance and service of the hardware components of the Gaming Facility's wagering and communication equipment."
49. Section 9 (a) (2) of the Off-Track Wagering Compact requires that maintenance logs be maintained in relation to all off-track wagering gaming equipment. The Compact does not, however, list what should be recorded in the logs. We recommend altering the language to state, "The gaming operation shall establish and maintain a log of all routine and non-routine maintenance of all gaming equipment pertaining to off-track wagering."
50. While the Compact does not mandate submitting service agreements to the CNGC, it does provide that the Nation will enter into the Agreements for the off-track wagering authorized by the Compact. In order to ensure that any wagering undertaken as a result of/with the aid of services from these contracts is in accordance with the Compact, it is necessary to provide that the agreement contain compliance provisions. The first sentence must be retained to ensure compliance; however, the second sentence should be deleted. This provision should read, "Any service agreement entered into by the gaming operation with a third-party to provide simulcast services or provide pari-mutuel wagering/totalizer services must contain provisions sufficient to establish and maintain compliance with these internal controls, the rules and regulations of the CNGC, and any tribal-state compact to which the Nation is a party."
51. The word “agents” implicitly connotes a greater level of vested authority than the term "writers/cashiers," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writers/cashiers" here instead of "agents" in both instances in this section.

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52. In our opinion, the determination of whether to use the term "customer" or "patron" is a stylistic choice. However, if the SICS already employ the word "customer," we would recommend no change. See discussion in Section A.
53. The word "agent" implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."
54. The word "agent" implicitly connotes a greater level of vested authority than the term "writer," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer" here instead of "agent."
55. We recommend retaining the proposed language. The gaming operation may have a secure room that is used to store multiple items. The MICS do not intend to limit gaming operations by requiring pari-mutuel tickets be stored in isolation. Such a requirement would be impractical. Instead, this requirement intends to ensure that unused tickets are secure. Either a pari-mutuel storage room or another secure location would achieve that aim.
56. If "post time" reflects a different time standard than "locked out," the section language should be reverted so as not to exceed the Compact by either adding or taking away time when the computer system will function. However, if the two phrases would close the opportunity for ticket voiding at the same time, "post time" may be clearer and lead to less confusion and noncompliance.
57. The word "agent" implicitly connotes a greater level of vested authority than the term "writer/cashier," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer/cashier" here instead of "agent."
58. The word "agent" implicitly connotes a greater level of vested authority than the term "writer/cashier," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer/cashier" here instead of "agent."
59. The word "agent" implicitly connotes a greater level of vested authority than the term "writer/cashier," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer/cashier" here instead of "agent."

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60. While both terms are often used interchangeably, we see no compelling reason here to amend the TICS. Change "operation" to "facility" to reflect the language of the Compact and avoid unnecessary revisions.
61. The word "agent" implicitly connotes a greater level of vested authority than the term "clerk," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "clerk" here instead of "agent."
62. While both terms are often used interchangeably, as noted above, we see no compelling reason here to amend the TICS. Change "operation" to "facility" to reflect the language of the Compact and avoid unnecessary revisions.
63. This section is pulled directly from Section J (3)(b) of the Off-Track Wagering Compact. As such, the language should remain as it is in the proposed TICS: "If an unpaid ticket is found that matches the lost ticket report, the unpaid ticket will be "locked" in the computer system to prevent payment to other than the claimant for the holding period of one hundred twenty (120) days after the conclusion of the racing meet on which the wager was placed."
64. While both terms are often used interchangeably, as noted above, we see no compelling reason here to amend the TICS. Change "operation" to "facility" to reflect the language of the Compact and avoid unnecessary revisions.
65. The word "agent" implicitly connotes a greater level of vested authority than the term "writer/cashier," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer/cashier" here instead of "agent."
66. In order to fully cover the requirements in the Appendix of the Off-Track Wagering Compact, we recommend incorporating the following: "the Gaming Facility bears no responsibility with respect to the actual running of any race or races upon which it accepts bets. In all cases, the off-track betting pari-mutuel pool distribution shall be based upon the order of finish posted at the track as "official." The determination of the Judges, stewards or other appropriate officials at the track shall be conclusive in determining the payoffs of the Gaming Facility. Additionally, while the terms "operation" and "facility" are often used interchangeably, as noted above, we see no compelling reason here to amend the TICS. Change "operation" to "facility" at the end of the proposed provision to reflect the language of the Compact and avoid unnecessary revisions.

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67. While both terms are often used interchangeably, as noted above, we see no compelling reason here to amend the TICS. Change "operation" to "facility" to reflect the language of the Compact and avoid unnecessary revisions.
68. The word “agent” implicitly connotes a greater level of vested authority than the term "writer/cashier," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer/cashier" here instead of "agent."
69. In order to fully cover the requirements in the Appendix of the Off-Track Wagering Compact, we recommend incorporating the following language for Appendix D, Section 2 on Closing Procedures: "The cash drawer is then counted by the cashier/writer and the shift supervisor. Both sign the count sheet. The computer terminal is accessed to determine the writer's total cash balance. This is compared to the count sheet and variations are investigated."
70. The word “agents” implicitly connotes a greater level of vested authority than the term "employees," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employees" here instead of "agents."
71. The word “agent” implicitly connotes a greater level of vested authority than the term "writer," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer" here instead of "agent." Functionally, a screen activated device ("SAM") and a kiosk serve the same function in the context of pari-mutuel wagering. Since "SAM" is the term both defined in this section and specifically used in section 542.11 (g)(3)(v), we recommend rejecting the proposed change to this provision. This provision should read, "Amount of wagers (by ticket, writer/screen activated machine ("SAM"), track/event, and total);
72. This section was likely intended to reflect the language in MICS section 542.11 (g)(3)(vi). Currently, it repeats the language of above section 10.10 (C)(5), which is based on MICS section 542.11(g)(3)(v). We recommend revising the word "wagers" here to "payouts" to comprehensively cover the applicable sections of the MICS. Further, the word “agent” implicitly connotes a greater level of vested authority than the term "writer," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer" here instead of "agent." Functionally, a screen activated device ("SAM") and a kiosk serve the same function in the context of pari-mutuel wagering. Since "SAM" is the term both defined in this section and specifically used in section 542.11 (g)(3)(vi), we recommend rejecting the proposed change to this

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provision. This provision should read, "Amount of payouts (by ticket, writer/screen activated machine ("SAM"), track/event, and total);"

73. The word “agent” implicitly connotes a greater level of vested authority than the term "writer," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer" here instead of "agent." Functionally, a screen activated device ("SAM") and a kiosk serve the same function in the context of pari-mutuel wagering. Since "SAM" is the term both defined in this section and specifically used in section 542.11 (g)(3)(vii), we recommend rejecting the proposed change to this provision. This section should read, "Tickets refunded (by ticket, writer, track/event, and total);"
74. The word “agent” implicitly connotes a greater level of vested authority than the term "writer," impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer" here instead of "agent." Functionally, a screen activated device ("SAM") and a kiosk serve the same function in the context of pari-mutuel wagering. Since "SAM" is the term both defined in this section and specifically used in section 542.11 (g)(3)(ix), we recommend rejecting the proposed change to this provision. This section should read, "Voucher sales/payments (by ticket, writer/SAM, and track/event);"
75. The word “agent” implicitly connotes a greater level of vested authority than the term "writer," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "writer" here instead of "agent."
76. Functionally, a screen activated device ("SAM") and a kiosk serve the same function in the context of pari-mutuel wagering. Since "SAM" is the term both defined in this section and specifically used in Appendix L of the Off-Track Wagering Compact. We recommend reverting to use of the term "SAM vouchers." The provision should read, "A Recap Report that provides daily amounts and contains information by track and total information regarding write, refunds, payouts, outs, payments on outs, and federal tax withholding for-each track. The report will also contain information regarding SAM voucher activity."
77. Functionally, a screen activated device ("SAM") and a kiosk serve the same function in the context of pari-mutuel wagering. Since "SAM" is the term both defined in this section and specifically used in Appendix L of the Off-Track Wagering Compact. We recommend reverting to use of the term "SAM terminals." The provision should read, "A Teller Balance Report that summarizes daily activity by track and writer/ cashier, and SAM terminals. The report will contain the following information: tickets sold, tickets cashed, tickets canceled, draws, returns, computed cash turn-in, actual turn-in, and over/short."

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78. Functionally, a screen activated device ("SAM") and a kiosk serve the same function in the context of pari-mutuel wagering. Since "SAM" is the term both defined in this section and specifically used in Appendix L of the Off-Track Wagering Compact. We recommend reverting to use of the term "SAM activity." The provision should read, "A SAM Activity Report that contains a summary of kiosk activity including the SAM number, ticket sales, ticket cash outs, voucher sales, and voucher cash outs."
79. Per MICS section 543.3 (d), the gaming operation is required to set a threshold at which a variance must be reviewed in order to comply with the MICS. We recommend retaining this provision. As such, we recommend retaining this provision as proposed.
80. To ensure that this MICS requirement is covered by the TICS, we recommend retaining the language that was formerly Section 10.8 within the proposed TICS. While this language has also been included in Section 21, there is no harm in ensuring that all regulated parties understand the scope of their obligations without needing to refer to multiple sections.

JJ. Comment Section K on Section 13- Casino Instruments:

18. Removing "fill" may lead to unintended consequences, namely creating an additional burden of documentation not intended by the NIGC, which would violate the Gaming Act. The language should read, "Game outcome is not required if a computerized jackpot/fill system is used."
19. While the section follows the heading wording of two Guidance sections, labeling a new section appropriately has no operative effect and does not conflict with or exceed the MICS or the Compact. To eliminate this text and insert the tabbed language into another section would detract from clarity and pose a greater risk to compliance. The language should not be altered or omitted.
20. This language is required by MICS section 543.8 (d)(4)(ii); therefore, we recommend including this section language in the TICS to ensure full compliance. This provision should read, "For all games offering a prize payout of \$1,200 or more, as the objects are drawn, the identity of the objects are immediately recorded and maintained for a minimum of 24 hours."
21. Omitting "fill" may lead to unintended consequences, namely opening up systems to access that the NIGC intended to be restricted. The language should read, "Computerized jackpot/fill systems shall be restricted so as to prevent unauthorized access and fraudulent payouts by one person as required by Section 20-information Technology of this document."

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22. This language is required by MICS section 542.13 (n) which covers cash-out tickets. We recommend retaining this language in the TICS to ensure full compliance with the MICS. This provision should read, "For gaming machines that utilize cash-out tickets, the following standards apply. This standard is not applicable to Tiers A and B. Tier A and B gaming operations shall develop adequate standards governing the security over the issuance of the cash-out paper to the gaming machines and the redemption of cash-out slips."
23. All of the auditing standards applicable to Gaming Systems have been moved to Section 21 of the proposed TICS. To ensure that parties referencing this section understand their full obligations, we recommend retaining these provisions in Section 11. Technically, these provisions only need to be included once in the TICS for federal compliance. Accordingly, the CNGC may choose to include a cross-reference to this section of the TICS in Section 21 which reads, "Gaming machine accounting and auditing standards are located in Section 11- Casino Instruments." We would recommend, though, that provisions related to auditing be preserved in both sections to ensure that regulated parties can fully understand their obligations without needing to refer to multiple sections of the TICS.
24. We do not perceive any material changes created by the proposed relocation of this provision within Section 11. Further, MICS section 542.3(d) states that gaming operations must develop and implement controls that "at a minimum" comply with the TICS. We would recommend retaining this provision as proposed.
25. This language has been moved to Section 21.4 (I), and all of the auditing standards applicable to Gaming Systems have been moved to Section 21 of the proposed TICS. To ensure that parties referencing this section understand their full obligations, we recommend retaining these provisions in Section 11. As noted, these provisions only need to be included once in the TICS for federal compliance. Accordingly, the CNGC may choose to include a cross-reference to this section of the TICS in Section 21 which reads, "Gaming machine accounting and auditing standards are located in Section 11- Casino Instruments." We would recommend, though, that provisions related to auditing be preserved in both sections to ensure that regulated parties can fully understand their obligations without needing to refer to multiple sections of the TICS.
26. In addition to ensuring that the gaming machine has the necessary requirements set out in the MICS, the second sentence needs the context of the first sentence to make sense and avoid potential noncompliance caused by confusion. The first sentence should remain in the TICS. This provision should read, "The customer may request a cash-out ticket from the gaming machine that reflects all remaining credits. The cash-out ticket shall be printed at the gaming machine by an internal document printer. The cash-out ticket/vouchers shall be

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valid for a time period specified by the CNGC, or the gaming operation as approved by the CNGC. Cash-out tickets may be redeemed for payment or inserted in another gaming machine and wagered, if applicable, during the specified time period.”

27. The phrase "of the cash-out ticket" does not add to the meaning of the provision. Rather, it simply modifies the already-identified party -- the cashier/redeemer. Removing the phrase does not open the door to interpretations of the provision that would be in excess of the MICS due to the context of the sentence which connects the cash-out ticket and the redeemer. "Of the cash-out ticket" does not need to be added for compliance.
28. Since the MICS impose a requirement in the sentence proposed for omission, it must be included to ensure compliance. If the sentence in question were to be deleted from the TICS, regulated parties would not be aware that the MICS require that paid cash-out tickets remain in the cashier's bank. The section should read, "If valid, the cashier (redeemer of the cash-out ticket) pays the customer the appropriate amount and the cash-out ticket is electronically noted "paid" in the system. The "paid" cash-out ticket shall remain in the cashier's bank for reconciliation purposes. The host validation computer system shall electronically reconcile the cashier's banks for the paid cashed-out tickets. "
29. We recommend remedying the inadvertently added requirements by separating the sentences in this provision into two distinct sections. Section J should read "If the host validation computer system temporarily goes down, cashiers may redeem cash-out tickets at a cashier's station after recording the following:" The first sentence, "Document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated (e.g., mutilated, expired, lost, or stolen voucher)" should be included as part of a newly-restored list discussing specific controls that need to be established. We recommend that the sentence, "Document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated (e.g., mutilated, expired, lost, or stolen voucher)" be deleted from this provision and retained as part of Section 11.4 (O) (addressed below in comment K(16).
30. Moving this language within Section 11.4 does not impact the requirements under the TICS or risk noncompliance since it has not been moved into or out of the context of another provision. The text should remain as it is in the proposed TICS.
31. This language sets out crucial actions that need to be undertaken in the case of computer system failure. We recommend including this language to ensure compliance. This provision should read, "If the host validation computer system is down for more than four (4) hours, the gaming operation shall promptly notify the CNGC or its designated representative."

32. For clarity and alignment with the MICS, we recommend revising this language to read "Gaming machine systems that utilize cash-out tickets shall comply with all other standards (as applicable) in these TICS, including...." This exact language is pulled from MICS section 542.13 (n)(12), which also contains subsections (i), (ii), and (iii). Currently, the language of subsections (n)(12)(i-iii) is not covered by the TICS. Therefore, we recommend creating new subsections, TICS section 11.4 (M) (1), (2), and (3), to include the specifically applicable standards in MICS in section 542.13 (n)(12)(i-iii). The text of these sections should read, "(1) Standards for bill acceptor drop and count; (2) Standards for coin drop and count; and (2) Standards concerning EPROMS or other equivalent game software media."
33. Include this language in the TICS to ensure that the controls specifically required by the MICS, which may not be generated based on general provision requiring the creation of controls, are created. Including this section also covers the documentation requirement established in MICS section 543.18 (h)(3) which we recommended for omission from TICS section 11.4(J).
34. See response to comment K(8). The placement of this particular provision has no impact on the meaning or effect section 11.4. It should remain in 11.4 (K), as currently it is in the proposed TICS.

KK. Comment Section L on Section 12- Drop & Count:

46. We recommend retaining the language on supervision. In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. It is our recommendation that the CNGC not strike supervision language from this section, regardless of whether it chooses to retain such language in Section 4- General Provisions as well.
47. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICs should adopt the definition set out in the MICS. Financial Instrument Storage Component is defined as, "any component that store financial instruments, such as a drop box, but typically used in connection with player interfaces." Retaining the existing term

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will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

48. See Prior Comment.

49. The word “agent” implicitly connotes a greater level of vested authority than the term “employee,” here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term “employee” here instead of “agent.”

50. See Prior Comment

51. While there are similar provisions outlined in Section 22- Surveillance (Sections 22.16 (c)(1) and (c)(2)(a)), those provisions are not specific to drop and count procedures and equipment. The language proposed to be deleted here is pulled directly from MICS section 543.21 (c)(5) and is tailored to the surveillance of count rooms, in particular. Therefore, we would recommend retaining this provision, which should read as follows: “The surveillance system must monitor and record with sufficient clarity a general overview of all areas where cash or cash equivalents may be stored or counted; and, the surveillance system must provide coverage of count equipment with sufficient clarity to view any attempted manipulation of the recorded data.”

52. While we do not perceive the change of the name “Financial Instrument Storage Component” to an abbreviation of “Casino Instrument Storage Container” to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICs should adopt the definition set out in the MICS. Financial Instrument Storage Component is defined as, “any component that store financial instruments, such as a drop box, but typically used in connection with player interfaces.” Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

53. The word “agents” implicitly connotes a greater level of vested authority than the term “members,” here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term “members” here instead of “agents.”

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54. The language added here is included in Section 12.2 (A)(3). Repeating this provision, especially so close to its second mention, does not add any operative value to the Section. As Subsection (A)(3) is more detailed, we recommend striking this language for redundancy.
55. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Here specifically, it is our opinion that the language of the current TICS should be preserved for its specificity. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used. Further, so as not to restrict the scope of independence that an agent must have for this task, we recommend preserving the phrase “card game” before the word “shift” in this provision.
56. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Here specifically, it is our opinion that the language of the current TICS should be preserved for its specificity. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
57. See Prior Comment.
58. See Prior Comment.
59. Given the common understanding of card games within the NIGC regulatory structure, it is likely that this addition could cause confusion as to the coverage of the provision. Since the rest of this section refers to card and table games, adding "card" here would leave an unnecessary gap in recording. For clarity, we recommend rejecting the addition of the term "card."
60. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a

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violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Here specifically, it is our opinion that the language of the current TICS should be preserved for its specificity. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

61. See Prior Comment.

62. See Prior Comment.

63. The word “agents” implicitly connotes a greater level of vested authority than the term “employees,” here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term “employees” here instead of “agents.” Regarding the addition of “transportation,” it is our opinion that this edit should be rejected, since removal may but does not necessarily include transportation. Using the phrase “gaming machine storage container” may be confusing in application, since the term is not defined within the TICS. Further, if our recommendation to use the MICS term “financial instrument storage component” is accepted, the term “gaming machine storage container” would not follow the naming structure found throughout the rest of the document. Here, we would recommend rephrasing this sentence to read, “For Tier A and B gaming operations, at least two agents must be involved in the removal of the gaming machine financial instrument storage component drop, at least one of whom is independent of the gaming machine department.”

64. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent the need for additional revisions to the SICS or other regulatory documents wherein this term is used.

65. This language is pulled directly from the MICS and contains important requirements regarding the transport process of financial instrument storage containers. This provision should be preserved as written in the current TICS.

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66. See Prior Comment.
67. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
68. The language regarding the employees in the count room in the subsequent sections concerns Tier C gaming operations, whereas the instant language covers Tier A and Tier B gaming operations. Given the differences in application, we recommend preserving the added language and accepting the suggested edits. However, we recommend that the changes from "member" and "employees" to the term "agents" be rejected.
69. This language is pulled directly from the MICS and contains important requirements regarding count room procedures. This provision should be preserved as written in the current TICS.
70. The proposed changes to this provision conflict with the language of the MICS, section 543.17(c)(5), which explicitly allow for vault agents to participate on the count team given the specified conditions are met. Omitting "vault agents" and adding the requirement that count team agents be "independent of the cage/vault department" may wrongly restrict the individuals who may be a part of the count team. We recommend preserving the language as it is in the current TICS in order to mirror the language of the MICS.
71. "While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent the need for additional revisions to the SICS or other regulatory documents wherein this term is used. Overall, it is our opinion that is wise, whenever possible to mirror the exact language of the MICS in the TICS since it is the basis for all audits. We recommend that the CNGC replace this provision with the exact language of the MICS: "The financial instrument storage components must be individually emptied

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and counted so as to prevent the commingling of funds between storage components until the count of the storage component has been recorded."

72. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Here, specificity is used in the current TICS to encompass each form of storage component. Since this is a subsection, it is our opinion that each type need not be spelled out again here. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
73. The word "agent" implicitly connotes a greater level of vested authority than the term "member," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the terms "member" and "members" here, respectively, instead of "agent."
74. In the proposed revisions to the TICS, the change suggested by the CNE has already been implemented. However, within the proposed TICS, the term "member" has been changed to "agent." We recommend that the CNGC reject this change and preserve use of the word "member." The word "agent" implicitly connotes a greater level of vested authority than the term "member," here impermissibly increasing the standard for who may undertake the requirement established in the MICS.
75. In comparison to the source sections of the MICS, §§542.21(f)(4)(ii), 542.31(f)(4)(ii), and 542.41(f)(4)(ii), the substitution of the term "agent" in the last sentence is improper. In contrast, use of the term "agent" in the first sentence is in accordance with MICS section 543.17 (f)(10). The word "agent" implicitly connotes a greater level of vested authority than the term "members," here, in the last sentence, impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "members" instead of "agent" in the last sentence.
76. The word "agent" implicitly connotes a greater level of vested authority than the term "member," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "member" here instead of "agent."

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77. In the current TICS, the term "casino instrument storage container" is used here. It is our opinion that, for consistency throughout the TICS, "financial instrument storage component" should be used. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2, and it is our opinion that the TICS should adopt the term used in the MICS.
78. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used. Here, it is our opinion that the TICS should preserve the current language, "table games/card game drop box and financial instrument storage component."
79. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used. Here, it is our opinion that the TICS should preserve the current language, "table games drop box and financial instrument storage component."
80. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2, and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used. Here, it is our opinion that the TICS should preserve the current language, "table games drop box and financial instrument storage component."

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81. While credit mechanisms are covered by the MICS, the Constitution of the Cherokee Nation prohibits issuance of any credit not approved by the Cherokee Council. While adding "as applicable" would bring the TICS into alignment with both the MICS and the Constitution of the Cherokee Nation, we recommend rejecting the addition of the term "marker." Adding the term "marker" would be inconsistent with the entirety of the TICS since all other references to credit practices and mechanisms have been suggested for deletion. It is our recommendation that this provision read, "The opening/closing table inventory forms must be either..."
82. While credit mechanisms are covered by the MICS, the Constitution of the Cherokee Nation prohibits issuance of any credit not approved by the Cherokee Council. We recommend rejecting the addition of the term "marker." Adding the term "marker" would be inconsistent with the entirety of the TICS since all other references to credit practices and mechanisms have been suggested for deletion. It is our recommendation that this provision read, "If a computerized system is used, accounting personnel can trace the opening/closing table inventory forms to the count sheet. Discrepancies must be investigated with the findings documented and maintained for inspection."
83. The word "agent" implicitly connotes a greater level of vested authority than the term "member," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. While both voucher and cash-out ticket are defined in the MICS and suggested to be defined in the TICS, the MICS only reference vouchers in this section. In order to mirror the language of the MICS, we recommend revising the language to read, "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."
84. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used. This section should read, "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..."

85. This exact requirement can be found in MICS Section 543.17 (h)(1); therefore, we recommend including this language in the TICS. However, in order to ensure both compliance with the MICS and consistency throughout the TICS, we recommend changing "CISC" to "financial instrument storage component." While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents in which this term is used.

86. See Prior Comment.

87. See Prior Comment.

88. Since cash-out tickets and vouchers are separately defined herein, requiring both to be redeemed (along with pull tabs) would be to add a burden not intended by the MICS. Further, changing the departments which the NIGC has designated at "appropriate" in the MICS constitutes a conflict. It is our opinion that the CNGC should reject all proposed changes to this provision and adopt the language used in the MICS, "Redeemed vouchers and pull tabs (if applicable) collected from the kiosk must be secured and delivered to the appropriate department (cage or accounting) for reconciliation."

89. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

90. See Prior Comment.

LL. **Comment Section M on Section 13- Cage Operations:**

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15. Since this section is directly quoted from MICS Section 542.14 (a), it should be covered in the TICS. This language has not been moved to another section, so it should be preserved here.
16. Retain the language on supervision. In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. It is our recommendation that the CNGC not strike supervision language from this section, regardless of whether it chooses to retain such language in Section 4- General Provisions as well.
17. While credit mechanisms are covered by the MICS, the Constitution of the Cherokee Nation prohibits issuance of any credit not approved by the Cherokee Council. We recommend rejecting the addition of the term "marker." Adding the term "marker" would be inconsistent with the entirety of the TICS since all other references to credit practices and mechanisms have been suggested for deletion. In Section 4- General Provisions, we suggested adding language similar to what the CNE has suggested here, explaining that issuance of credit of any kind is constitutionally prohibited. It is our opinion that reiterating here that "checks are not allowed to be held," though, would be aid in compliance of the regulated parties.
18. The language in Section 542.14(d)(3) is, "a suggested bankroll formula will be provided by the Commission upon request." Here, when the NIGC uses the term "Commission," it refers to itself, not the CNGC. In cases where the NIGC refers to the CNGC, the CNGC is referred to as the "TGRA." In order to stay true to the spirit of the regulation, the final sentence should not be omitted and should read "A suggested bankroll formula will be provided by the NIGC upon request from the CNGC." In our opinion, the determination of whether to use the term "customer" or "patron" is a stylistic choice. However, if the SICS already employ the word "customer," we would recommend no change.
19. The word "agent" implicitly connotes a greater level of vested authority than the term "employee," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employee" here instead of "agent." The addition of the phrase "who was not involved in the initial count and fill of the cassette" serves to impose additional restrictions on the count and fill process not anticipated by the MICS. As such, it is our opinion that the MICS language should be utilized: "Currency cassettes must be counted and filled by an agent and verified independently by at least one agent, all of whom must sign each cassette."

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20. In our view, the phrase "and procedures that safeguard the integrity of the kiosk system" does not violate the Gaming Act. While "safeguarding the integrity of the kiosk system" implies protection of the intangible elements of the kiosk, the NIGC conveys that protecting the kiosk overall is the goal of this provision by emphasizing that the "controls" should address "protection of circuit boards containing programs" (emphasis added). It is our opinion that the added phrase is clarifying, not excessive, of the MICS requirement.
21. Since Cherokee Nation Gaming Operations do not accept customer deposits, including a provision concerning how to handle customer deposits may be misleading to those parties working in the Cage. As such, we recommend deleting this provision and section 13.5 as a whole. If this provision is retained, the determination of whether to use the term "customer" or "patron" is a stylistic choice. However, if the SICS already employ the word "customer," we would recommend no change.
22. See Prior Comment.
23. Since Cherokee Nation Gaming Operations do not accept customer deposits, including a provision concerning how to handle customer deposits may be misleading to those parties working in the Cage. As such, we recommend deleting this provision and section 13.5 as a whole. If this provision is retained, the determination of whether to use the term "customer" or "patron" is a stylistic choice. However, if the SICS already employ the word "customer," we would recommend no change.
24. See Prior Comment.
25. Since Cherokee Nation Gaming Operations do not accept customer deposits or foreign currencies, including a provision concerning how to handle customer deposits or foreign currency transactions may be misleading to those parties working in the Cage. As such, we recommend deleting this provision and section 13.5 as a whole.
26. Since Cherokee Nation Gaming Operations do not accept customer deposits, including a provision concerning how to handle customer deposits may be misleading to those parties working in the Cage. As such, we recommend deleting this provision and section 13.5 as a whole.
27. See Prior Comment.

28. See Prior Comment.

MM. Comment Section N on Section 14-Key and Access Controls

26. Adding the phrase "including duplicates" serves to clarify the meaning of "all keys." While the addition may be redundant, its inclusion ensures that regulated parties have a full understanding of the scope of coverage. Since the addition is merely serving to clarify the meaning of "all keys," it is not in excess of the MICS or in violation of the Gaming Act. We recommend no change to the proposed language.
27. According to MICS Section 543.17 (j)(1), the subsections under Section 14.1 (B) should be: "drop box cabinet; drop box release; drop box content; and storage racks and carts used for the drop." In our view, the current subsections 14.1(B)(1)(a-i) should be replaced with this language.
28. According to MICS Section 543.17 (j)(1), the subsections under Section 14.1 (B) should be: "drop box cabinet; drop box release; drop box content; and storage racks and carts used for the drop." In our view, the current subsections 14.1(B)(1)(a-i) should be replaced with this language.
29. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents in which this term is used. Here, even though the section heading does not have operative effect, we recommend reverting the title to "Table Games Drop Box/Financial Instrument Storage Component Keys" for consistency with the entirety of the TICS.
30. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS

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or other regulatory documents wherein this term is used. We recommend no change to the language in the current TICS.

31. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
32. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
33. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
34. The word “agent” implicitly connotes a greater level of vested authority than the term “persons,” here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term “persons” here instead of “agent.” While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS.

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Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

35. The word “agent” implicitly connotes a greater level of vested authority than the term “employee,” here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term “employee” here instead of “agent.” While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
36. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used. Here, even though the title of the section does not have any operative effect, it is our opinion that the title should be changed to “Financial Instrument Storage Component Release Key Controls” in the interest of uniformity throughout the TICS.
37. The phrase “other than the count team” should be deleted in order to match the intent of MICS section 542.31 (o)(2). While the use of “financial instrument storage component” would not conflict with the MICS, we recommend fully adopting the MICS language for this provision: “Only the person(s) authorized to remove bill acceptor canisters from the gaming machines shall be allowed access to the release keys.”
38. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS.

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Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used. The word “agent” implicitly connotes a greater level of vested authority than the term “persons,” here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term “persons” here instead of “agent.”

39. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
40. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Here, even though the title of the section has no operative effect, we recommend rejecting the change to “CISC” for consistency. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
41. The word “agent” implicitly connotes a greater level of vested authority than the term “person,” here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term “person” here instead of “agent.” While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

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42. The word “agent” implicitly connotes a greater level of vested authority than the term "persons," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "persons" here instead of "agent." While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
43. While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Here, even though the title of the section has no operative effect, we recommend rejecting the change to "CISC" for consistency. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
44. The word “agent” implicitly connotes a greater level of vested authority than the term "persons," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "persons" here instead of "agent." While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents in which this term is used.
45. The word “agent” implicitly connotes a greater level of vested authority than the term "persons," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "persons" here instead of "agent." While we do not perceive the change of the name “Financial Instrument Storage

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Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

46. The word “agent” implicitly connotes a greater level of vested authority than the term "members," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "members" here instead of "agent." While we do not perceive the change of the name “Financial Instrument Storage Component” to “Casino Instrument Storage Container” or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term “financial instrument storage component” be used throughout the TICS. Unlike “casino instrument storage container,” “financial instrument storage component” is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS. Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.
47. Deleting this section of text would increase the amount of control required in computerized key security systems not intended by the MICS. The MICS language imposes the control requirement on systems that restrict access to table games and gaming machines. Unless the only form of computerized key security systems are those which restrict access to table games/cards and gaming machines, it is our opinion that the language should remain as it is in the current TICS.
48. Deleting this section of text would broaden the areas to which these controls would be applicable, given that there are computerized key systems used for areas other than table games/cards and gaming machine drop and counts. The language should read "The following table games/cards and gaming machine drop and count key control procedures shall apply."
49. The word “agents” implicitly connotes a greater level of vested authority than the term "employees," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employees" here instead of "agents."

50. In the interest of regulated parties having full knowledge of controls applicable to their work areas, we would recommend including the sections proposed for omissions in the TICS. This language may be either kept or omitted from Section 21- Auditing Revenue, given that there is a reference in Section 21-Auditing Revenue referring audit personnel to consult this section.

NN. Comment Section O on Section 15-Key and Access Controls

2. Retain the language on supervision. In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. It is our recommendation that the CNGC not strike supervision language from this section, regardless of whether it chooses to retain such language in Section 4- General Provisions as well.

OO. Comment Section P on Section 16-Complimentaries

5. Retain the language on supervision. In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. It is our recommendation that the CNGC not strike supervision language from this section, regardless of whether it chooses to retain such language in Section 4- General Provisions as well.
6. In the context of the section, adding the phrase "a listing" is clarifying rather than excessive of the MICS. Establishing procedures including "the agents authorized to approve the issuance of complimentary services or items" necessarily includes making writing out those authorized agents in list form. Since this addition merely serves to clarify the requirements in the MICS, we recommend no change to the proposed language.
7. This language was developed specifically to provide clarity to regulated parties. Clarifying provisions are not in excess of the MICS, but rather, serve to ensure that regulated parties are fully aware of and properly comply with their requirements. As such, we recommend that this language remain in the TICS.
8. We recommend rejecting the proposed changes to this provision. First, the language in the current TICS, sourced from MICS section 542.17(b) is more stringent than the language in section 543.12 (b)(4)(i). As noted in Section II of the CNE's introductory memo, past

practice in developing the TICS has included choosing the more stringent of two MICS requirements when addressing a topic covered in two MICS sections. Further, retaining the language used in the current TICS will not necessitate further revisions to the SICS. However, if the CNGC chooses to retain the edits herein, we would recommend adding the phrase "which shall not be greater than \$100" to the end of the provision to ensure compliance.

PP. Comment Section Q on Section 17-Player Tracking

4. Retain the language on supervision. In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. It is our recommendation that the CNGC not strike supervision language from this section, regardless of whether it chooses to retain such language in Section 4- General Provisions as well.
5. Awareness of up-to-date terms and conditions for player's club membership is essential to the CNGC's ability to aptly regulate gaming under the Compact. However, neither the MICS nor the Compact require submission of said terms and conditions. As such, we recommend revising this provision to read, " Terms and conditions for player tracking (player's club) membership will be submitted to the CNGC upon request."
6. The source section of this language, MICS section 542.13 (o)(4), applies solely to "gaming machines that utilize account access cards to activate play of the machine." Thus, the account creation and access standards in MICS section 542.13 (o)(4) only apply to account access cards. The term "account access card" is defined in MICS section 542.2 as an "instrument used to access customer accounts for wagering at a gaming machine." First, gaming machines at Cherokee Nation gaming operations do not require that a patron insert a Player's Club Card in order to use the machine. Therefore, MICS section 542.13 (o)(4) is not applicable to Cherokee Nation gaming machines. Further, Player's Club Cards are not account access cards under MICS section 542.13 (o)(4) since they are not tied to deposit accounts. Thus, the account creation and access standards in section 542.13 (o)(4) are not applicable to Player's Club Cards. As such, we recommend that sections 17.2 (B)(1-3) and 17.3 (C)(1-3) be removed from the TICS.

QQ. Comment Section R on Section 18-Financial Transactions

15. This note appears to have been deleted from this section. Further, this section contains a definition for the word "customer" and uses the term with frequency throughout. We do not

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foresee confusion or noncompliance arising from words that are generally understood to have the same meaning and similarly used throughout the MICS, especially if, in defining the chosen term, the CNGC provides that the other word may be used to mean the same thing. In our opinion, the determination of whether to use the term "customer" or "patron" is a stylistic choice. However, if the SICS already employ the word "customer," we recommend no change.

16. This language explains the standard of knowledge a casino is deemed to have by FinCEN and the IRS as related to transactions and activity that need to be reported. While pieces of this definition are mentioned throughout Section 18- Financial Transactions, it is helpful for compliance to consolidate the entirety of information in one definition. We recommend preserving this language in the TICS.
17. Knowledge of what constitutes a monetary instrument is important for ensuring proper reporting and compliance with Title 31 standards. As such, we recommend retaining the language in the current TICS, which mirrors 31 CFR §§ 1010.100(dd)(1), 1010.100(dd)(1)(i), and 1010.100(dd)(1)(ii).
18. "Negotiable instruments" is fully defined under "monetary instruments" above, using the language from 31 CFR 1010.100 (dd)(1)(iii). We recommend preserving the complete definition of "negotiable instruments therein. However, if the CNGC chooses to retain this separate definition, we recommend accepting revision replacing "negotiable instruments" with "checks and drafts," since it is clearer not to define a term with the term itself. However, it is our opinion that the reference to Section 1010.340 of Title 31 should not be deleted since it contains details that inform the instant requirement.
19. To ensure compliance with Title 31, it is our opinion that this definition should be included in the TICS. However, we would recommend adding a note clarifying that accepting such instruments is against policy.
20. The requirement that a system of internal controls be "designed to assure and monitor compliance" places a higher burden on the gaming operation than "the requirement that the system be "reasonably designed to assure and monitor compliance." To preserve the intent of Title 31, this section should read, "Pursuant to the Title 31/Bank Secrecy Act, each casino shall develop and implement a written Compliance Program and system of internal controls reasonably designed to assure and monitor compliance, which includes detailed procedures used to comply with these standards. The Compliance Program shall be approved by the CNGC. The gaming operation casino shall ensure that the system of internal controls and Compliance Program remain current in respect to any changes to Title 31 or other events could impact the validity and effectiveness of the system of internal controls or the Compliance program."

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21. To better reflect Title 31 requirements, this section should read, "IRS/FinCEN form 8300- Non-gaming businesses (such as shops, restaurants, entertainment, and hotels) that receive currency in one transaction or aggregated cash transactions in excess of ten thousand dollars (\$10,000) which are located at a casino that has below one million dollars (\$1,000,000) in gross annual gaming revenue are required to file a form 8300."
22. This section should read, "Exchanges of currency for currency; and," Even though handling and acceptance of foreign currency is allowed and regulated under Title 31, including this language here may unnecessarily mislead CNE staff.
23. This section should read, "Exchanges of currency for currency; and," Even though handling and acceptance of foreign currency is allowed and regulated under Title 31, including this language here may unnecessarily mislead CNE staff. Alternatively, the inclusion of a note indicating that CNE does not permit the acceptance or exchange of foreign currency may be in order.
24. In this comment, CNE points out that an internal note that said, "add acceptable forms of identification. Consistent with IRS standards (omit military)" was accidentally left in the revised version of the TICS. At the time of our review, the note had already been deleted from the section. Now, sections 18.5 (D)(2)-(4) address acceptable forms of identification.
25. In this comment, CNE points out that an internal note that said, "add" was accidentally left in the revised version of the TICS. At the time of our review, the note had already been deleted from the section. Now, TICS section 18.5 (D)(2) addresses verification of identity for a person who identifies as an alien or non-United States resident.
26. Language covering this requirement has been moved to Section 18.5. However, for clarity, the provision should read, "Each casino shall file a report with the IRS in accordance with the current IRS filing deadlines of each transaction or aggregate transactions in currency, involving either cash in or cash out, of more than Ten Thousand Dollars (\$10,000.00) in the casino's twenty- four (24) hour gaming day. Multiple currency transactions shall be treated as a single transaction if the casino has knowledge that they are by or on behalf of any person and result in either cash in or cash out totaling more than \$10,000 during any gaming day."
27. Since credit is not allowed to be offered under the Constitution of the Cherokee Nation, adding language that has no applicability outside credit would put gaming operations at risk of acting in contradiction of the Constitution. As a result, this section should read, "Personal checks."

28. Setting out the purpose of compliance is important in ensuring the regulated parties understand their full obligations and the potential results of their actions. As such, this section should remain in the TICS. However, we recommend revising this section to read "Casinos are subject to examination by FinCEN or its delegates for compliance with Title 31 § 1021.320, on which this section is based. Failure to satisfy the requirements of this section may be a violation of Title 31."

RR. Comment Section S on Section 19-Accounting

20. Although the CNGC is not given explicit right to access, inspect, examine, photocopy, and audit the listed materials in 25 CFR 571.5, the CNGC may have the need to undertake these actions in order to fulfill its regulatory and oversight requirements under the Compact. Such an action would not be in violation of the Gaming Act, since Section 22(C) only prohibits terms in excess or in conflict with the Compact or the MICS. Instead, this would serve to ensure that the terms of the Compact are met. As such, we recommend revising the final sentence of this provision to read, "The CNGC, as needed to carry out its regulatory and oversight responsibilities under the Compact, and/or the NIGC or its authorized agent(s) shall have access to and the right to inspect, examine, photocopy, and audit all papers, books, and records (including computer records)."
21. Section 19.1 (B)(1-5) lists out the purposes for which net revenue from gaming activity can be used under IGRA. All determinations related to net revenue are made by the Nation and the Cherokee Nation Business. The gaming operation accounting departments regulated by this section of the TICS deal exclusively with gross revenue. Therefore, IGRA's restrictions on net revenue are not applicable here. Including non-applicable provisions in the TICS may be confusing to regulated parties, and as such, we recommend that this provision be deleted.
22. Section 19.2 (A)(2) reads, "Prepares general accounting records according to Generally Accepted Accounting Principles on a double-entry system of accounting, maintaining detailed, supporting, subsidiary records, including but not limited to." As a result, it would be redundant for dependent subsections (a) and (b) to also begin with the word "prepares." To increase the clarity of the provisions, we recommend that they be revised as follows: "(a). Detailed records of gaming activity in an accounting system to identify and track all revenues, expenses, assets, liabilities, and equity for each gaming operation; (b). Detailed records of all markers, IOU's, returned checks, held checks, or other similar credit instruments;" Further, it appears that the added term "indebtedness" has been removed from the proposed TICS. However, if the CNGC were to add the term "indebtedness" in parentheses after the term "liabilities" in section 19.2 (A)(2)(a), inclusion would merely be clarifying.

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23. Section 19.2 (A)(2) begins with the word "prepares," and as a result, it would be redundant for subsections (a) and (b) to also begin with the word "prepares." We recommend deleting the word "prepares" from the beginning of this provision.
24. Including the verb "records" makes this provision more difficult to understand in the context of this section. Further, revising this provision to match the MICS language will clarify the nature and source of the records referenced. We recommend that this provision be revised to read, "Journal entries prepared by the gaming operation and by its independent accountants; and..." It is our opinion that the verbs at the beginning of Section 19.2 (A)(2) (d),(e),(f),(g),(h), and (l) should be deleted. Section (i) should be revised to read "Compliance with fee calculation requirements set forth by the NIGC and the Tribal-State Compact as outlined in CNGC Rules & Regulations, Chapter IV, Section C." Section j should read, "Comparison of recorded accountability for assets to actual assets at periodic intervals, including taking appropriate action with respect to any variances." Section k should read, "Ensuring functions, duties, and responsibilities are appropriately segregated in accordance with sound business practices."
25. The requirement that cage accountability be reconciled to the general ledger on a monthly basis is located in two TICS sections: 19.2 (B)(1) and 13.7 (A). The CNE points out that accounts are expected to be familiar with each section of the TICS and argue that, as result, the requirement only needs to be included in Section 13-Cage Operations. It is our opinion that including language on cage accountability in both sections can only bolster the likelihood of compliance with MICS section 542.14 (g)(1). Section 19.2 (B)(1) also states that cage accountability is subject to the recording requirements set out in Section 19.2 (A)(2). Not all of the requirements in subsection (A)(2) apply to cage accountability. As such, we would recommend rephrasing this provision to read, "in addition to any applicable standards in section (A)(2), the cage accountability shall be reconciled to the general ledger at least monthly." Even though the MICS do not use the term "cage accountability" as a heading, using "cage accountability" as a heading within the TICS does not exceed the MICS. As a heading, the term "cage accountability" has no operative effect. Rather, it is purely organizational. We recommend that the heading for section 19.2 (B) should remain as-is.
26. While credit and credit mechanisms are covered by the MICS, the Constitution of the Cherokee Nation prohibits issuance of any credit not approved by the Cherokee Council. The CNGC does not have a duty to implement non-applicable MICS through the TICS under MICS section 543.3(b). Inclusion of these provisions would be inconsistent with the entirety of the TICS since all other references to credit practices and mechanisms have been suggested for deletion. We recommend removing this language from the TICS.

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27. While credit and credit mechanisms are covered by the MICS, the Constitution of the Cherokee Nation prohibits issuance of any credit not approved by the Cherokee Council. The CNGC does not have a duty to implement non-applicable MICS through the TICS under MICS section 543.3(b). Inclusion of the section of the provision related to credit accounting procedures would be inconsistent with the entirety of the TICS since all other references to credit practices and mechanisms have been suggested for deletion. We recommend removing the phrase "and credit" from this provision. However, this language is required under MICS section 542.14 (g)(5). As a result, only the non-applicable language should be deleted and the provision should read, "All cage accounting procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the CNGC upon request."
28. The Gaming Act prohibits the promulgation of any regulations that either conflict with or exceed the terms of the MICS or the Compact. Neither the MICS nor the Compact require that the operation submit a chart of accounts on a quarterly basis to the CNGC. As such, we recommend removing this provision from the TICS.
29. See Prior Comment.
30. See Prior Comment.
31. The Gaming Act prohibits the promulgation of any regulations that either conflict with or exceed the terms of the MICS or the Compact. Neither the MICS nor the Compact require that the operation submit unaudited financial statements on a monthly basis to the CNGC. As such, we recommend removing this provision from the TICS.
32. The added terms "rake, ante, commissions, entry fee, and admission fees" are merely clarifying. Thus, adding these terms to the provision does not run the risk of violating the Gaming Act. However, in order to more closely mirror the language of the MICS, we recommend that the language read, "For each card game and any other game in which the gaming operation is not a party to a wager (non-house banked games), gross revenue equals all money received by the operation as compensation for conducting the game (e.g. rake, ante, commissions, entry fee, and admission fees)."
33. While credit and credit mechanisms are covered by the MICS, the Constitution of the Cherokee Nation prohibits issuance of any credit not approved by the Cherokee Council. The CNGC does not have a duty to implement non-applicable MICS through the TICS under MICS section 543.3(b). Inclusion of these provisions would be inconsistent with the entirety of the TICS since all other references to credit practices and mechanisms have been suggested for deletion. We recommend removing this language from the TICS.
34. TICS section 19.5 (M)(1) has been corrected to reference section E of TICS section 19.5.

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35. The standards laid out in MICS section 542.19 (d)(4) are sufficiently covered in proposed TICS section 19.5 (E). However, solely adopting that language would leave a gap in coverage of MICS section 542.19 (d)(1). As such, the language of this section should be revised to read, "For table games, gross revenue equals the closing table bankroll, plus credit slips for cash, chips, tokens or personal/payroll checks returned to the cage, plus drop, less opening table bankroll and fills to the table, and money transfers issued from the game through the use of a cashless wagering system."
36. This language is a combination of requirements under MICS section 5(C) and 571.7 which give the SCA and the NIGC respectively the right to inspection. Although the CNGC is not given explicit right to access, inspect, examine, photocopy, and audit the listed materials in 25 CFR 571.7 or the Compact, the CNGC may need to undertake these actions in order to fulfil its regulatory and oversight requirements under the Compact. Such an action would not be in violation of the Gaming Act, since Section 22(C) only prohibits terms in excess or in conflict with the Compact or the MICS. Instead, this would serve to ensure that the terms of the Compact are met. As such, we recommend revising the final sentence of this provision to read, "The gaming operation shall maintain all accounting records and financial statements required by this section, or any other records specifically required (as applicable) in permanent form and as written or entered, whether manually or by computer, and which shall be maintained and made available for inspection by the CNGC, as needed to carry out its regulatory and oversight responsibilities under the Compact, , the NIGC, and/or the SCA (as applicable for covered games)."
37. Compact Part 5 (C)(2) states that the enterprise or Tribe should keep record of "payout from all covered games." To alter this language to: "payout records from all wagering activities" would be to impose a record-keeping burden not anticipated by either the Compact or the MICS. As such, the language here should be revised to match the Compact: "Payout from the conduct of all covered games."
38. While there is no Section 19.6(6), this section does contain language at Section 19.6 (B)(6). This subsection covers record keeping of bingo, pull tab, keno, and pari-mutuel wagering statistical reports and is based on MICS Section 542.19 (k)(vii).

SS. Comment Section T on Section 20-Information Technology

4. This language is sourced from 25 CFR Section 543.20 (a)(1)-(2). To retain consistency with the MICS, this section should read "Supervision. Controls must identify the supervisory agent in the department or area responsible for ensuring that the department or area is operating in accordance with established policies and procedures. The supervisory agent must be independent of the operation of Class II games."

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5. While the NIGC extends this provision to cover Class III gaming in the Guidance, the MICS only apply this language to Class II gaming systems. Since neither the Compact nor the MICS on Class III gaming cover information technology, this language should be revised to read, "Class II gaming systems' physical and logical controls. Controls must be established and procedures implemented to ensure adequate..."
6. 25 CFR 543.20 (g)(2) states that, "Records must be kept of all new installations and/or modifications to Class II gaming systems. These records must include, at a minimum..." No language in the MICS or the Compact apply these same requirements to Class III Gaming Systems, so this language should be revised to read, "Records must be kept of all new installations and/or modifications to Class II gaming systems. These records must include, at a minimum:"

TT. Comment Section U on Section 21-Auditing Revenue

23. Retain the language on supervision. In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. It is our recommendation that the CNGC not strike supervision language from this section, regardless of whether it chooses to retain such language in Section 4- General Provisions as well.
24. While not all revenue audit procedures are required to be submitted to the CNGC upon request, omitting that the CNGC may request such procedures for gaming machines and table games risks noncompliance. To best represent the requirements under MICS section 543.24(c), 542.12(j)(5), and 542.13(m)(10), we recommend that this text be revised to read, "The performance of all revenue audit procedures, the exceptions noted, and the follow up of all revenue audit exceptions must be documented and maintained for inspection. Revenue audit procedures for table games and gaming machines must be provided to the CNGC upon request.
25. For consistency with Section 5 of the TICS (which we have recommended be titled "Bingo") and Section 543.8 of the MICS, this language should be revised to read, "each gaming operation shall perform the following auditing/accounting functions for Bingo operations..." Further, the title heading for section 21.2 should read, "Bingo Audit Standards."

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26. In line with the MICS and the other sections of Bingo in the TICS, this provision should cover all forms of bingo. As such, suggested revisions to this provision should be rejected. However, omitting the phrase "including variances related to the receipt, issuance, and use of bingo card inventories" leaves a gap in coverage of MICS section 543.24 (d)(10)(i). We recommend revising Section 21.6 (A) to read, "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."
27. "The detail of these sections is not sufficiently represented in Section 21.4 to cover the requirements of MICS sections 543.24(d)(1)(iv) and 543.24(d)(1)(v). We recommend preserving this language in the TICS to ensure full compliance.
28. It is our recommendation that instead of referencing Section 21- Auditing Revenue in the area-specific sections, Section 21- Auditing Revenue should include references to the area specific sections that contain auditing provisions. Here, section 21.4 could read, "Auditing standards related to Gaming Systems are located in Section 7-Gaming Systems." Alternatively, in order to ease the burden on internal auditors who must be aware of and well-versed on each provision related to auditing, the CNGC could both return the provisions to their appropriate original sections and concurrently retain the language in Section 21- Auditing Revenue. While the TICS only need to cover the MICS auditing requirements once in order to maintain compliance, duplication would not be harmful and may be beneficial in the interest of clarity. Regarding the terms of section 21.4 (I), the term "accounting/auditing agent(s)" should be changed to "the gaming operation" so as not to limit who may complete the task beyond the terms of the MICS.
29. It is our recommendation that instead of referencing Section 21- Auditing Revenue in the area-specific sections, Section 21- Auditing Revenue should include references to the area specific sections that contain auditing provisions. Here, section 21.4 could read, "Auditing standards related to Gaming Systems are located in Section 7-Gaming Systems." Alternatively, in order to ease the burden on internal auditors who must be aware of and well-versed on each provision related to auditing, the CNGC could both return the provisions to their appropriate origin sections and concurrently retain the language in Section 21- Auditing Revenue. While the TICS only need to cover the MICS auditing requirements once in order to maintain compliance, duplication would not be harmful and may be beneficial for purposes of clarity.
30. The word "agents" implicitly connotes a greater level of vested authority than the term "employees," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "employees" here instead of "agents."

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31. Provisions 21.6 (F) and (G) should be deleted for applicability. While variance requirements generally are covered by 543.3(f), this section does not apply to table games. It is our recommendation that instead of referencing Section 21- Auditing Revenue in the area-specific sections, Section 21- Auditing Revenue should include references to the area specific sections that contain auditing provisions. Here, section 21.6 could read, "Auditing standards related to Table Games Accounting are located in Section 8-Table Games." Alternatively, in order to ease the burden on internal auditors who must be aware of and well-versed on each provision related to auditing, the CNGC could both return the provisions to their appropriate origin sections and concurrently retain the language in Section 21- Auditing Revenue. While the TICS only need to cover the MICS auditing requirements once in order to maintain compliance, duplication would not be harmful.
32. Provisions 21.6 (F) should be deleted for applicability. While variance requirements generally are covered by 543.3(f), this section does not apply to table games. It is our recommendation that instead of referencing Section 21- Auditing Revenue in the area-specific sections, Section 21- Auditing Revenue should include references to the area specific sections that contain auditing provisions. Here, section 21.7 could read, "Auditing standards related to Table Game Performance Standards are located in Section 8-Table Games." Alternatively, in order to ease the burden on internal auditors who must be aware of and well-versed on each provision related to auditing, the CNGC could both return the provisions to their appropriate origin sections and concurrently retain the language in Section 21- Auditing Revenue. While the TICS only need to cover the MICS auditing requirements once in order to maintain compliance, duplication would not be harmful.
33. This language has no operative effect, so it does not exceed the terms of either the MICS or the Compact. Instead, this provision only serves to add clarity and aid in the flow of the section. We recommend no change.
34. This language is located at section 21.8 (D) in the proposed TICS. For clarity, we recommend deleting this provision and revising Section 21.6 (A) to read, "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."
35. To ensure full compliance with the MICS, the language of this section should mirror that of section 542.11 (h) of the MICS, including the requirement that the pari-mutuel audit must be conducted by personnel independent of the pari-mutuel operation. It is our recommendation that instead of referencing Section 21- Auditing Revenue in the area-specific sections, Section 21- Auditing Revenue should include references to the area specific sections that contain auditing provisions. Here, section 21.9 could read, "Auditing standards related to pari-mutuel accounting and auditing are located in Section 10-Pari

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Mutuel." Alternatively, in order to ease the burden on internal auditors who must be aware of and well-versed on each provision related to auditing, the CNGC could both return the provisions to their appropriate origin sections and concurrently retain the language in Section 21- Auditing Revenue. While the TICS only need to cover the MICS auditing requirements once in order to maintain compliance, duplication would not be harmful.

36. To ensure full compliance with the MICS, the language of this section should mirror that of section 542.10 (k) of the MICS. It is our recommendation that Section 21- Auditing Revenue should include references to the area specific sections that contain auditing provisions. Here, section 21.10 could read, "Auditing standards related to keno are located in Section 10-Pari Mutuel." Alternatively, in order to ease the burden on internal auditors who must be aware of and well-versed on each provision related to auditing, the CNGC could both return the provisions to their appropriate origin sections and concurrently retain the language in Section 21- Auditing Revenue. While the TICS only need to cover the MICS auditing requirements once in order to maintain compliance, duplication would not be harmful.
37. This comment is the second comment labeled as number 14 in the CNE comments and in the attached excel document. 21.12 (B) describes the same report that is required to be reviewed in 21.12 (A). Separating the two sections does not change the requirements set out in the MICS but rather organizes the requirements in a way that can be easily understood by regulated parties. To be thorough, we recommend accepting the revisions in Section 21.12 (A) and revising Section 21.12 (B)(2) to read "The reports required in Section 16- Complimentaries must be made available to those entities authorized by the CNGC or by Tribal law or ordinance."
38. This comment is labeled as number 15 in the CNE comments and in the attached excel document. It is our recommendation that instead of referencing Section 21- Auditing Revenue in the area-specific sections, Section 21- Auditing Revenue should include references to the area specific sections that contain auditing provisions. Here, section 21.12 (C) could read, "Auditing standards related to complimentary services are located in Section 16-Pari Complimentaries." Under this approach, what is now Section 21.12 (B)(2) would be moved up to (B)(1). Alternatively, in order to ease the burden on internal auditors who must be aware of and well-versed on each provision related to auditing, the CNGC could both return the provisions to their appropriate origin sections and concurrently retain the language in Section 21- Auditing Revenue. While the TICS only need to cover the MICS auditing requirements once in order to maintain compliance, duplication would not be harmful.
39. This comment is labeled as number 16 in the CNE comments and in the attached excel document. MICS sections 542.41(t)(3)(i) and 542.41(u)(3)(i) apply specifically to gaming

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machines and table games, respectively, whereas section 543.24(d)(8)(iii)(A) applies to drop and count in the context of auditing revenue more broadly. In the context of Section 21-Auditing Revenue, it is our opinion that the "quarterly" requirement from section 543.24(d)(8)(iii)(A) is the best representation of the applicable MICS requirement. Revisions to this provision should be rejected.

40. This comment is labeled as number 17 in the CNE comments and in the attached excel document. MICS sections 542.41(t)(3)(ii) and 542.41(u)(3)(ii) apply specifically to gaming machines and table games, respectively, whereas section 543.24(d)(8)(iii)(B) applies to drop and count in the context of auditing revenue more broadly. In the context of Section 21-Auditing Revenue, it is our opinion that the "quarterly" requirement from section 543.24(d)(8)(iii)(A) is the best representation of the applicable MICS requirement. Revisions to this provision should be rejected.
41. This comment is labeled as number 18 in the CNE comments and in the attached excel document. Since this language is based on MICS section 543.24 (d)(9)(1), which covers cage, vault, cash, and cash equivalents within the context of auditing revenue, Section 21-Auditing revenue is a more appropriate location for these provisions than Section 19-Accounting. However, the language of section 21.15 (A) is also required by MICS section 542.14 (g)(1)- accounting/auditing standards. As such, the language in section 21.15 (A) should remain in place here, at section 19.2 (B)(1), and at section 13.7(B) to ensure full compliance by all regulated parties.
42. This comment is labeled as number 19 in the CNE comments and in the attached excel document. This provision is not applicable since CNE gaming operations immediately process checks submitted as payment. It would not be possible for a check to later be returned. As such, this section should be deleted for applicability.
43. This comment is labeled as number 20 in the CNE comments and in the attached excel document. As noted in comment U(11) above, we recommend revising Section 21.6 (A) to read, "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" in order to reflect the language of the MICS. Placing this requirement under "inventory audit standards" in totality adds to the clarity of the section and will aid in compliance.
44. This comment is labeled as number 21 in the CNE comments and in the attached excel document. The language of this section applies specifically to accounting records. Therefore, this section is more appropriately placed solely in Section 19.6. Section 21.17 should be deleted.

UU. Comment Section V on Section 22-Surveillance

18. Retain the language on supervision. In our experience, it is important to consider the practical use of regulations by regulated parties. It is unlikely that a regulated party will review a section of the TICS other than the section directly applicable to their area of responsibility. Moving a mandatory requirement to a different section may mean that the regulated party is unaware of that requirement and inadvertently fails to comply with its terms. It is our recommendation that the CNGC not strike supervision language from this section, regardless of whether it chooses to retain such language in Section 4- General Provisions as well.
19. As revised, this provision reads, “the surveillance system must be maintained and operated from a secured location, such as a locked cabinet. The surveillance system must include date and time generators that accurately record and display the date and time of recorded events on video and/or digital recordings. The displayed date and time shall not significantly obstruct the recorded view.” In the current TICS, this provision only specifies that the date and time generators “possess the capability” to record and display the date and time. The phrase "possess the capability" implies that, while the machine must be able to record and display the date and time, it does not have to actively record and display the date and time in practice. More simply, the system is required to be *able* to do it, not to *actually* do it. Removing the phrase implies that the system must actually record those details at all times. The MICS source language does use the phrase "possess the capability." However, later in the provision, the sentence "the displayed date and time shall not significantly obstruct the view” implies that the date and time must be displayed at all times on all recordings. Under that interpretation, removing the phrase "possess the capability" would not exceed the requirements of the MICS. However, in our opinion, since this change does not make a significant difference to the meaning or clarity of the provision, we recommend rejecting the change to prevent having to make additional edits to the existing SICS.
20. This language is applied to Tier B and C operations in MICS sections 542.33(y) and 542.42(z), respectively. There is no such log keeping requirement in the MICS section applicable to Tier A operations. As such, this provision should read, "For Tiers B and C," Surveillance personnel shall maintain a log of all surveillance activities. Such log shall be maintained by Surveillance operation room personnel and shall be stored securely within the Surveillance department. At a minimum, the following information shall be recorded in a surveillance log:"
21. MICS section 542.23 (i) states that "the surveillance system shall record the bingo ball drawing device, the game board, and the activities of the employees responsible for drawing, calling, and entering the balls drawn or numbers selected. " Sections 542.33 (j)(1) and 542.43(k)(1), just above the sections cited by the CNE, states that "The surveillance

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system shall possess the capability to monitor the bingo ball drawing device or random number generator, which shall be recorded during the course of the draw by a dedicated camera with sufficient clarity to identify the balls drawn or numbers selected.” To ensure full compliance, we recommend revising this section to read, "For Tier B and C gaming operations, the surveillance system shall monitor and record the game board and the activities of the employees responsible for drawing, calling, and entering the balls drawn or numbers selected."

22. In our opinion, the determination of whether to use the term "customers" or "patrons" is a stylistic choice. However, if the SICS already employ the word "customer," we would recommend no change.
23. In our opinion, the determination of whether to use the term "guests" or "patrons" is a stylistic choice. However, if the SICS already employ the word "guests," we would recommend no change.
24. See Prior Comment.
25. Under MICS sections 542.43 (p)(1) and (p)(1)(iii), 542.33 (o)(1) and (o)(1)(iii), and 542.23 (I)(1) and (I)(1)(iii), the gaming operation may either utilize one dedicated camera and one pan-tilt zoom camera per four tables or one pan-tilt zoom camera without another dedicated camera per two tables. This provision should be revised to read "Except as otherwise provided in Section 22.11 below, the surveillance system of gaming operations operating table games shall provide either: (1) One (1) dedicated camera and one pan-tilt zoom camera per four tables, or; (2) one pan-tilt zoom camera per two tables."
26. In our opinion, the determination of whether to use the term "customers" or "patrons" is a stylistic choice. However, if the SICS already employ the word "customer," we would recommend no change.
27. MICS sections 542.43 (p)(2)(ii), 542.33 (o)(2)(ii), and 542.23 (I)(2)(ii) each require "one (1) overhead camera." While the distinction between overhead and dedicated here may be minimal given the requirement for one camera per table, we recommend retaining use of the term "overhead" for complete consistency with the MICS. Further, the term "overhead" will aid in compliance, since it provides location specificity missing from the term "dedicated."
28. In our opinion, the determination of whether to use the term "customers" or "patrons" is a stylistic choice. However, if the SICS already employ the word "customer," we would recommend no change.

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29. See Prior Comment.
30. This comment does not correspond to the content of the section referenced. However, this provision is justified by MICS sections 542.23 (j), 542.33 (k), and 542.43 (l). While section 542.23 (j) does not use the phrase "with sufficient clarity," it requires that the surveillance system be capable of identifying employees. In our view, there is no effective difference in the phrasing of these identical aims. We recommend accepting the revisions to this provision.
31. The language of MICS section 543.21 (c)(3)(ii) states, "For card game tournaments, a dedicated camera(s) must be used to provide an overview of tournament activities, and any area where cash or cash equivalents are exchanged." There is no such requirement for table games. As such, the MICS language should be adopted here.
32. The requirements regarding surveillance of keno vary slightly between requirements for Tier B and C operations and Tier A operations. As such, we recommend revising the language here to better encompass the intent of the MICS. Section A should read, "For Tier A gaming operations, the surveillance system shall record the keno ball-drawing device, the general activities in each keno game area, and be capable of identifying the employees performing the different functions." Section B should read, "For Tier B and C gaming operations, The surveillance system shall:" Section B(1) should read, "possess the capability to monitor the keno ball-drawing device or random number generator, which shall be recorded during the course of the draw by a dedicated camera with sufficient clarity to identify the balls drawn or numbers selected." Finally, section B (2) should read, "monitor and record general activities in each keno game area with sufficient clarity to identify the employees performing the different functions."
33. We recommend rejecting the proposed revision of this provision. Since MICS section 542.23 does not have a requirement for providing an overview of cash transactions, adding such a requirement by omission would be exceeding the MICS. However, MICS section 542.23 does require that Tier A gaming operations' surveillance systems record a general overview of all areas where currency or coin may be stored or counted. Cash transactions may fall under that umbrella. If so, the edit to this provision would be appropriate.
34. While we do not perceive the change of the name "Financial Instrument Storage Component" to "Casino Instrument Storage Container" or an abbreviation thereof to be a violation of Section 22(C) of the Gaming Act, we recommend that the term "financial instrument storage component" be used throughout the TICS. Unlike "casino instrument storage container," "financial instrument storage component" is defined in the MICS at Section 543.2., and it is our opinion that the TICS should adopt the term used in the MICS.

Retaining the existing term will also prevent having to make additional revisions to the SICS or other regulatory documents wherein this term is used.

VV. Comment Section W on Section 23-Internal Audit

17. MICS section 542.3(d) states that gaming operations must develop and implement controls that "at a minimum" comply with the TICS. This provision applies that regulatory requirement appropriately to internal audit provisions. We recommend no change to the proposed language.
18. Here, we recommend reverting to the MICS language found in 543.23(c)(3) to reflect the chain of reporting established by the NIGC. While the phrase "all areas of regulatory oversight" is likely intended here to be limited to those areas affected by the internal audit on gaming, it may lead to unnecessary confusion due to the interaction between the CNE, CNGC, and the CNB. This section should read, "Internal auditor(s) report directly to the Cherokee Nation, CNGC, audit committee, or other entity designated by the Cherokee Nation."
19. Since these requirements are specifically set out in the MICS and have not been moved to another location in the TICS, we recommend retaining this provision.
20. In the proposed documents, a space for scope of Agreed Upon Procedures is reserved in Chapter IV, Section H of the Cherokee Rules and Regulations. In order to ensure full compliance with federal requirements, we recommended that those procedures be included in Section 2- Compliance. As such, we recommend that either the Agreed Upon Procedures be placed solely in Section 2- Compliance and a reference to the applicable section added within this provision, or the complete agreed upon procedures should be listed out in both sections.
21. This language is required by MICS section 543.23 (3). While the CPA's ability to rely on the internal audit is referenced earlier in the TICS (currently located in Section H of the Rules and Regulations but recommended for relocation to Section 2- Compliance), it is our view that in order to ensure full compliance with the "review of internal audit" requirements in the MICS, this section should be restored. However, the reference to Section 2.7 (F) may require updating after the contents of Chapter IV, Section H of the Cherokee Rules and Regulations and the Agreed Upon Procedures are included into Section 2- Compliance.
22. Controls are specifically called for to cover these terms in MICS section 543.23 (c). While Section 23.1 (A) could be interpreted to require controls to be established here, in or view, the language suggested for deletion should be retained for clarity of obligation. This section

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should read, 'Controls must be established and procedures implemented to ensure that internal audit personnel shall perform audits of all major gaming areas of the gaming operation, including each department of a gaming operation, at least annually, to review compliance with TICS, SICS, and the NIGC MICS, which include at least the following areas:.'

23. While the added terms (supervision, exemptions, betting ticket and equipment standards, check-out standards, and computer report standards) may be covered by the inclusive language of the MICS, for the purpose of regulatory standards, we can only be certain that the items specifically listed out in the MICS are included. Therefore, we recommend that this provision read, "Pari-mutual wagering, including write and payout procedures, and pari-mutual auditing procedures."
24. While the additions to section 23.4 (A)(4) may be covered by the inclusive language of the MICS, for the purpose of regulatory standards, we can only be certain that the items specifically listed out in the MICS are included. Therefore, we recommend that this provision be revised to only include language from the MICS. However, since the terms in the MICS includes credit provisions, we recommend that those elements of the terms be omitted. As revised, this provision should read, "Table games, including but not limited to, fill procedures, soft drop/count procedures and the subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, location and control over sensitive keys, the tracing of source documents to summarized documentation and accounting records, and reconciliation to restricted copies."
25. While the additions to the provision on Gaming Machines may be covered by the inclusive language of the MICS, for the purpose of regulatory standards, we can only be certain that the items specifically listed out in the MICS are included. Therefore, we recommend that this provision be revised to only include language from the MICS: "Gaming machines, including but not limited to, jackpot payout and gaming machine fill procedures, gaming machine drop/count and bill acceptor drop/count and subsequent transfer of funds, unannounced testing of weigh scale and weigh scale interface, unannounced testing of count room currency counters and/or currency interface, gaming machine drop cabinet access, tracing of source documents to summarized documentation and accounting records, reconciliation to restricted copies, location and control over sensitive keys, compliance with EPROM duplication procedures, and compliance with MICS procedures for gaming machines that accept currency or coin(s) and issue cash-out tickets or gaming machines that do not accept currency or coin(s) and do not return currency or coin(s)." The provision concerning Bingo should remain unchanged, as it lines up with the terms of the MICS.
26. While the additions to the provision on Gaming Machines may be covered by the inclusive language of the MICS, for the purpose of regulatory standards, we can only be certain that

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the items specifically listed out in the MICS are included. Therefore, we recommend that this provision be revised to only include language from the MICS: "Keno, including but not limited to, game write and payout procedures, sensitive key location and control, and a review of keno auditing procedures."

27. This provision is located at TICS Section 23.2 (A)(16), but the CNE cites this provision as 23.2 (B) in their comments. The CNGC is not granted sole audit power by the Gaming Act. Other entities may require that an internal audit be conducted. MICS sections 542.22 (b)(1)(xi), 542.32 (b)(1)(xi), and 542.43 (b)(1)(xi) each specify that the Nation itself or another entity it designates may also call for an audit. As such, it is our opinion that the language used in the current TICS be used in the proposed TICS to reflect the various bodies that may be responsible for conducting audits. This provision should read, "Any other internal audits as required by the Cherokee Nation, CNGC audit committee, or other entity designated by the Cherokee Nation."
28. Since the same independent accountant is not required to conduct all of the audit and accounting functions under the MICS, we recommend keeping the words "if" and "also" to make clear that different independent accountants may have completed the observation and the internal audit. We recommend rejecting the additional edits to better align the TICS language with the language of the MICS. This section should read, "Whenever possible, internal audit observations shall be performed on an unannounced basis (i.e., without the employees being forewarned that their activities will be observed). Additionally, if the independent accountant also performs the internal audit function, the accountant shall perform separate observations of the table games/gaming machine drops and counts to satisfy the internal audit observation requirements and independent accountant tests of controls as required by the American Institute of Certified Public Accountants guide."
29. This provision is based on MICS Section 542.3 (f)(3)(ii) which covers the procedures a CPA must use in reviewing the internal audit. However, the source MICS section also lays out details about what the annual compliance audit should cover that are applicable in this section, specifically, that it should encompass a portion of or all of the most recent business year. Further, the language that the CNE suggests including here is covered by TICS section 23.2 (A). We recommend retaining this provision as-is.
30. The language proposed for omission does not fit well under this section's heading, "documentation." However, since this language is required in the MICS, in our view, it should be included within section 23- Internal Audit. We recommend that Section 23.3 (B) be revised to read, "The internal audit department shall properly document the work performed, the conclusions reached, and the resolution of all exceptions. Institute of Internal Auditors standards are recommended but not required." The sentence "The internal audit department shall operate with audit programs, which, at a minimum, address the

MICS," should be inserted into a new subsection under Section 23.2. We recommend that this language be placed at or near the beginning of Section 23.2 for ease of understanding.

31. This provision does not include information from all operative sections cited by the CNE because, like the MICS, the language has been divided into subsections. Under MICS section 542.22 (e), 542.32 (e), and 542.42 (e), all material exceptions resulting from internal audit work have to be investigated and resolved. However, the MICS do not specify a timeline for completing corrective action. As such, it is our opinion that the language should be revised to read, "Management shall respond stating corrective measures to be taken to avoid recurrence of the audit exception."
32. We recommend revising this section to read, "Internal Audit Findings shall be included in the report delivered to management, the Cherokee Nation, the CNGC, the audit committee, or other entity designated by the Cherokee Nation for corrective action." While the Tribal Council and Tribal Administration have not been specifically designated to receive this report by the MICS or the Compact, if the Nation has so designated elsewhere, the CNGC may choose whether or not to additionally list those bodies here without violating the Gaming Act.

WW. Comment Section X on Section X-Lines of Credit

Since the issuance of credit is prohibited by the Constitution of the Cherokee Nation, dedicating a TICS section entirely to credit would be unnecessarily confusing and misleading to regulated parties. In light of the recommendation to delete all other provisions concerning credit, we recommend omitting this section altogether for consistency and applicability. Please see Section II. A reference to credit being constitutionally prohibited is included in Section 4- General Provisions. If the Nation at some future time should authorize the issuance of credit, this Section could be inserted at that time, hence the Section could be reserved with a note that issuance of credit is currently prohibited at all Cherokee Nation gaming facilities.

XX. Comment Section Y on Section XX-Keno

Per the terms of the Compact, keno cannot legally be offered at Cherokee Nation gaming facilities. Please see Section II. As a result, dedicating a TICS section entirely to Keno would be confusing to regulated parties. We recommend omitting this section altogether for inapplicability. However, if at some future time Keno should be authorized, this Section could be inserted at that time. Hence, the Section could be reserved with a note stating that offering Keno is not currently permitted under the Compact. In case this Section is implemented in the future, we have included our recommendations based on CNE's comment below. For this section, CNE advised that the language within the Section should reflect the language covering Keno in the MICS. As such, the numbered

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comments below are so numbered for organizational clarity but do not correspond to similarly numbered individual comments by CNE.

17. "Writer identification number" is not included in the language of Section 542.10 (b)(1) of the MICS. However, writer identification number here merely serves to clarify what the MICS intend to be recorded. However, it is our recommendation that this addition should be deleted unless there is a regulatory need for this alternative to be included to retain consistency with the terms of the MICS.
18. The word "agent" implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."
19. The language in this provision is sourced from the Guidance and is in excess of the MICS requirements. We recommend replacing this language with the language from MICS Section 542.10(c)(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."
20. The word "agent" implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."
21. This language is not included in the MICS concerning keno in Section 542.10. Instead, these are for Bingo under 25 CFR 543.8. As such, we recommend removing this provision from the section.
22. The phrase "or a lower threshold as authorized by management and approved by CNGC" is not included in 542.10 of the MICS. While section 542.10 (e)(2) grants the CNGC the power to establish procedures precluding payment on certain tickets, that provision does not extend to cover prize payouts and does not mention management authorization. We recommend revising the provision to read, "Prize payouts/winning tickets over a specified dollar amount, (not to exceed \$10,000 for locations with more than \$5 million annual keno write and \$3,000 for all other locations) must also require the following:"
23. The word "agent" implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the

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requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."

24. The added language here is sourced from the Guidance. There are no similar requirements in the MICS. As a result, we recommend that these provisions be deleted.
25. This provision is duplicative with the language in section XX.6. Even though this language is categorized under "check out standards at the end of each keno shift," the content is focused on cash proceeds. As such, this provision better fits within section XX.6 -- Cash and Cash Equivalent Controls. We recommend that this provision be deleted and the same language be retained in Section XX.6 (A).
26. This language is also placed in section XX.6 (A)(1) under the heading "Cash and Cash Equivalent Controls," which better fits the content of the provision. Further, this subsection would not make sense independent of proposed section XX.5 (G) which we recommend for deletion above. This provision should be deleted. Section XX.5 (G)(2) should be moved below section XX.6 (A)(1). The language of section XX.6 (A)(1) matches the terms of the MICS and should be retained as-is.
27. The added language here is sourced from the Guidance. There are no similar requirements in the MICS. As a result, we recommend that these provisions be deleted.
28. The word "agent" implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agent."
29. MICS section 542.10 (h)(iv)(4) states that investigations are required for fluctuations from the base level for a month in excess of plus or minus three percent. Language allowing management and the CNGC to set the thresholds is sourced from the Guidance and could allow for thresholds in excess of the MICS, risking noncompliance. We recommend revising this section to read, "At a minimum, investigations shall be performed for statistical percentage fluctuations from the base level for a month in excess of $\pm 3\%$. The base level shall be defined as the gaming operation's win percentage for the previous business year or the previous twelve (12) months."
30. This provision appropriately combines the requirements of MICS sections 542.10 (j)(2) and 542.10 (j)(3); however, the revisions replace the term "authorized personnel" with "authorized agents." The word "agents" implicitly connotes a greater level of vested authority than the term "personnel," here impermissibly increasing the standard for who may

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undertake the requirement established in the MICS. We recommend using the term "personnel" here instead of "agents."

31. This language is duplicative of the above Section XX.10 (B) which covers MICS source section 542.10 (j)(2). As such, we recommend that this provision be deleted for clarity.
32. This provision is based on MICS section 543.3 (d) which lays out how tribal governments can comply with Section 543 of the MICS. We recommend that this language be included in Section 4- General Provisions. However, keeping regulated parties in mind, we recommend keeping this provision in each section of coverage wherein variances are addressed. Section XX mentions variances four times outside of this section; therefore, this language should be retained.

We hope that these comments prove helpful. Please let us know if you have any questions or require any additional information.