

CONFEDERATED TRIBES GAMING COMMISSION



REGULATIONS

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CHAPTER 1: GENERAL PROVISIONS AND DEFINITIONS

SUBCHAPTER 1 - GENERAL PROVISIONS

- 1.1.1 Promulgation, amendment and repeal of regulations.**
(a) The Regulations are issued in accordance with the Gaming Ordinance CLUSITC 5-2.
- 1.1.2 Policy of the Commission.**
(a) It is the policy of the Commission to protect the public health, safety, good order and welfare of the Tribe and the State.
(b) The regulation and operation of the gaming facility shall be in accordance with the Compact, Ordinance, Regulations, MICS, Game Rules, and other applicable laws.
(c) Any license approved by the Commission shall be deemed a revocable privilege and no licensee is deemed to have acquired any vested rights therein.
(d) Any incident or activity inconsistent with the Compact, Ordinance, Regulations, MICS, Game Rules or other applicable laws, is deemed to be an unsuitable method of operation and subject to disciplinary action by the Commission.
- 1.1.3 Commission authority and responsibility.**
(a) In accordance with the Ordinance, the Commission:
(1) Shall exercise all powers necessary to regulate Class II and Class III gaming.
(2) Shall promulgate and amend such substantive and procedural rules and regulations as it deems necessary to carry out the provisions of the Ordinance;
(3) Reserves the right, in the Commission's discretion, to waive any provision of the Regulations, MICS or Game Rules, for the convenience of the Commission or in order to relieve any person of unnecessary hardship, if such waiver is not inconsistent with the Compact, Ordinance, or other applicable laws;
(4) Shall make licensing, suitability, and approval determinations pertaining to applications brought before it for consideration;
(5) Shall approve, deny or place conditions or limitations upon a license;
(6) Shall seek, obtain and consider any and all information deemed relevant to issuing licenses or to the appointment of Commission Members;
(7) Shall design, print and make available all necessary license application forms and appropriate licenses;
(8) Shall collect license fees;
(9) May assess fines;
(10) May suspend and revoke licenses; and
(11) Shall hear appeals on actions by the Commission or Director.
(b) The Commission has the duty to observe the conduct of all licensees, and to ensure licenses are not issued to or held by:
(1) Unsuitable persons; or
(2) Persons whose gaming activities are conducted in an unsuitable manner.
(c) The Commission shall have the authority to monitor the activities of licensed gaming operations, and specifically:

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- (1) Inspect and examine all facilities, equipment and supplies where gaming is conducted or where gaming equipment and supplies are stored, sold or distributed;
 - (2) Inspect and review all gaming contracts to ensure compliance with the Compact, Ordinance and the Regulations;
 - (3) conduct periodic audits of all records, books and financial documents relating to the conduct of gaming to determine compliance with the Compact, Ordinance, Regulations, and other applicable laws;
 - (4) Review and observe accounting methods and other procedures used by the gaming establishment to count and handle cash, chips, and negotiable instruments;
 - (5) Examine and review internal control procedures; and
 - (6) Determine the gaming operation's compliance with the Compact, Ordinance, Regulations, and other applicable laws.
- (d) The Commission shall have the authority to impose civil penalties or other sanctions, including the seizure of property, upon licensees who are found to be in violation of the Ordinance or the Regulations.

1.1.4 Director authority and responsibility.

- (a) In accordance with the Ordinance, the Director shall be responsible for the day-to-day monitoring of gaming activities, including the implementation and enforcement of the rules and regulations promulgated by the Commission.
- (b) The Director shall act to promote and ensure integrity, security, honesty and fairness of the operation and administration of all gaming activity.
- (c) The Director shall ensure there is an adequate system for background investigations of applicants and licensees.
- (d) The Director shall review all records and documents pertinent to enforcement of any provisions of the Compact, Ordinance and the Regulations.
- (e) The Director shall recommend to the Commission if sanctions should be imposed on any person subject to the Compact, Ordinance or the Regulations.
- (f) The Director shall ensure compliance with the rules and regulations of the NIGC.
- (g) The Director shall ensure an annual outside audit of the gaming operation is performed as required by the IGRA, and provided to the NIGC.
- (h) The Director shall exclude any individual from the gaming facility who may pose a threat to the security and integrity of gaming activities and the gaming facility.
- (i) The Director shall perform other duties and exercise additional authority as is granted, either explicitly or implicitly by the provisions of the Ordinance, the Regulations, MICS, and Game Rules or as assigned by the Commission.

1.1.5 Construction.

Nothing described in the Regulations shall be construed to conflict with any provision of the Ordinance or of any other applicable law.

1.1.6 Computation of time.

In computing any period of time prescribed or allowed by the Regulations, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, a Sunday, or a holiday observed by the Commission, or when the act to be done is the filing of or providing access to any report or document, and the last day of the period falls on a day in which the weather or other conditions have made the offices of the Commission inaccessible, in which event the designated period

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shall extend until the end of the next day on which the office is accessible which is not a Saturday, Sunday or legal holiday, and is not one of the previously mentioned days.

1.1.7 Severability.

If any provision of the Regulations is ruled invalid, such ruling shall not be construed to invalidate any of the other provisions.

1.1.8 Definitions, words and terms; tense, number and gender.

In determining the meaning of any provision of the Regulations, unless the context indicates otherwise, the singular indicates the plural, the plural indicates the singular, words of one gender include the other gender, and the present tense includes the future tense.

SUBCHAPTER 2 - DEFINITIONS

Applicant

Any person or entity seeking a license from the Commission.

Approved funding

Cash, U.S. Government Treasury Securities, or U.S. Agency securities.

Background investigation

The personal, criminal and financial history checks of an applicant or licensee.

Base amount

The starting amount of a progressive jackpot.

Bill validator

A locked device attached to a VLT that accepts currency and reads the denomination in order to accurately register player credits.

Business day

The designated 24-hour period by which the gaming operation keeps its books and records for business, accounting and tax purposes.

Business year

An annual period, such as a calendar or fiscal year.

Card game

A game in which the gaming operation is not party to wagers and receives compensation in the form of a rake-off, a time buy-in or other fee or payment from a player for the privilege of playing.

Certification

The process used by the OSP and Commission to approve electronic gaming devices for use in the gaming facility.

Chair

Chairperson of the Confederated Tribes Gaming Commission.

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Check

A written order to a bank to pay the amount specified from funds on deposit.

Chip

A non-metal or partly metal representation of value issued by the gaming operation and used for wagering.

Class I gaming

Social games played solely for prizes of minimal value or traditional forms of Indian games when played in connection with Tribal ceremonies or celebrations.

Class II gaming

- (a) The game of chance commonly called bingo or lotto (whether or not electronic, computer, or other technological aids are used) when players:
- (1) Play for prizes with cards bearing numbers or other designations;
 - (2) Cover numbers or designation when objects, similarly numbered or designated, are drawn or electronically determined; and
 - (3) Win the game by being the first person to cover a designated pattern on such cards.
- (b) If played in the same location as bingo or lotto, pull-tabs, punch boards, tip jars, instant bingo, and other games similar to bingo.
- (c) Non-banking card games that:
- (1) State law explicitly authorizes, or does not explicitly prohibit, and are played legally anywhere in the state; and
 - (2) Players play in conformity with state laws and regulations concerning hours, periods of operation, and limitations on wagers and pot sizes.

Class III gaming

All forms of gaming not classified Class I or II, including but not limited to:

- (a) Table games;
- (b) Keno;
- (c) VLT's;
- (d) Any sports betting and pari-mutuel wagering; or
- (e) Lotteries.

Commission

Members of the Confederated Tribes Gaming Commission appointed in accordance with the Ordinance.

Compact

The written agreement between the Tribe and State for regulation of Class III gaming.

Compensation

Value of all salaries, bonuses, other taxable benefits and deferred compensation given to an employee.

Confederated Tribes Gaming Commission (CTGC)

The Commission that was established pursuant to CLUSITC 5-2-7(a) to exercise all powers necessary to regulate Class II and Class III gaming activities on Tribal lands.

Consulting services

Any advice or expertise provided to the gaming operation pertaining to gaming activities.

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Control person

Any employee or other person associated with a vendor who:

- (a) Can affect the course of business;
- (b) Can make policy decisions; or
- (c) Has a controlling interest in the vendor.

Controlling interest

Fifteen percent (15%) or more of the equity ownership of a business.

Counterfeit chip

An imitation of a gaming operation chip.

Currency

Coin and cash that circulates, and is customarily used and accepted as money, in the issuing nation.

Date of calculation

The last day for which a discount rate was obtained prior to the conclusion of the validation period.

Director

The Director of the Confederated Tribes Gaming Commission or his/her designee.

Discount rate

Either the current prime rate as published in the Wall Street Journal or a blended rate computed from the various U.S. Government Treasury Securities or U.S. Agency securities, for which quotes are obtained at least three times a month.

Drop

- (a) The act of removing drop boxes from tables or VLT's and transporting them to the count room or secured area.
- (b) The total amount of cash and/or chips contained in and removed from the drop box.

Drop box

- (a) A locked container permanently marked with the game, shift and a number corresponding to a permanent number on a table, or
- (b) A locked container inside a locked bill validator.

Electronic gaming device

Any microprocessor controlled device that produces an outcome to a game, including VLT's, keno and bingo.

Electronic player station

A computer based terminal designated for the play of a Class II game.

EPROM

Erasable programmable read-only memory.

Executive Session

A nonpublic meeting of the Commission.

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FBI

Federal Bureau of Investigation.

Felony or felony crime

An offense that has been classified as felony, that:

- (a) Is so designated in federal law or any statute of any state; or
- (b) Provides a minimum term of imprisonment of more than one year upon conviction.

Funds

Currency or other negotiable instruments.

Game

Any Class II or Class III game approved by the Commission.

Gaming Day

The twenty four (24) period running from 3:00 am to 3:00 am.

Game Rules

The rules and specifications governing any game that is approved by the Commission.

Gaming activity

Any process related to the operation of a game, including play, surveillance, security, revenue collection, accounting for and reporting and auditing of the results produced.

Gaming area

Any approved location at the gaming facility designated for the operation of a game.

Gaming equipment

Any equipment and supplies required for the operation of a game.

Gaming facility

The buildings and grounds located on the Tribe's land and any property that is used by the Tribe in connection with gaming, including any property used to store gaming equipment, supplies or records.

Gaming operation

The economic entity responsible for management of the gaming activity at the gaming facility.

Gaming station

Any table, counter or VLT designated for the acceptance of a wager.

General Session

A public meeting of the Commission.

High Security Gaming Employee (Class II)

"Any person who does not possess levels of authority indicative of a Primary Management Official and are employed in a Class II gaming area, or has access to gaming cash or cash equivalents.

Note: For the purposes of these regulations this includes but is not limited to;

- (a) Persons who are:

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- (1) Gaming operations administrators, managers and assistant managers not otherwise classified as Primary Management Officials;
 - (2) Dealers;
 - (3) Croupiers;
 - (4) Shift supervisors;
- (b) Any other individual designated by the Director to be High Security.

High Security Gaming Employee (Class III)

Any person who does not possess levels of authority indicative of a Primary Management Official and are employed in a Class III gaming area or security or surveillance, or has access to gaming cash or cash equivalents.

Note: For the purposes of these regulations this includes but is not limited to;

- (a) Persons who are:
- (1) Gaming operations administrators, managers and assistant managers not otherwise classified as Primary Management Officials;
 - (2) Surveillance and security personnel;
 - (3) Dealers;
 - (4) Croupiers;
 - (5) Shift supervisors;
 - (6) Cage personnel;
 - (7) Drop and count personnel;
 - (8) Gaming management consultants;
 - (9) Video lottery terminal technicians and attendants; or
 - (10) Junket representatives.
 - (11) Information Systems personnel having access privileges to the Monitoring Control System MCS.
- (b) Any other individual designated by the Director to be High Security.

IGRA

The Indian Gaming Regulatory Act codified at 25 USC 2701 et seq.

Incremental amount

The difference between the amount of a progressive jackpot and its base amount.

Independent financial institution

- (a) A bank approved to do business in the State of Oregon.
- (b) An insurance company admitted to transact insurance in the State of Oregon with an A.M. Best Insurance rating of A+ or such other equivalent rating.

Independent gaming laboratory

A testing facility approved by the Commission and OSP to certify electronic gaming devices and related hardware and software.

Internal progressive systems

One or more electronic gaming devices at the gaming facility not networked with other gaming jurisdictions, involving a common progressive jackpot(s) for participating players.

Interstate common pari-mutuel pool

A pari-mutuel pool consisting of the pari-mutuel wagers placed at a track, its intrastate betting locations, other jurisdictions and the off-track pari-mutuel books.

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Intrastate wagering

Pari-mutuel wagering at an Oregon off-track wagering facility, on racing events held in Oregon.

Jackpot payout

- (a) Direct payment to a player as a result of a wager, including:
- (1) Cash, coin, chips or check;
 - (2) Credit to the player's bank account; or
 - (3) The actual cost to the gaming operation to offer a personal property award.
- (b) Cash paid directly to an independent financial institution by the gaming operation for the purchase of an annuity to pay a player's winnings.

License

A gaming license issued by the Commission.

Licensee

A person or entity that holds a current license approved by the Commission.

Linked progressive systems

Electronic gaming devices, networked with other gaming jurisdictions, involving a common progressive jackpot(s) for participating players.

Live audiovisual signal

The audio and visual transmission of a race or series of races, as it occurs at a track and which is not used by a pari-mutuel book to determine winners or payoffs.

Low Security Gaming Employee

Any person who does not possess levels of authority indicative of a Primary Management Official or High Security Gaming Employee.

Note: For the purposes of these regulations this includes;

Any employee whose duties require the employee's presence in any area of the Gaming Facility where Class II or III gaming activities take place, but who is not a High Security Employee and who is not involved in the operation of Class II or III gaming.

MICS

Minimum Internal Control Standard(s).

Misconduct

Any improper behavior or course of action that could negatively affect the integrity of the gaming operation or bring adverse publicity to the Tribe.

Monitoring and Control System (MCS)

An on-line system to monitor VLT's through secure transmissions of data including, but not limited to, detecting, logging and reporting designated game events, collecting meter and financial data and security information.

NIGC

National Indian Gaming Commission.

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Non Gaming Employee

Any Three Rivers Casino employee whose duties do not require the employee's presence in any area of the Gaming Facility where Class II or III gaming activities take place.

Non-profit organization

An organization recognized by the United States Internal Revenue Service or the State as a non-profit organization.

Off-track wagering

Wagering conducted on a race at a location other than the track where the race is actually held.

Ordinance

The Confederated Tribes of Coos, Lower Umpqua & Siuslaw Indians Gaming Ordinance, and amendments thereto.

OSP

Oregon State Police, Tribal Gaming Section.

Owner

Any person or entity that owns five percent (5%) or more of a vendor.

Pari-mutuel wagering

A system of wagering on a race event whereby the winners divide the total amount bet, after deducting commission and fees, in proportion to the amount individually wagered.

Periodic payments

A series of payments that are paid at least annually.

Player

Any individual that places a wager on any game at the gaming facility.

Political subdivision

A subdivision of a federally recognized Tribe or the State of Oregon.

Present value

The current value of a future payment or series of payments, discounted using the discount rate.

Primary jackpot

The current top award offered for any progressive jackpot.

Primary Management Official

- (a) Any person having administrative or high-level management responsibility for part or all of the Class II or III gaming operation, whether as an employee or under a management contract;
- (b) Has authority to:
 - (1) Hire or fire Class II or III supervisory employees; or
 - (2) To set or otherwise establish working policy for the gaming operations;
- (c) Is the Director of Finance or other person who has financial management responsibility for Class II or III gaming operations.

Progressive controller

Any device during the normal mode of operation of progressive VLT's that:

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- (a) Continuously monitors each VLT for wagers; and
- (b) Multiplies the accepted wagers by the rate of progression in order to determine the correct amount to apply to a progressive jackpot.

Progressive jackpot

A jackpot that increases over time or as a game is played.

Promotional chip

Any chip or token-like object used in promotions at the gaming facility and that has no cash value.

Proposition players

A person employed or retained by the gaming operation, for the purpose of playing in a card game, who does not use gaming operation funds and keeps winnings and absorbs losses.

Qualified prize

Total winnings, whereby the series of payments are made over a period of at least ten (10) years.

Qualified prize option

An option that entitles a patron to receive a single cash payment in lieu of their qualified prize provided such option is exercisable not later than sixty (60) days after validation of the jackpot win.

Random number generator

A computer program that is capable of producing numbers, within a prescribed range, such that each possible value of the resulting number has an equal chance of occurring.

Random selection

The result of a random number generator. A selection shall be considered random if it:

- (a) Is statistically independent;
- (b) Conforms to desired random distribution;
- (c) Is unpredictable; and
- (d) Passes standard recognized statistical tests as applied by an independent testing laboratory.

Regulations

Regulations promulgated by the Commission.

Shill

An employee that uses house funds and acts as a player for the purpose of starting or maintaining sufficient players in a game.

Simulcast

Live audiovisual signals emanating from a race meet and transmitted simultaneously with race events, including the transmission of pari-mutuel wagering odds, amounts wagered and payoffs, and other racing programming relating to the events.

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Single cash payment

A single discounted lump-sum cash payment in the amount of the present value of the total periodic payments otherwise due and owing for a qualified prize, less the amount of any partial payment of such qualified prize previously made to a player.

State

State of Oregon.

Suitable

Eligible for a license as determined by the Commission upon the results of a background investigation.

Systems operator

A person or entity engaged in providing the off-track pari-mutuel systems or services directly related to the reconciliation of the interstate common pari-mutuel pool and transfers of funds between the track and the gaming operation.

Table game

Any approved game:

- (a) That is banked by the house or a pool whereby the house or the pool pays all winning bets and collects all losing bets; and
- (b) Does not include VLT games, keno and off-track pari-mutuel wagering.

Title 31

Title 31, Part 103, of the Code of Federal Regulations.

Total winnings

The sum of the periodic payments awarded to a patron as the result of any game.

Tournament chip

Any chip or token-like object used in tournaments at the gaming facility.

Track

A facility licensed to operate horse or dog racing where pari-mutuel wagering is conducted.

Tribal Court

The Tribal Court of the Confederated Tribes of Coos, Lower Umpqua & Siuslaw Indians Community of Oregon.

Tribe

The Confederated Tribes of Coos, Lower Umpqua & Siuslaw Indians Community of Oregon.

Trust

An irrevocable fiduciary relationship in which one person is the holder of the title to property subject to an equitable obligation to keep or use the property for the benefit of another.

U.S. Agency securities

Negotiable, senior, non-callable debt obligations issued and guaranteed by a U.S. Agency.

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Validation period

The period of time between when a patron has met the conditions required to receive a prize, and when the prize payout is validated. The validation period shall not exceed 30 days, unless otherwise extended by the Director.

Vendor

Any individual or business entity that provides the gaming operation with the following game-related items:

- (a) Products including gaming equipment, electronic gaming devices, hardware, software, surveillance equipment, security; or
- (b) Any services including consulting, repair and maintenance.

Vendor classification

A designation for vendors for the purposes of determining the level of investigation and amount of fees charged.

- (a) Major procurement, which includes, but is not limited to, any acquisition, activity, transaction or contract for:
 - (1) Printing of tickets used in any game;
 - (2) Any goods or services involving:
 - A. The receiving or recording of number selections in any game; or
 - B. The determination of winners in any game;
 - (3) Video devices or other gaming equipment not included as a sensitive procurement;
 - (4) The use of a patented game or game product;
 - (5) Accounting systems or surveillance systems to be used in the Tribes gaming activities;
 - (6) A contract that provides for, or the terms of which will make necessary, a continuing relationship over time (more than thirty (30) days) between the parties; or
 - (7) A contract that involves or requires commitments by either party to the contract such that there would be substantial financial consequences to one of the parties if the contract or procurement action was terminated prematurely. For this purpose a contract involving consideration or value of \$100,000 or more shall be deemed to involve substantial financial consequences to one of the parties if the contract or procurement action was terminated prematurely.
- (b) Sensitive procurement, which includes, but is not limited to, any acquisition, activity, transaction or contract, for gaming equipment that is not a Major procurement, or any other products that are not used directly in the conduct of gaming, but that directly affect the integrity, security, honesty and fairness of the operation and administration of the Tribes gaming activities, such as replacement parts for VLT's (bill acceptors, printers), locks and keys for secure storage areas or gaming devices, or individual surveillance cameras.

Video Lottery Terminal

Any electronic or other device, contrivance or machine where the game outcome decision-making portion of the overall assembly is microprocessor controlled wherein the ticket or game outcome is displayed on a video display screen, electronically controlled physical reels, or other electronic or electro-mechanical display mechanism and that is available for consumer play by one player at a time at the device upon payment of any consideration, with winners determined by the application of the element of chance and the amount won determined by the possible prizes displayed on the device and which awards game credits. Such device shall also display both win amounts and current credits available for play to the player.

VLT

Video lottery terminal.

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Wager

Cash, chips, or a coupon placed as a bet on a game.

Weapons

Any device or instrument that has, or may appear to have, a purpose of inflicting harm to the body or property of another person, including:

- (a) Firearms, air guns or rifles;
- (b) Knives with a four-inch or longer blade or knives with projecting or swing blades, dirks, daggers or ice picks;
- (c) Explosive or incendiary devices;
- (d) Slingshots;
- (e) Metal knuckles;
- (f) Billies, batons or blackjacks;
- (g) Tear gas;
- (h) Chemical or pepper sprays; or
- (i) Any electrically charged device designed to incapacitate.

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SUBCHAPTER 1 - GENERAL PROVISIONS

2.1.1 License requirements.

- (a) In accordance with the provisions of the Compact and Ordinance, all gaming operation personnel and any person seeking to conduct, operate, or manage any gaming activity on Tribal lands, whether as an owner, operator, vendor or within the scope of a contractual agreement, shall apply for, and receive, all applicable licenses from the Commission prior to engaging in gaming activities.
- (b) Engaging in activities without first obtaining the required license, or after the license has expired, been rescinded, suspended or revoked, shall be deemed a violation of the Ordinance and the Regulations.
- (c) Class III license applications may be subject to OSP review.
- (d) Approval of a license by the Commission constitutes an agreement on the part of the licensee to be bound by the Regulations as the same now are or hereafter may be amended or promulgated.
- (e) All licensees shall immediately notify the Director of any changes to physical or mailing address.
- (f) All licensees shall immediately report to the Director any event or occurrence that may affect the licensee's suitability to hold a license.

2.1.2 Application provisions.

- (a) An applicant for a license is seeking the granting of a privilege, and accordingly:
 - (1) Assumes the burden of proving qualifications to receive any license;
 - (2) Accepts any risk of adverse public notice, embarrassment, criticism, financial loss, or other action, which may result with respect to an application, and expressly waives any claim for damages as a result thereof;
 - (3) Acknowledges that the Commission may rely upon information obtained during a confidential background investigation, conducted in accordance with the provisions of this Chapter, and that the applicant shall not have any right to see or otherwise obtain or access such information; and
 - (4) May claim any privilege afforded by the Constitution of the Tribe in refusing to answer questions by the Commission; however, a claim of privilege with respect to any testimony or evidence pertaining to an application may constitute sufficient grounds for denial.
- (b) An application for a license shall constitute the applicant's request to the Commission for a determination of the applicant's suitability for licensing.
- (c) All application forms shall be approved by the Commission and shall contain and be supplemented by information as may be required including, but not limited to:
 - (1) Authorizations and releases;
 - (2) Personal and financial disclosures;
 - (3) Current photograph;
 - (4) The results of a drug test; and
 - (5) Fingerprints.
- (d) All applicants shall disclose to the Commission, at a minimum, the following information:
 - (1) Personal data;
 - (2) Residential addresses for the past ten years;

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- (3) Employment history for the past ten years;
 - (4) All languages spoken or written;
 - (5) Names and current addresses of three personal references, including references acquainted with the applicant during each period of residence listed under Section (d)(2) above;
 - (6) Current business and residence telephone numbers;
 - (7) Any ownership interest in a business and employment positions held for the previous ten (10) years;
 - (8) A description of any existing and previous business relationships with Indian Tribes, including ownership interests in those businesses;
 - (9) A description of any existing and previous business relationships with the gaming industry in general, including ownership interests in those businesses;
 - (10) Licensing information including:
 - A. All licenses issued or denied and disciplinary actions taken by any licensing authority;
 - B. Name and address of any licensing authority where the applicant has filed an application for a license or permit related to gaming, whether or not a license or permit was approved; and
 - C. Name and address of any licensing authority with which the applicant has filed an application for an occupational license or permit, whether or not such license or permit was approved;
 - (11) All criminal proceedings, including arrests, except for minor traffic offenses, to which the applicant has been a party, including charge, location, agency and disposition; and
 - (12) Any other information the Commission shall deem relevant.
- (e) Each applicant, licensee or vendor control person shall promptly report to the Director any events, occurring subsequent to the date of the original application, which may reflect upon their suitability to be licensed.

2.1.3 False, ambiguous or misleading statements by applicants.

- (a) All information provided by an applicant shall be true, complete, unambiguous and not misleading.
- (b) It is grounds for denial of an application or disciplinary action for any applicant to submit an application, which contains:
 - (1) Any untrue statement of material fact; or
 - (2) Any unclear, ambiguous or misleading information.
- (c) An applicant shall promptly supply by amendment, prior to the date of the Commission action sought by such application, any information based on facts occurring after the original application so as to make such information accurate and unequivocal as of such date.

2.1.4 Withdrawal of application.

A request for withdrawal of an application may be made by the applicant at any time prior to the licensing decision by the Commission by filing a written request with the Director. The Director shall either grant or deny the request.

2.1.5 Background investigations.

- (a) In determining an applicant's suitability for licensing, the Director shall cause a background investigation of the applicant to be conducted, which shall remain confidential and not be disclosed to the applicant or any other parties, except as

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authorized by the licensee, or when required by order of a court of competent jurisdiction, or applicable law.

- (b) The Director may cause background investigations to be conducted on any licensee at any time during the term of licensure, which may include requests for additional information and documentation.

2.1.6 Suitability determinations.

- (a) No license shall be approved unless and until the applicant has satisfied the Commission that the applicant is a person:
 - (1) Of good character, honesty, and integrity; and
 - (2) Whose background, reputation and associations shall not result in adverse publicity for the Tribe and the gaming operation.
- (b) In determining whether to approve a license the following factors shall be considered:
 - (1) Any arrest or conviction of the applicant for:
 - A. Any crime in any jurisdiction;
 - B. A felony in any jurisdiction within the ten (10) year period preceding the date of license application; and
 - C. A gambling offense in any jurisdiction;
 - (2) Any civil judgment against the applicant within the ten (10) year period preceding the date of license application, when such judgment is based in whole or in part upon conduct that, if sustained in a criminal proceeding, would constitute a felony crime or a gambling offense;
 - (3) Any failure to disclose any material fact to the Commission, OSP or other authorized agencies during initial or subsequent background investigations;
 - (4) Any misstatement or untrue statement of material fact as determined by the Commission;
 - (5) Any association in a direct business relationship, whether as a partner, joint venture participant or employer, with any other person who has committed a felony, or a crime involving unlawful gambling, under the law of any federal, state or tribal jurisdiction;
 - (6) Any interest in an enterprise held by a person who is otherwise ineligible for licensing, regardless of the qualifications of the applicant;
 - (7) Employment by/of another person who has committed a felony, or a crime involving unlawful gambling, under the law of any federal, state or tribal jurisdiction, if the applicant was in any way involved in the criminal activity as it occurred;
 - (8) Any association with persons or businesses of known criminal background, or persons of disreputable character;
 - (9) Result of any required drug test;
 - (10) Any outstanding warrants for the applicant's arrest;
 - (11) Applicant's past conduct which may reflect upon the applicant's suitability;
 - (12) Other factors necessary to determine the suitability of the application being considered; and
 - (13) Any mitigating factors, such as:
 - A. Nature and severity of the conduct that constituted the offense or crime;
 - B. Time that has passed since satisfactory completion of the sentence, probation or payment of the fine imposed;
 - C. Number of offenses or crimes; or
 - D. Any extenuating circumstances that reduce the impact of the offense or crime.

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2.1.7 Limited and conditional licenses.

- (a) The Commission may limit a license to a specified period of time.
- (b) The Commission may impose licensing conditions.
 - (1) Such conditions shall constitute official notice to the applicant that the license shall be contingent upon the fulfillment of the said conditions.
 - (2) Failure of the licensee to comply with conditions may result in the Commission setting aside its original licensing decision. Upon such action by the Commission, the licensee returns to the status of a new applicant subject to a new licensing decision.

2.1.8 Denial of license.

If an application has been denied, the applicant is not eligible to reapply until after expiration of one (1) year from the date of such denial, unless the Commission determines that the denial is without prejudice as to delay in reapplication.

2.1.9 Notification to applicant or licensee

The Director shall issue written notification informing the applicant or licensee of any licensing decision as follows:

- (a) Within five (5) days when the decision is to deny a license;
- (b) In all other licensing decisions, within ten (10) days.

2.1.10 Hearings and appeals.

- (a) Should an applicant disagree with the denial of or conditions imposed upon a license, the applicant may request a hearing before the Commission by submitting a written request to the Director not later than seven (7) days after receipt of notification from the Director of the Commission's decision.
- (b) At the discretion of the Chair:
 - (1) A special meeting may be called to hear the applicant's appeal; or
 - (2) The applicant's appeal shall be heard at the next Executive Session.
- (c) Upon hearing the applicant's appeal, the Commission shall affirm, modify or reverse its initial licensing decision.
- (d) Decisions of the Commission are final with no right of appeal.

2.1.11 Issuance and term of license.

- (a) Licenses are the property of the Commission and shall be returned to the Director upon deactivation, suspension, revocation or expiration.
- (b) Each individual issued a license shall display the license on their person while officially engaged at the gaming facility unless alternate arrangements are made and approved by the Director.
- (c) The term of any license shall not exceed three (3) years, and the license shall expire at the end of the license term unless renewed by the Commission in accordance with this Chapter.

2.1.12 Review of initial licensing decision.

- (a) If the Director determines there is cause based upon the results of a background investigation or otherwise, the Director may request that the Commission review its initial licensing decision.
- (b) The Commission shall either affirm, modify or reverse its initial licensing decision.
- (c) The licensee may appeal the Commission's decision in accordance the Section 2.1.10.

SUBCHAPTER 2 - GAMING OPERATION

2.2.1 Licensing provisions.

- (a) No license shall be approved unless the Ordinance specifically authorizes the type of activity and facility described and proposed by the applicant.
- (b) Each member or officer of the governing body of the gaming operation shall be licensed as a Primary Management Official and shall meet the suitability criteria described in Section 2.1.6.
- (c) The Commission shall additionally consider demonstrated business competence, gaming experience, adequacy of proposed funding for the operation and suitability of the funding source.
- (d) The Commission may require the applicant to provide security for the payment of future wages, salaries or other obligations, either as a condition precedent to issuance or renewal of any license, or at any other time the Commission determines that such requirement would be in the public interest, and be in such form and amount as the Commission may determine.
- (e) The gaming operation license shall:
 - (1) Be issued within fourteen (14) days of initial license approval or renewal; and
 - (2) Be conspicuously displayed and available for inspection at the gaming facility.

2.2.2 Renewal of license.

- (a) Prior to the expiration date of the gaming operation license, the Director shall conduct a review that shall address the gaming operation:
 - (1) Overall compliance with the Regulations, MICS and Game Rules;
 - (2) Overall compliance with applicable federal and state laws and regulations;
 - (3) The financial condition and results of operations during the renewal period; and
 - (4) Any other issues that may affect the suitability of the gaming operation to hold a license.
- (b) A report on the gaming operation's suitability for license renewal shall be submitted by the Director to the Commission for a licensing decision at the regular General Session prior to the license expiration date.

SUBCHAPTER 3 - GAMING OPERATION PERSONNEL

2.3.1 Licensing provisions.

No license shall be approved unless the applicant has satisfied the Commission that the applicant meets the suitability criteria described in Section 2.1.6.

2.3.2 License classifications.

- (a) A Primary Management Official license is required for employees performing duties described in Chapter 1, Subchapter 2, "Primary Management Official".
- (b) A High Security license is required for employees described in Chapter 1, Subchapter 2, "High Security Employee".
- (c) A Low Security license is required for employees assigned to non-gaming activities described in Chapter 1, Subchapter 2, "Low Security Employee".
- (d) A Non-Gaming license is required for employees described in Chapter 1, Subchapter 2, "Non Gaming Employee".

2.3.3 Ineligible officials.

- (a) No license shall be approved for any person holding office in, or employed by, any agency or department of the Tribe or the state, and any of its political subdivisions, when the duties of such office or agency pertain to the enforcement of the Regulations.
- (b) The Commission may waive the prohibition contained within Section (a) if it makes a written finding that such waiver is not inconsistent with Tribal policy and the functions, duties or responsibilities of the person otherwise restricted from holding the license do not involve matters relating to the enforcement of the Regulations.
- (c) A waiver granted in accordance with this Section is applicable only to the specific matter for which it is granted and shall not be transferable to any other license applied for or held by the person otherwise prohibited from holding or being issued the same.

2.3.4 Temporary licenses.

- (a) The Director may issue a temporary license after completion of a cursory background investigation.
- (b) The Director shall decide whether to approve a temporary license based on the criteria reflected in Section 2.1.6 and may rescind such decision at any time.
- (c) The gaming operation shall not permit a person to work until written notification of licensure is received from the Commission or Director.
- (d) The temporary license shall expire and become void upon a licensing decision by the Commission, or upon withdrawal of the application by the applicant.
- (e) A temporary license shall not be valid for more than 180 days unless extended by the Commission.

2.3.5 NIGC review and objection.

- (a) The Commission's licensing decision may be subject to review by the NIGC.
- (b) If the NIGC object to the Commission's licensing decision, the Commission shall either uphold its decision, or revoke the license.

2.3.6 Renewal of license.

- (a) A completed renewal application consisting of forms approved by the Commission shall be received no later than forty-five (45) days prior to the license expiration date.
- (b) If a renewal application is not received by the required deadline, the license may be suspended by the Director.
- (c) A renewal application shall be subject to a background investigation.
- (d) A report on the licensee's suitability for license renewal shall be submitted by the Director to the Commission for a licensing decision at the Executive Session prior to the license expiration date.

2.3.7 FBI inquiry response.

- (a) Any licensing decision by the Commission prior to an FBI response shall be subject to review and/or reversal.
- (b) Upon response from the FBI, the Director shall review the response and, on the basis of the information contained therein, may request that the Commission reconsider its initial licensing decision.
- (c) Such request by the Director shall appear on the Executive Session agenda.

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2.3.8 Deactivation and reactivation of current licenses.

- (a) A license shall become inactive:
 - (1) If the licensee is not employed or retained by the gaming operation within thirty (30) days of the approval of a license; or
 - (2) Upon the termination of employment of a licensee.
- (b) Before an inactive licensee can be employed or retained by the gaming operation the inactive licensee shall submit an application to the Director as follows:
 - (1) Licensees terminated for one year or less shall submit an update application; and
 - (2) Licensees terminated for more than one year shall submit a full application.
- (c) Upon receipt of an updated application, the Director shall perform a cursory background investigation, and within thirty (30) days shall:
 - (1) Confirm reactivation of the individual's license; or
 - (2) Request the Commission to review its initial licensing decision based upon results of the background investigation, in accordance with Section 2.1.6.
- (d) The gaming operation shall not employ or retain a licensee without receipt of written notification from the Director that the license has been reactivated.

SUBCHAPTER 4 - GAMING VENDORS

2.4.1 Licensing provisions.

- (a) The gaming operation shall submit to the Director a letter of intent to conduct business with all prospective vendors.
- (b) No license shall be approved unless:
 - (1) A background investigation has been completed by the OSP, if required; and
 - (2) The applicant meets all suitability criteria.
- (c) In addition to the suitability criteria described in Section 2.1.6, the Commission shall consider the following:
 - (1) Adequate financing of the applicant's related business; and
 - (2) Adequate business ability and experience to successfully establish, operate and maintain the related business.
- (d) In cases where the applicant is found to have had an association as described in Sections 2.1.6 (b)(5) and (b)(8), the applicant may be approved if the Commission determines that the applicant has severed any and all relationships with any individual that would jeopardize the application.
 - (1) For purposes of this Section, a relationship has been severed if:
 - A. The person has no continuing influence or connection with the direction or control of any aspect of the business of the applicant; and
 - B. The person is no longer employed by the applicant in any capacity.
 - (2) The burden of satisfying the Commission that a relationship has been severed is upon the applicant.
- (e) Applicant ownership, manufacture, possession, operation of or income involving electronic gaming devices in any jurisdiction shall be disclosed to the Commission.
- (f) No license may be approved for any applicant who has been or is involved in the unlawful operation of gaming in any jurisdiction.
- (g) The Commission shall not take final action to approve any license unless all application and investigative fees and costs have been paid in full.

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- (h) Prior to conducting business with the gaming operation, a completed contract shall be submitted to the Director that includes a provision requiring the parties abide by all applicable laws, regulations, rules and requirements of governmental authorities, including without limitation, the IGRA, the Compact, the Ordinance, the Regulations, MICS and Game Rules, and any additional language as may be required by the Commission.

2.4.2 Application provisions.

In addition to the application provisions described in Section 2.1.2, the following is required:

- (a) All prospective vendors and vendor control persons shall provide all personal and business information required by the Director;
- (b) On an annual basis, a vendor shall submit to the Director all requested information including:
 - (1) An audited or reviewed financial statement prepared by a licensed certified public accounting firm, unless waived by the Director;
 - (2) Federal tax return;
 - (3) All filings with any gambling or gaming control agency;
 - (4) All filings with the Security and Exchange Commission, if applicable; and
 - (5) Any other documentation the Director shall require.

2.4.3 Temporary licenses.

- (a) The Commission may approve a temporary license pending completion of a background investigation and may rescind such decision at any time.
- (b) In no event shall the Commission issue a temporary license until all investigative, and application fees, have been received by the Commission and the OSP when required, and the application submitted.
- (c) The temporary license shall expire and become void upon a licensing decision by the Commission.
- (d) A temporary license shall not be valid for more than 180 days unless extended by the Commission.

2.4.4 Application and licensing fees.

- (a) Each applicant shall:
 - (1) Submit with the application a non-refundable application fee equal to the annual licensing fee; and
 - (2) In addition to the application fee paid, submit any supplementary investigative fees required by the Director to be paid.
- (b) The licensing fee is for one year from the date of issuance, and shall be paid at least sixty (60) days before the license expiration date. All license fees are nonrefundable and due upon receipt of the license.
- (c) The Commission shall set fees based upon vendor classification and publish changes to the fee schedule which shall become immediately effective for new applicants and effective the following year for all other vendors.

2.4.5 Notification to Director.

The vendor shall immediately notify the Director of:

- (a) A transfer of a controlling interest in the vendor;
- (b) Any issues that may affect:
 - (1) The suitability of the vendor to hold a license; or
 - (2) The suitability of a control person; or
- (c) Deficiencies in any game that may affect the fairness and integrity of the game.

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2.4.6 Renewal of license.

- (a) A completed renewal application shall be submitted by the vendor no later than sixty (60) days prior to the license expiration date and shall consist of:
 - (1) Company and control person disclosures; and
 - (2) Annual information in accordance with Section 2.4.2.
- (b) If a renewal application is not received by the required deadline the license may be suspended by the Director.
- (c) A background investigation on all renewal applications shall be conducted by the Director.
- (d) A report on the vendor's suitability for license renewal shall be submitted by the Director to the Commission for a licensing decision at the next regular Executive Session prior to the license expiration date.

2.4.7 Deactivation and reactivation of current licenses.

- (a) At any time prior to the expiration of the license, a licensee may request that the Director deactivate the license.
- (b) The Director shall deactivate the license if there is no pending disciplinary action or known cause for disciplinary action to be taken.
- (c) Before an inactive licensee can conduct business with the gaming operation the inactive licensee shall submit an application to the Director as follows:
 - (1) Licensees inactive for one year or less shall submit an update application; and
 - (2) Licensees inactive for more than one year shall submit a full application.
- (d) Upon receipt of an updated application, the Director shall perform a cursory background investigation, and shall within thirty (30) days:
 - (1) Confirm reactivation of the vendor's license; or
 - (2) Request the Commission to review its initial licensing decision based upon results of the background investigation, in accordance with Section 2.1.6.
- (e) The gaming operation shall not conduct any business with a licensee without receipt of written notification from the Director that the license has been reactivated.

SUBCHAPTER 5 - GROUNDS FOR DISCIPLINARY ACTION

2.5.1 Violation of law.

Any direct or indirect act or omission of a licensee that violates any provision of the Compact, Ordinance, Regulations, MICS, Game Rules or applicable federal, state, or local laws and regulations is grounds for disciplinary action.

2.5.2 Failure to meet suitability requirements.

The failure of a licensee to meet any suitability requirements provided in the Regulations is grounds for disciplinary action.

2.5.3 Failure to provide accurate information.

It is grounds for disciplinary action for a licensee to fail to disclose complete or accurate information, or mislead, in providing:

- (a) Any document requested by the Commission or Director; and
- (b) Statements made to the Commission or Director during any investigative process.

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CHAPTER 2: LICENSING

2.5.4 Noncompliance with condition of licensure.

The failure of a licensee to comply with a condition of licensure is grounds for disciplinary action.

2.5.5 Failure to pay fines.

The failure of a licensee to pay a fine assessed by the Commission is grounds for disciplinary action.

2.5.6 Unsuitable methods of operation.

Acts or omissions of the gaming operation that may be determined to be unsuitable methods of operation and grounds for disciplinary action include, but are not limited to:

- (a) Failure to exercise discretion and sound judgment to prevent incidents, which may reflect unfavorably on the repute of the Tribe;
- (b) Catering to, assisting, employing or associating, either socially or in business affairs, with persons who have:
 - (1) Been convicted of cheating in any jurisdiction;
 - (2) Notorious or unsavory reputations;
 - (3) Extensive criminal records;
 - (4) Defied Congressional investigative committees, or other officially constituted bodies acting on behalf of the United States, or any state or tribe;
 - (5) Associated with or support subversive movements; or
- (c) Failure to conduct gaming activities in accordance with proper standards of custom, decorum and decency.

2.5.7 Criminal arrests.

A criminal arrest, even though the licensee's rights and remedies may not have been exhausted, is grounds for disciplinary action if:

- (a) The charge is a felony; or
- (b) Because of the nature of the charge, or the position held, the licensee would jeopardize the integrity of gaming or security of Tribal assets.

2.5.8 Miscellaneous.

The following activities on the part of a licensee are grounds for disciplinary action:

- (a) Any activity determined by the Commission or Director to jeopardize the integrity, security, honesty or fairness of the gaming operation;
- (b) Any activity determined by the Commission or Director to be contrary to the public health, safety, morals, good order, or general welfare of the Tribe or state;
- (c) Any activity determined by the Commission or Director that would reflect or tend to reflect discredit upon the Tribe or the gaming industry; or
- (d) Any activity determined by the Commission or Director to jeopardize the security of Tribal assets.

CHAPTER 3: DISCIPLINARY ACTION AND HEARING PROCEDURES

SUBCHAPTER 1 - ACTION BY THE DIRECTOR

3.1.1 **Disciplinary action.**

- (a) The Director may take disciplinary action against a licensee if the Director finds that there are grounds for disciplinary action in accordance with Chapter 2, Subchapter 5 of the Regulations.
- (b) The Director may take any of the following disciplinary actions or combination of the following disciplinary actions:
 - (1) Issue a warning;
 - (2) Demand corrective action;
 - (3) Suspend the license;
 - (4) Petition the Commission for revocation of the license; or
 - (5) Petition the Commission for the assessment of a fine.

3.1.2 **Notice of Violation.**

- (a) The Director shall initiate disciplinary action through the issuance of a "Notice of Violation".
- (b) The "Notice of Violation" shall include the following:
 - (1) Description of the violation prompting the notice;
 - (2) The action taken or to be taken by the Director;
 - (3) Time period for a written response if the action taken or to be taken is for a warning or demand for corrective action;
 - (4) Rescinded – August 2007
- (c) The Director shall serve the Notice of Violation by registered or certified mail, or may refer the Notice of Violation to an agent for personal service. Proof of service shall be provided by a certificate or affidavit of service which shall be signed by the person effecting service and which shall specify the date and manner of service.

3.1.3 **Rescinded – August 2007**

3.1.4 **Action of the Director.**

- (a) When the Director has suspended a license, the Director shall either:
 - (1) Rescind the suspension of the license upon licensee's compliance, or making provisions for compliance with the terms of licensure within the time frame provided on the Notice of Violation;
 - (2) Rescind the suspension of the license for other good cause;
 - (3) Rescind the suspension of the license and request the Commission review its initial licensing decision in accordance with Section 2.1.6; or
 - (4) Petition the Commission for revocation of the license.
- (b) When the Director has issued a notice of intent to petition the Commission for the assessment of a fine, the Director shall either:
 - (1) Withdraw the notice of intent to petition the Commission for the assessment of a fine; or
 - (2) Proceed to petition the Commission for the assessment of a fine.
- (c) The Director shall serve a copy of the petition upon the licensee not later than fourteen (14) days after the service of the Notice of Violation.

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- (d) If the decision of the Director is to petition the Commission for revocation of the license or to petition the Commission for the assessment of a fine, the decision shall include notice to the licensee of his right to file a written response to the petition. Such response shall be made no later than seven (7) days after receipt of notification from the Director.
- (e) The Director shall serve his decision in accordance with Section 3.2.2 below.

SUBCHAPTER 2 - HEARINGS BEFORE THE COMMISSION

3.2.1 Procedures.

Unless otherwise provided in the Regulations, all hearings before the Commission shall be heard and conducted according to the following procedures in this subchapter.

3.2.2 Service.

- (a) All pleadings, notices, and other papers shall be served by registered or certified mail, or by personal service.
- (b) Proof of service shall be provided by a certificate or affidavit of service which shall be signed by the person effecting service and which shall specify the date and manner of service.

3.2.3 Initiation of hearing procedure: Notice of Hearing.

- (a) Any proceeding shall be initiated by the filing of a petition.
- (b) The respondent may file and serve a written response within seven (7) days after being served with a copy of the petition.
- (c) Upon the filing of a petition, the Commission shall determine the date of the hearing, which shall be the next regularly scheduled Executive Session which is at least ten (10) days after the time for respondent to file and serve a written response to the petition has expired. An extension of the hearing date may be granted at the request of one of the parties.
- (d) Notice of the hearing date, time and place shall be served by the Commission on each of the parties at least ten (10) days before the hearing.
- (e) All Commission hearings shall be presided over by the Commission Chair.

3.2.4 Appearances.

Parties to proceedings governed by this Subchapter may appear personally or through an attorney or other representative, at the party's expense. The Commission must be notified seven (7) days in advance of any attorney or other representative that will be appearing in such proceedings. Attorneys shall be a licensed member of the Oregon bar.

3.2.5 Conduct of hearing.

- (a) Unless the Chair reasonably determines that a different procedure is appropriate, the hearing shall be conducted in accordance with the following procedures:
 - (1) The petitioner may present an opening statement on the merits and the respondent may then make an opening statement of the defense, or he may reserve the same until commencement of the presentation of the defense.
 - (2) The petitioner shall then present his case in chief in support of the petition.

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CHAPTER 3: DISCIPLINARY ACTION AND HEARING PROCEDURES

- (3) Upon conclusion of the petitioner's case in chief, the respondent may move for dismissal of the petition. The Commission may grant, deny, or reserve decision on the motion, with or without argument.
 - (4) If no motion to dismiss is made, or if such motion is denied or decision is reserved thereon, the respondent shall then present his case in defense.
 - (5) Upon conclusion of the respondent's case, the petitioner may present rebuttal evidence.
 - (6) After the presentation of the evidence by the parties, the petitioner may present a closing argument. The respondent may then present a closing argument and the petitioner may then present a rebuttal argument. Thereafter the matter shall stand submitted for decision.
- (b) All or part of the hearing may be conducted by telephone at the discretion of the Commission Chair.
 - (c) Unless otherwise ordered by the Chair, the parties may submit written memorandum of points and authorities at any time before the hearing. The Chair may order or allow the parties to file written memoranda of points and authorities after the conclusion of the hearing.
 - (d) Oral evidence may be taken only upon oath or affirmation.
 - (e) Affidavits may be received in evidence if ruled admissible by the Chair.
 - (f) Each party may:
 - (1) Call and examine witnesses;
 - (2) Introduce exhibits relevant to the issue of the case;
 - (3) Cross-examine opposing witnesses on any matter relevant to the case, even though the matter was not covered in a direct examination;
 - (4) Impeach any witness, regardless of which party first called the witness to testify; and
 - (5) Offer rebuttal evidence.
 - (g) If a party does not testify on his own behalf he may be called and examined as if under cross-examination.

3.2.6 Admissibility of evidence.

- (a) The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence may be admitted and is sufficient in itself to support a finding if it is the sort of evidence on which reasonable persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any rule which might make improper the admission of such evidence over objection in a civil action.
- (b) Irrelevant and unduly repetitious evidence should not be admitted.

3.2.7 Subpoenas.

At the request of a party, subpoenas may be issued by the Chair.

3.2.8 Discovery.

No discovery shall be permitted except upon a finding by the Commission of good cause justifying the discovery sought.

3.2.9 Official notice.

The Chair may take official notice of any generally accepted information or technical or scientific matter within the field of gaming, and of any other fact that may be judicially noticed. The parties shall be informed of any information; matters or facts so noticed and shall be given a reasonable opportunity, on request, to refute such

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information, matters or facts by evidence or by written or oral presentation of authorities. The manner of such refutation shall be determined by the Chair.

3.2.10 Amended or supplemental pleadings.

The Chair may, before submission of the case before decision, permit the filing of an amended or supplemental petition or response, including an amended or supplemental pleading that conforms to the evidence presented during the hearing. A request for permission to file an amended or supplemental pleading may be made orally during the hearing or in writing. If the request is in writing, a copy shall be served on the opposing party. The Chair thereafter shall provide the opposing party a reasonable opportunity to make objections thereto. If an application for leave to file an amended or supplemental pleading is granted, the Chair shall permit the parties to introduce additional evidence with respect to any new matter described in the pleading.

3.2.11 Continuances.

Continuances of the hearing date may be granted by the Chair upon a showing of good cause by the party requesting the continuance.

3.2.12 Communications with the Commission.

- (a) Unless required for the disposition of ex parte matters:
 - (1) Neither party nor his representative shall communicate, directly or indirectly, with any Commission member regarding any matter related to the hearing, except upon notice and opportunity to all parties to participate and upon the authority of the Chair; and
 - (2) A Commission member shall not communicate, directly or indirectly, with any party or his representative regarding any matter related to the hearing, except upon notice and opportunity to all parties to participate and upon the authority of the Chair.
- (b) This Section does not preclude any Commission member from consulting with Commission counsel concerning any matter related to the hearing.

3.2.13 Default.

- (a) The unexcused failure of a party to appear at the hearing may constitute a default and an admission of any facts that may have been alleged by the opposing party. The Commission may take action based on such default or admission or any other evidence without further notice to the defaulting party.
- (b) If the Commission takes action based on an admission, the record shall include the evidence upon which the action is based.

3.2.14 Contempt.

If any person in proceedings before the Commission under this Section disobeys or resists any lawful order or refuses to respond to a subpoena, or refuses to take the oath or affirmation as a witness, or thereafter refuses to be examined, or is guilty of misconduct during the hearing or so near the place thereof as to obstruct the proceeding, the Commission may certify the facts to the Tribal Court and request that the Court issue an order directing the person to appear before the Court and show cause why he should not be punished for contempt. The application for citation for contempt shall be served on the person cited to appear.

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3.2.15 Burden of proof.

The petitioner bears the burden of proof and the standard shall be a preponderance of the evidence.

3.2.16 Decision of the Commission.

- (a) After the hearing, the Commission shall render a written decision on the merits.
- (b) The decision of the Commission shall contain findings of fact and conclusions of law.
- (c) A copy of the decision shall be served on each party. The decision is effective and final upon service on all parties, unless otherwise ordered by the Commission. If the decision is sent by mail, it shall be presumed to have been served five (5) days after it is mailed.
- (d) All decisions of the Commission are final and not subject to appeal.

3.2.17 Revocation of license.

If a license is revoked, the licensee is not eligible to apply again for licensing until after expiration of one (1) year from the date of such revocation, unless the Commission determines that the revocation is without prejudice as to delay in reapplication.

CHAPTER 4: GAMING OPERATION STANDARDS AND REQUIREMENTS

SUBCHAPTER 1 - PROHIBITIONS

4.1.1 **Games not approved by the Commission.**

The gaming operation shall not conduct any game unless approved by the Commission in accordance with Chapter 6.

4.1.2 **Gaming by licensees and vendor representatives at the gaming facility.**

- (a) Employed licensees shall not play or wager on any table game unless waived by the Director.
- (b) Primary Management Officials and Security Personnel shall not play or wager on any game unless waived by the Director.
- (c) Persons licensed as VLT technicians, their supervisors or vendor representatives shall not play or wager on any VLT game manufactured or provided by the company they represent unless waived by the Director.
- (d) No member of the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians Gaming Commission, members of the Gaming Facility Operation Review Board (GFORB), or the Gaming Commission Staff shall play or wager on any game at the Three Rivers Casino.

4.1.3 **Cheating and deception.**

It is prohibited to:

- (a) Possess or permit to remain in the gaming facility any game equipment, mechanical device or any other cheating device, the use of which is not allowed by statute, ordinance or regulation;
- (b) Conduct, carry on, operate or deal any cheating or thieving game or device in the gaming facility, either knowingly or unknowingly, which:
 - (1) May have in any manner been marked, tampered with or otherwise placed in a condition, or operated in a manner, which tends to deceive the public or which might make the game more liable to win or lose; or
 - (2) Tends to alter the normal random selection criteria, which determine the results of the game;
- (c) Provide misleading or deceiving information on any payoff schedule or award card, or fail to make payment in strict accordance with posted payoff schedules or award cards.

4.1.4 **Unlicensed personnel and vendors.**

It is prohibited to employ any individual or engage in any business transaction with any vendor who is not licensed in accordance with the Regulations.

4.1.5 **Drop box removal.**

The removal and count of drop box contents at times other than previously reported to the Director are prohibited unless the gaming operation provides advance written notice to the Director of a change in drop/count times or in the case of an emergency.

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CHAPTER 4: GAMING OPERATION STANDARDS AND REQUIREMENTS

4.1.6 Credit.

- (a) Except as provided by Section (b) of this section, no person shall be extended credit for gaming nor shall the gaming operation permit any person or organization to offer such credit for a fee.
- (b) This Section shall not apply to:
 - (1) Credits won by players who activate play on video games of chance after inserting coins or currency into the games;
 - (2) Any retail business of the gaming operation or any other person or organization offering check cashing or installing and accepting bank card or credit card transactions, in the same manner as is permitted at any retail business;
 - (3) The gaming operation cashing checks issued and authorized by a provider of cash advance services through point-of-sale terminals, cashiers checks, travelers check or money orders in which payment is guaranteed;
 - (4) The acceptance of credit cards as payment for reserved seating events, as approved by the Commission.
 - (5) The acceptance of a personal check from a non-profit organization or a political subdivision for a bingo fundraiser event.

4.1.7 Chip redemption.

- (a) Chips shall not be accepted as payment for goods or services offered at the gaming facility with the exception of the specific use for which the chips were issued, and shall not be given as change in any other transaction.
- (b) Chips shall not be redeemed if presented by a person who the licensee knows, or reasonably should know, is not a patron.
- (c) Chips shall not be used for any other purpose than for which they were approved.

4.1.8 Photography and videotaping.

Photography and videotaping is prohibited in gaming areas, except as authorized by the Director.

4.1.9 Electronic communication devices.

Patron use of electronic communication devices is prohibited in gaming areas, except in the VLT area, Keno room and Bingo room.

4.1.10 Gaming by persons under the age of twenty-one (21).

- (a) No person under the age of twenty-one (21) years of age shall wager on or play any game.
- (b) Except as provided by Section 4.8.1, no person under the age of twenty-one (21) shall be permitted in the immediate area where gaming is being conducted.
- (c) If any person under the age of twenty one (21) plays and otherwise qualifies to win any gaming prize or compensation, the prize or compensation shall not be paid.
- (d) VLT's, and electronic player stations, shall be monitored by the gaming operation's personnel to prevent access or play by persons under the age of twenty one (21).

4.1.11 Alcohol.

- (a) Alcoholic beverages shall not be served free or at a reduced price to any person at the gaming facility as an inducement to participate in any gaming activity.

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CHAPTER 4: GAMING OPERATION STANDARDS AND REQUIREMENTS

- (b) Visibly intoxicated persons shall not be permitted to participate in gaming activity.
- (c) Should Tribal government amend the Ordinance allowing the service or consumption of alcohol in any gaming area, the gaming operation shall agree to abide by the terms and conditions contained within the Liquor Ordinance.

4.1.12 Weapons.

Possession of weapons are prohibited at the gaming facility, with the exception of federal, state, county, municipal, tribal law enforcement officers, security personnel, or armed couriers in performance of their official duties.

4.1.13 Gratuities.

The following licensed personnel are prohibited from soliciting or accepting any tip or gratuity from any patron:

- (a) Administrative personnel;
- (b) Surveillance Department personnel;
- (c) Internal Audit Department personnel;
- (d) Host Personnel;
- (e) Table Games and Players Club Personnel in any management or supervisory capacity;
- (f) All other Personnel in any management capacity.

4.1.14 Excluded individuals.

Allowing any individual that has been excluded by the Director into the gaming facility is prohibited.

4.1.15 Shills and proposition players.

- (a) Shills are prohibited at the gaming facility.
- (b) Proposition players shall not be allowed unless:
 - (1) Gaming operation policies and procedures contain any related restrictions required by the Director; and
 - (2) A sign is posted and clearly visible from each card table stating that proposition players are allowed by the Regulations and shall be identified by management upon request.

4.1.16 Wagering

Any wager at any game other than a permissible wager allowed by the Game Rules is prohibited.

4.1.17 Gifts

On occasions licensed personnel will receive a gift from vendor's or guests. Licensed personnel are required to disclose the receipt of all gifts to management, who will determine the correct disposition of the gift. Generally licensed personnel will be allowed to keep gifts valued at under \$50.

SUBCHAPTER 2 - PUBLIC NOTICES

- 4.2.1 Public notice governing conduct of patrons and employees.**
Signs shall be conspicuously posted at all main entrances of the gaming facility that contain the prohibitions in Sections 4.1.8 - 4.1.12.
- 4.2.2 Use of chips.**
Conspicuous signs shall be posted notifying patrons that federal and tribal laws prohibit the use of chips outside the gaming facility for any monetary purpose whatsoever, and that chips are the sole property of the gaming operation.
- 4.2.3 Evacuation plans.**
Evacuation plans shall be posted in locations conspicuous to the public and consistent with contemporary public safety standards.
- 4.2.4 Licenses and permits.**
Any license or permit required by law or regulation shall be posted in accordance with applicable provisions of such law or regulation.

SUBCHAPTER 3 - ACCESS REQUIREMENTS

- 4.3.1 Commission.**
- (a) Any Commission member or agent shall be given immediate access to any portion of the gaming facility.
 - (b) The gaming operation shall make available to any Commission member or agent upon request for purposes of examining or copying, if necessary:
 - (1) All records pertaining to the operation, management, and regulation of gaming;
 - (2) Computer systems and data files; and
 - (3) Gaming activities and related equipment.
- 4.3.2 Oregon State Police.**
The gaming operation shall make available to any OSP officer, upon request and presentation of appropriate identification and in cooperation with the Commission, all areas of the gaming operation and all records pertaining to the operation, management, and regulation of Class III gaming for inspection and provide copies of pertinent documents if requested. Any and all documents:
- (a) Shall at all times remain property of the Tribe and shall not be subject to disclosure;
 - (b) Shall be returned to the Commission immediately after use, in accordance with the Compact; and
 - (c) Are confidential and shall, without exception, be marked clearly and legibly, as follows:
“CONFIDENTIAL - These materials are confidential and shall remain at all times the property of the Confederated Tribes of Coos, Lower Umpqua & Siuslaw Community of Oregon. These materials shall be returned to the Confederated Tribes of Coos, Lower Umpqua & Siuslaw, immediately after the use for which they were obtained. These materials shall not be duplicated and/or disclosed to any other party without the Tribe’s permission.”

SUBCHAPTER 4 - CASHIER CAGES AND COUNT ROOM

4.4.1 Cashier cages.

- (a) Cashier cages shall be constructed on or near the gaming floor.
- (b) Each cage shall be designed and constructed to provide maximum security for cage activities and assets.
- (c) Each cage shall be a fully enclosed structure with openings through which items such as chips, cash and documents can be passed.
- (d) Each cage shall be accessible through a mantrap, or other secure entry as approved by the Director.
- (e) Each cage ceiling shall be constructed or secured to prohibit access.
- (f) Each cage shall have a manually triggered silent alarm system immediately available to each cashier and directly connected to the Surveillance Department.

4.4.2 Count room.

- (a) The gaming facility shall have a count room designed for counting drop box contents.
- (b) The count room shall:
 - (1) Be designed and constructed to provide maximum security for the count;
 - (2) Be equipped with a door with a lock securing the interior of the count room;
 - (3) Be hardwired and supported by an Uninterrupted Power Supply (UPS). Have an emergency lighting system that is battery powered shall be available as a back up to the UPS system; and
 - (4) Have painted walls and floor colors that contrast with the color of currency.
- (c) Count room tables shall be constructed of clear glass or similar transparent material.

SUBCHAPTER 5 - SECURITY AND SURVEILLANCE

4.5.1 Gaming operation security.

The gaming operation shall provide for the security of the patrons, employees and gaming facility through comprehensive policies and procedures and adequate personnel.

4.5.2 Safety and health.

The Gaming Operation shall:

- (a) Comply with all applicable federal, state, local, tribal; safety, health and environmental laws, regulations, ordinances and codes;
- (b) Ensure that construction or renovation meets federal and tribal standards and provide conforming plans to the Director;
- (c) Report to the Director no later than thirty (30) days after completion the results of health and safety inspections required by tribal standards; and
- (d) Immediately report to the Director any significant instances of non-compliance as referenced in section (a) of this section.

4.5.3 Security incident records.

A permanent record shall be created of any incidents reported to, or observed by Security Department which shall be as follows:

- (a) In indelible ink; and
- (b) In a bound notebook from which pages cannot be removed, with each side of each page sequentially numbered, including:

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- (1) Assigned number of the incident;
- (2) Date;
- (3) Time;
- (4) Nature of the incident;
- (5) Person involved in the incident; and
- (6) Security employee assigned.

4.5.4 Surveillance systems.

- (a) A surveillance system shall be installed and maintained in accordance with the CTGC Regulations and MICS.
- (b) Only individuals authorized by the CTGC shall be allowed access to the surveillance room.

4.5.5 Interference with surveillance.

Any influence over, or interference with the operation of the Surveillance Department's equipment or personnel in such a way as to hinder the Department's effective performance of its responsibilities or unauthorized access to the surveillance room is prohibited.

4.5.6 Obstruction of surveillance camera coverage.

Surveillance camera coverage required by the MICS shall not be obscured by any modifications or placement of objects. The surveillance department shall be notified prior to any modifications or the placement of objects, or moving of any gaming equipment, that affects camera coverage.

4.5.7 Surveillance system plan.

- (a) The Surveillance Director, not later than January 31st of each year, shall submit to the Director a written surveillance system plan, which shall:
 - (1) Be in a form approved by the Director;
 - (2) Include a description of all equipment utilized in the surveillance system;
 - (3) Include a blueprint or diagram that shows all of the areas to be monitored and the placement of surveillance equipment utilized in relation to the activities being observed;
 - (4) Include a description of the procedures utilized in the operation of the surveillance system; and
 - (5) Include any other system documentation as required by the Director.
- (b) Modifications to the surveillance plan shall be approved by the Director prior to implementation.
- (c) If the Director determines the plan does not comply with Section (a), the Director shall provide written notification to the Surveillance Director, and a revised plan complying with this Section shall be submitted within thirty (30) days after receipt of the Director's notice.

4.5.8 Surveillance logs.

The Surveillance Department shall maintain detailed activity logs that at a minimum include:

- (a) Sign-in logs for authorized persons;
- (b) Daily activity logs documenting all surveillance activities in the surveillance room;
- (c) Video library logs that show the storage, identification and retention information; and
- (d) Malfunction and repair logs showing all maintenance activity.

4.5.9 Surveillance inventory control

The Surveillance Department shall maintain a current inventory list of all equipment, whether in use or in storage, including:

- (a) Date purchased;
- (b) Serial number;
- (c) Model number;
- (d) Manufacturer;
- (e) Cost;
- (f) Description;
- (g) Location;
- (h) Camera number, if applicable; and
- (i) Date and method of disposal.

4.5.10 Surveillance Training Program

- (a) The Surveillance Department shall have a training program to ensure that all Surveillance staff has adequate skills and knowledge to perform their duties and responsibilities:
 - (1) Surveillance staff shall be trained in the use of equipment, games, money handling, cheating and scams, regulatory requirements, and casino policies and procedures.
 - (2) Technicians shall be trained in repair and maintenance of surveillance equipment.
- (b) The training program shall be approved by the Director.

SUBCHAPTER 6 - PLAYER DISPUTES

4.6.1 Player disputes.

- (a) The gaming operation shall put forth its best effort to resolve player disputes involving winnings.
- (b) Should the gaming operation be unable to resolve a player dispute involving winnings equal to or greater than \$500, the gaming operation shall immediately contact the Director.
 - (1) The Director shall perform an investigation and render a written decision within thirty (30) days.
 - (2) The Director shall serve a copy of the decision by registered or certified mail, or may refer the decision to an agent for personal service. Proof of service shall be provided by a certificate or affidavit of service which shall be signed by the person effecting service and which shall specify the date and manner of service.
 - (3) Should the player or the gaming operation disagree with the Director's decision, either may file a petition for review with the Commission in accordance with Chapter 3, Subchapter 2, within seven (7) days from the date of receipt of the Director's decision.
- (c) Should the gaming operation be unable to resolve a player dispute involving winnings less than \$500, the gaming operation shall inform the player that a complaint may be filed with the Director within five (5) days of the dispute, and provide the player with the Director's address, telephone number and regular office hours.
 - (1) Upon receipt of a complaint, the Director shall perform an investigation and render a written decision within thirty (30) days;

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- (2) The Director shall serve a copy of his decision by registered or certified mail, or may refer the decision to an agent for personal service. Proof of service shall be provided by a certificate or affidavit of service which shall be signed by the person effecting service and which shall specify the date and manner of service;
- (3) Should the player or the gaming operation disagree with the Director's decision, either may file a petition for review with the Commission under the provisions of Chapter 3, Subchapter 2, within seven (7) days from the date of receipt of the Director's decision.

SUBCHAPTER 7 - EXCLUDED INDIVIDUALS

4.7.1 Exclusions by the Director.

- (a) The Director may exclude any individual from the gaming facility due to his criminal acts, criminal history or association with career offenders or career offender organizations which may pose a threat to the security and integrity of the gaming operation.
- (b) The Director may exclude any individual from the gaming facility upon receipt of creditable information the individual in question is exhibiting the signs of a problem gambler.
- (c) The Director shall serve a copy of the decision to exclude on the individual by registered or certified mail, by personal service. Proof of service shall be provided by a certificate or affidavit of service which shall be signed by the person effecting service and which shall specify the date and manner of service.
- (d) Should the individual disagree with the Director's decision, the individual may file a petition for review with the Commission in accordance with Chapter 3, Subchapter 2, within seven (7) days from the date of receipt of the Director's decision.
- (e) The Director may exclude any individual from the gaming facility who has been barred from entering any gaming establishments or participating in any gaming activity by order of a court of competent jurisdiction, federal law enforcement agency or the Oregon State Police without the process set forth above.

4.7.2 Gaming operation exclusion policy.

This Subchapter does not prohibit the gaming operation from establishing and maintaining an exclusion policy and does not apply to individuals excluded by the gaming operation under its policy.

SUBCHAPTER 8 - LICENSED PERSONNEL

4.8.1 Licensee age restrictions.

- (a) Any licensee, age eighteen (18) or older, shall be allowed access to the gaming floor for the sole purpose of carrying out their assigned duties, except that no licensee under the age of twenty-one (21) shall have access to:
 - (1) Gaming terminals;
 - (2) Gaming cash;
 - (3) Gaming wagers; or
 - (4) Other gaming paraphernalia and supplies.

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- (b) No licensee under the age of eighteen (18) shall be permitted to work in areas in which their duties shall expose them to a gaming activity.

4.8.2 Temporary assignments and other positions.

Subject to any licensing conditions that may have been imposed by the Commission, gaming operation personnel may be assigned to other positions within their respective gaming license classification, or lower.

4.8.3 Identification badges.

- (a) The Director shall issue to licensed personnel identification badges, which shall:
- (1) Be issued by the CTGC and worn in plain view during work hours;
 - (2) At a minimum include the licensee's photo, name, department, position and identification number; and
 - (3) Be color coded in such a way as to identify the security level at which they are licensed, and such color coding, shall be visible from a distance of at least twenty (20) feet, when the badge is displayed.
 - (4) A licensee shall obtain a replacement badge if or when:
 - A. A significant physical change affects the photographic identification; or
 - B. The badge is damaged, defaced, unreadable or the photograph is unidentifiable; or
 - C. The badge is lost. There will be a charge for replacement of lost badges at a fee set by the Director.
- (b) For personnel routinely assigned to other positions within their respective security classifications, or lower, the Director shall issue a badge for the primary position and a badge for the secondary position(s).
- (c) Section (a) (1) of this section does not apply to surveillance personnel or agents of the commission while engaged in covert operations, they shall have their identification badges in their immediate possession.
- (d) Identification badges are the property of the CTGC and shall be returned to the Director upon termination or license suspension.

4.8.4 Training

The gaming operation shall ensure that all employees are adequately trained to perform their duties and responsibilities required by the Regulations, MICS and Game Rules.

4.8.5 Supervision

The gaming operation shall ensure that all employees are adequately supervised. Supervision shall be by employees with greater authority than those being supervised.

SUBCHAPTER 9 - MINIMUM CASH AND INSURANCE REQUIREMENTS

4.9.1 Minimum bankroll requirements.

- (a) The gaming operation shall maintain, in such manner and amount as the Director shall approve cash or cash equivalents sufficient to reasonably protect the patrons against defaults in gaming debts owed.
- (b) The Director shall distribute and make available a formula by which the gaming operation shall determine the minimum bankroll requirements of this Section.

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- (c) If at any time available cash or cash equivalents should be less than the amount required by this Section, the gaming operation shall immediately notify the Director of this deficiency.

4.9.2 Liability insurance.

- (a) The gaming operation shall maintain public liability insurance which shall include the limits of the policy for any bodily injury or property damage shall be not less than:
 - (1) \$250,000 for one person; and
 - (2) \$2,000,000 for any one occurrence.
- (b) The gaming operation shall indemnify, defend and hold harmless the State and the Commission or its officers, Directors, employees and agents from and against any claims, damages, losses or expenses asserted against or suffered or incurred by the State or Commission, or its officers, Directors, employees and agents (except as may be the result of their own negligence) based upon or arising out of any bodily injury or property damage resulting or claimed to result in whole or in part from any act or omission of the gaming operation relating to the inspection or monitoring of the gaming facility.

SUBCHAPTER 10 - REPORTING REQUIREMENTS

4.10.1 Notification.

- (a) The gaming operation shall immediately notify the Director of:
 - (1) Cheating, theft, embezzlement and other illegal activities in the gaming facility; and
 - (2) Any emergency involving the safety of anyone in the gaming facility.
- (b) The gaming operation shall notify the Director within twenty-four (24) hours of:
 - (1) The discovery of a violation, or suspected violation, of Compact, any gaming statute, ordinance or the Regulations;
 - (2) Any information that may reflect upon the suitability of a licensee under the criteria described in Chapter 2;
 - (3) Bankroll deficiency in accordance with Section 4.9.1(c);
 - (4) Winning payouts in accordance with Section 6.4.1(b);
 - (5) Any change in the theoretical percentage of a VLT game in accordance with Section 7.1.2(b); and
 - (6) VLT Monitoring and Control System (MCS) malfunctions in accordance with Section 7.5.3.
- (c) The gaming operation shall notify the Director of personnel terminations as follows:
 - (1) High security, low security and non-gaming licensed personnel terminations within three (3) days; and
 - (2) Primary Management Official terminations by 5:00 p.m. of the next day.
- (d) The gaming operation shall forward to the Director, promptly upon completion, written reports of:
 - (1) All notifications in Sections (a) through (c) in this section;
 - (2) Any MICS or Game Rules violation;
 - (3) Variances when a cash-handling employee has an unreconciled overage or shortage of \$100 or more, or any overage or shortage in soft count, if the funds have not been located within forty-eight (48) hours;
 - (4) Suspicious activities in accordance with Section 5.3.3;

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- (5) New personnel;
- (6) Discontinued chip redemption plans in accordance with Section 6.6.5;
- (7) Proposed plans for remodeling of gaming areas or expansion of the gaming facility beyond the existing footprint of the building;
- (8) Significant instances of non-compliance with building standards in accordance with Section 4.5.2(d);
- (9) Drop times in accordance with Section 4.1.5;
- (10) Job descriptions for any new positions or changes in positions.
- (e) The Director of Surveillance shall notify the CTGC of:
 - (1) Any surveillance camera that has malfunctioned for more than twenty-four (24) hours.

4.10.2 Monthly reports.

The following monthly reports shall be submitted within thirty (30) days after the close of the month for which the report pertains, unless extended by the Director:

- (a) A report that identifies every individual who is, or who has been since the filing of the previous report, actively employed listing the name, job position, title, hire date, social security number;
- (b) Financial statements, including balance sheet and statement of revenues and expenditures;
- (c) Revenue and statistical reports requested by the Director; and
- (d) A schedule of all contracts involving gaming activities in force.

4.10.3 Rescinded – August 2007

4.10.4 Other reports.

Annual audited financial statements shall be required to be submitted to the Director in accordance with Section 5.2.3.

CHAPTER 5: INTERNAL CONTROL AND ACCOUNTING

SUBCHAPTER 1 - INTERNAL CONTROLS

5.1.1 Commission Minimum Internal Control Standards (MICS).

- (a) The Commission shall adopt MICS that addresses administrative, financial, operation security and gaming area controls.
- (b) MICS shall be adopted as follows:
 - (1) The Director or gaming operation shall submit proposed MICS for adoption on forms approved by the Commission and shall include:
 - A. The existing MICS;
 - B. The proposed MICS;
 - C. The impact of the proposed MICS on the internal control of the gaming operation; and
 - D. A statement on consistency with provisions of the NIGC and State standards.
 - (2) The Commission shall post the proposed MICS and notify the gaming operation at least thirty (30) days prior to the General Session at which the proposed MICS will be considered for adoption.
 - (3) The Commission shall consider comments, and take action on the proposed MICS at the scheduled General Session.
 - (4) The Commission shall determine an effective date not to exceed thirty (30) days after adoption.
- (c) Section (b) shall not apply to:
 - (1) The adoption of MICS required by applicable federal law;
 - (2) Non-substantive changes or corrections to MICS which action may be made by the Director.
- (d) The Director shall provide written notice to the gaming operation of the action taken by the Commission or Director.
- (e) The gaming operation shall begin to comply with any adopted MICS not later than the effective date.

5.1.2 Policies and procedures.

- (a) The gaming operation shall adopt and implement administrative, financial, operation security, marketing and gaming area control policies and procedures governing gaming activities for:
 - (1) Promotional give-a-ways involving chance; or
 - (2) Any other non-gaming activities identified in writing that the Director determines to affect the;
 - A. Integrity;
 - B. Security;
 - C. Honesty; or
 - D. Fairness of the gaming operation.
- (b) The gaming operation shall submit to the Director prior to adoption, all procedures and changes to procedures relating to the areas identified in 5.1.2(a) including:
 - (1) A detailed narrative description of the procedures;
 - (2) A written statement signed by the gaming operation's General Manager, Director of Gaming and/or Director of Finance and the responsible

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- department manager attesting that the procedures comply with the Regulations, MICS and Game Rules;
- (3) If applicable, an organizational chart depicting segregation of functions and responsibilities of each position; and
 - (4) Any other documentation the Director may require.
- (c) The procedures shall comply with the Regulations, MICS and Game Rules, and be designed to reasonably ensure that:
- (1) Financial records are accurate and reliable;
 - (2) Transactions are properly authorized and recorded;
 - (3) Assets are safeguarded and only accessed with proper authorization;
 - (4) Recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action taken with respect to any discrepancies; and
 - (5) Functions, duties and responsibilities are appropriately segregated and performed consistent with adopted procedures.
- (d) Prior to implementing changes in gaming activities and non-gaming activities identified in 5.1.2(a), the gaming operation shall comply with any written requirements imposed by the Director.

5.1.3 Required departments.

- (a) The gaming operation shall be organized to provide independent departments with an appropriate level of management for each department.
- (b) The gaming operation shall include the following departments:
 - (1) Accounting Department responsible for financial accounting and control.
 - (2) Cage Department responsible for cage transactions and inventory.
 - (3) Gaming Department responsible for the operation of Class II and Class III games.
 - (4) Security Department responsible for the safety and security of the gaming facility, patrons, and employees.

SUBCHAPTER 2 - ACCOUNTING

5.2.1 Accounting records.

- (a) The gaming operation shall prepare and maintain accounting records in accordance with generally accepted accounting principles and the Regulations and MICS.
- (b) A double-entry accounting system shall be maintained with supporting journal entries and detailed subsidiary records for assets, liabilities, equity, revenues and expenses.

5.2.2 Record retention and inspection by Commission.

- (a) All records shall be maintained for at least ~~five (5) years~~ two (2) years after they are prepared, unless waived by the Director.
- (b) The Commission or its agents, upon request, shall be provided with such records.
- (c) This Section does not limit the Director's authority to require that additional records be created and retained.

5.2.3 Annual audit requirements

- (a) The Commission shall ensure that an annual financial audit is performed of the gaming operation:
 - (1) The audit shall:
 - A. Be performed in accordance with generally accepted auditing standards by an independent Certified Public Accountant (auditor) licensed by a state licensing authority and retained by the CTGC and include all financial activities for the preceding business year; and
 - B. Include in the scope of the audit all gaming contracts that annually exceed \$25,000 that result in the purchase of supplies, services, concessions or other subject matter that the Commission determines is related to gaming, except contracts for legal and accounting services;
 - (2) If the gaming operation changes its business year, the audit shall:
 - A. Cover the period from the end of the preceding business year to the beginning of the new business year (stub period); or
 - B. Incorporate the results of the preceding business year with the stub period.
- (b) The Commission shall ensure that an annual Minimum Internal Control Standards compliance audit is performed by an independent Certified Public Accountant (CPA).
 - (1) The CPA shall perform procedures as determined necessary by the Director and shall be included in the terms of the engagement.
 - (2) The CPA's final report on the results of the agreed upon procedures shall:
 - A. Include internal controls in effect for the preceding business year;
 - B. List each instance of non-compliance; and
 - C. Identify any material weaknesses found in the internal controls with recommendations for improvements.
- (c) All reports shall be submitted to the Director within 110 days after the end of the business year.
- (d) The Director shall submit required reports to NIGC, if required, not later than 120 days after the end of the preceding business year.
- (e) The Director may request additional information and documents from either the gaming operation or auditor, through the gaming operation, regarding the financial statements or the services performed by the auditor.
- (f) The gaming operation shall promptly respond to any audit findings which identify noncompliance with the Regulations and MICS. The response shall address remedial action to ensure compliance.

SUBCHAPTER 3 - CURRENCY TRANSACTIONS

5.3.1 Compliance program

- (a) The gaming operation shall submit to the Director a compliance program to ensure compliance with Title 31 and this subchapter for approval prior to adoption.
- (b) The compliance program shall, at a minimum include:
 - (1) A designated individual responsible for compliance;
 - (2) Program Policies & Procedures;
 - (3) A designated 24-hour business day;
 - (4) A training program; and
 - (5) Independent compliance audits will be conducted by the CTGC.

5.3.2 Prohibited currency transactions.

- (a) The gaming operation shall not issue cash, checks or other negotiable instruments to a patron, or otherwise effect any transfer of funds on behalf of a patron, in exchange for cash in any transaction(s) in which the amount of the exchange, or series of exchanges, is more than \$3,000.
- (b) This Section does not prohibit:
 - (1) The payment of a player's winnings by negotiable instrument, electronic wire, or other transfer of funds if payment is made payable to the order of the player and if the player has not taken physical possession of any cash, or has not removed any cash from the sight of the employee who paid the winnings, or the player has been paid with chips or tokens;
 - (2) A player from exchanging large denominations of cash for smaller denominations in connection with wagering on a VLT game; or
 - (3) The exchange of cash for cash with another legally operating gaming operation if the entity completes the identification and Title 31 currency transaction record-keeping procedures.

5.3.3 Currency transaction reports.

- (a) Currency transaction reports required by Title 31 shall be completed and filed for cash-in and cash-out transactions that exceed \$10,000.
- (b) Cash-in transactions:
 - (1) Include, but are not limited to, purchases of chips, bets of currency, foreign currency exchanges, currency received via wire transfer for a patron and safekeeping deposits; and
 - (2) Should be aggregated together within the gaming day, in accordance with Section 5.3.4, when multiple cash-in transactions are conducted with a single individual, regardless of whether or not the total transfer of cash from the individual to the gaming operation is from dissimilar currency transactions.
- (c) Cash-out transactions:
 - (1) Include, but are not limited to, redemption of chips, payments on bets, payments of promotions, prizes and pools, payments of wire transfers to a patron, cashing of checks and safekeeping withdrawals; and
 - (2) Should be aggregated together within the gaming day, in accordance with Section 5.3.4, when multiple transactions are conducted with a single individual, regardless of whether or not the total transfer of cash from the gaming operation to the individual is from dissimilar currency transactions.
- (d) Before completing any transaction described in Sections (b) or (c) of this section, the gaming operation shall:
 - (1) Obtain the patron's name, permanent street address, and social security number.
 - (2) Verify the accuracy of the information obtained by examining:
 - A. The patron's valid driver's license;
 - B. The patron's passport or other reliable identity credential evidencing nationality and residence; or
 - C. Some other document normally acceptable as a means of identification when cashing checks; and
 - (3) Verify the accuracy of the patron's social security number by examining:
 - A. The patron's social security card;
 - B. Any other picture identification that includes the patron's social security number; or

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- C. An IRS W-9 form signed by the patron attesting to their social security number.
- (4) If a patron refuses to provide his name, address, proof of identity, social security number, or other information that is required, the gaming operation shall not complete the transaction.
- (e) Within fifteen (15) days of the transaction, the gaming operation shall file the completed currency transaction report with the federal government.

5.3.4 Suspicious transaction reporting.

- (a) Whenever the gaming operation detects that a patron is involved in a suspicious transaction, a Suspicious Activity Report shall be completed and submitted to the federal government and a copy placed on file with the Title 31 Compliance Officer within thirty (30) days of the transaction.
- (b) As used in Section (a), a suspicious transaction shall include, but not be limited to a suspected attempt or act by a patron:
 - (1) To circumvent a reportable transaction that could or reasonably should be considered suspicious by the gaming operation; or
 - (2) Similar to any attempt or act described in the Department of the Treasury guidelines, which could be considered suspicious.

5.3.5 Multiple currency transactions.

- (a) The gaming operation, its employees or agents shall not knowingly allow the circumvention of any of the sections of this Chapter relating to multiple currency transactions with an individual patron, or the confederate or agent of an individual patron within a 24-hour gaming day.
- (b) The gaming operation shall make reasonable efforts to prevent, detect and document multiple currency transactions, including a series of transactions that are designed to accomplish indirectly that which could not be accomplished directly.
- (c) The gaming operation shall within a 24-hour business day aggregate all cash transactions of \$3,000 or more, or any transactions the gaming operation has knowledge that such transactions will result in meeting the record keeping requirements of this Chapter, between the gaming operation and a patron, or a person who the gaming operation knows or has reason to know is the patron's confederate or agent, including transactions:
 - (1) At any cage; or
 - (2) At any gaming area within the gaming facility.
- (d) For any transactions aggregated the gaming operation shall complete the identification and record-keeping procedures described within this Chapter.
- (e) The gaming operation is subject to disciplinary action for any violation of this Chapter. However, the Director may consider lesser action if:
 - (1) Reasonable procedures have been implemented to prevent such violations;
 - (2) The violation is isolated and minor;
 - (3) The violation does not involve an officer, department director, internal audit staff employee, a person with authority commensurate with or greater than that of a shift supervisor or cage shift supervisor; and
 - (4) Reasonable steps are taken to correct any defects in its procedures that contributed to the violation.

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5.3.6 Negotiable instruments.

- (a) Any negotiable instrument issued in payment of a player's winnings shall be made payable to the order of the player.
- (b) The gaming operation shall maintain a log of all negotiable instruments cashed or deposits equal to or greater than \$3,000, regardless of the amount of cash involved in any such transaction.

5.3.7 Reporting of gaming winnings.

The gaming operation shall report all winnings paid to any person to the appropriate state, federal and international agency, as required.

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SUBCHAPTER 1 - GAME APPROVALS

6.1.1 **Approval required by Commission.**

- (a) The gaming operation shall not operate any game, unless approved by the Director.
- (b) Games approved by the Director are described in the Game Rules.
- (c) All games shall conform to the Regulations, MICS and Game Rules.
- (d) The number of Class III games shall not exceed the number allowed by the Compact.

6.1.2 **Application to Commission for approval.**

- (a) The gaming operation shall apply in writing to the Director requesting approval for the operation of any game.
- (b) The application shall include the following supporting documentation:
 - (1) Game rules including:
 - A. A description of the game;
 - B. Equipment specifications;
 - C. Payouts and jackpots;
 - D. Maximum bet limits;
 - E. Rules establishing how the game is to be played;
 - (2) Computer hardware and software specifications;
 - (3) How the rules are to be posted or made available to patrons;
 - (4) Proposed MICS;
 - (5) Policies and procedures regarding the operation of the game(s);
 - (6) Physical location of the game;
 - (7) Security plan
 - (8) Job descriptions for any new positions proposed;
 - (8) Training curriculum necessary to implement the game;
 - (9) Player dispute resolution process.
 - (10) The Surveillance Department will submit a plan to the Commission that includes:
 - A. Training curriculum for surveillance personnel;
 - B. Surveillance plan for monitoring the proposed game; and
- (c) Upon receipt, the Director shall review the request for completeness and any incomplete request will be returned to the gaming operation.
- (d) Upon acceptance by the Director, the Director or designee shall forward a copy of the application to OSP as required by the compact.

6.1.3 **Game approval.**

- (a) Upon acceptance by the Director, a copy of the application shall be forwarded to OSP as required by the compact.
- (b) The Director shall unconditionally approve, conditionally approve or deny the request.
- (c) For Class III games, the Director's approval is contingent upon OSP's concurrence as provided in the Compact.
- (d) The Director shall provide written notice to the gaming operation of the action taken.

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- (e) Subject to any conditions, the gaming operation may open a game upon receipt of the Directors written approval.

SUBCHAPTER 2 - GAME RULE AMENDMENTS

6.2.1 Adoption of Game Rule amendments.

- (a) Amendments to Game Rules shall be adopted as follows:
 - (1) The Director or gaming operation shall submit proposed amendments to the Game Rules that shall include:
 - A. The existing Game Rule;
 - B. The proposed amendment; and
 - C. The impact of the proposed amendment on the game.
- (b) Upon receipt, the Director shall review the request for completeness and any incomplete request will be returned to the gaming operation.
- (c) Upon acceptance by the Director, a copy of the proposed amendments shall be forwarded to OSP as required by the compact.
- (d) For Class III games, approval is contingent upon OSP's concurrence as provided in the Compact.
- (e) Section (a) shall not apply to non-substantive changes or corrections to Game Rules which action may be made by the Director.
- (f) The Director shall provide written notice to the gaming operation of the action taken by the Commission or Director.
- (g) The gaming operation shall begin to comply with any adopted Game Rule amendment not later than the effective date.

6.2.2 Provision for increases to bet limits.

- (a) Increases to bet limits shall not be approved unless:
 - (1) Personnel involved have sufficient experience and knowledge to ensure the integrity of the game, including cheating and forms of unacceptable play;
 - (2) The conduct of the game has been free from any significant violations of the Regulations, MICS and Game Rules.
- (b) The bet limit for any Class III game shall not exceed the maximum limit allowed by the Compact.

SUBCHAPTER 3 - PUBLIC POSTING OF RULES

6.3.1 General requirements.

- (a) The general rules, payout schedules and betting limits for each game shall be conspicuously posted and clearly legible or otherwise made available to players at each gaming station. All odds stated on any layout, in any brochure or other publication distributed by the gaming operation shall be stated with the word "to" and not the word "for."
- (b) A meter that shows the amount of a progressive jackpot shall be conspicuously displayed at or near the gaming station to which the jackpot applies.
- (c) The minimum and maximum bet shall be posted at the gaming station, where applicable.

6.3.2 Periodic payments.

The gaming operation shall declare terms of periodic payments, as allowed by Section 6.4.3, offered as a prize to a player for any approved game, tournament, contest or promotional activity for which periodic payments are utilized by:

- (a) Displaying signs at the gaming stations; and
- (b) Including the terms in any advertising media used.

SUBCHAPTER 4 - PAYMENT OF WINNINGS

6.4.1 Payment of winnings.

- (a) The gaming operation shall pay all winnings in accordance with applicable game rules as the result of any approved game, tournament, contest or promotional activity, upon validation of the win.
- (b) The gaming operation shall notify the Director of any jackpot payout of \$10,000 or more for table games, card games, Keno, Bingo and VLT payouts in accordance with Section 7.3.1(b).

6.4.2 Minimum cash reserves.

- (a) Unless the Commission has approved periodic payments, the gaming operation shall maintain cash reserves to fund all non-linked progressive jackpots. Such cash reserves shall be used in calculating the minimum bankroll in accordance with Section 4.9.
- (b) Vendors responsible for payment of any jackpot shall maintain a restricted account with a balance equal to the jackpot amount, or in another manner that would ensure payment of the jackpot amount as approved by the Director.

6.4.3 Periodic payments.

- (a) The total winnings awarded to a player as a result of any approved game, and the terms by which a single cash payment or periodic payments will be provided, shall be disclosed upon validation of the jackpot win, as follows:
 - (1) A written qualified prize option may be provided to the player within five (5) business days following the validation of the win;
 - (2) The qualified prize option shall include disclosure of the method used to compute the single cash payment, including the discount rate on the date of calculation; and
 - (3) A disclosure shall be made to the player that the player is under no obligation to accept any offer of a single cash payment, and may receive periodic payments to which the player is entitled under the terms of the approved game.
- (b) The funding of periodic payments shall be completed within thirty (30) days of the conclusion of the validation period, or where a qualified prize option is offered for such prize payout, within thirty (30) days of the date the player makes an election there under. Where a single cash payment is elected, the full amount, less any prior payment(s), shall be paid to the player in cash, check, certified check or electronic funds transfer within fifteen (15) days after receiving the player's written notification of such election.
- (c) The first payment shall be made upon validation of the win, even though the player may later exercise a qualified prize option. The initial payment shall not be construed as a forced selection that requires the player to receive periodic payments.

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- (d) Periodic payments shall not be used for winnings of cash or non-cash prizes worth \$50,000 or less.
- (e) Periodic payments for total amounts won greater than \$50,000 shall be paid as follows:
 - (1) For amounts won greater than \$50,000, but less than \$200,000, payments shall be at least \$10,000 annually.
 - (2) For amounts won of \$200,000 or more, payments shall be made in equal annual installments over a period not to exceed twenty-five (25) years.
 - (3) For amounts won equal to or in excess of \$1,000,000, payments shall be made in the manner set forth in (e)(2) of this Section, or in a manner approved by the Commission.
 - (4) The first payment shall be made upon validation of the win.
- (f) For periodic payments where a player has elected to receive a cash equivalent of a non-cash prize:
 - (1) The cash equivalent shall be the actual cost to the licensee of the non-cash prize on the day such prize is won; and
 - (2) The amount of the periodic payments to be funded shall be determined by the present value of the cash equivalent of the non-cash prize.
- (g) The present value of all winnings offered payable by a periodic payment shall be used in calculating the minimum bankroll of the gaming operation in accordance with Section 4.9.1 until funding of periodic payments is established.
- (h) The payor shall execute an appropriate signed document within fifteen (15) days prior to the commencement of any gaming or promotional activity for which periodic payments are to be offered, and periodically thereafter as required by the Director, that shall irrevocably and unconditionally remise, release, indemnify and forever discharge the Tribe and the Commission, and their members, employees, agents and representatives, of and from any and all claims, actions, causes of action, losses, damages, liabilities, costs, expenses, and suits of any nature whatsoever, in law or equity, including reasonable attorneys fees, arising from any act or omission of the Commission, and its members, employees, agents and representatives.

6.4.4 Irrevocable funding options for periodic payments.

Periodic payments of winnings awarded to a player as a result of any approved game, tournament, contest or promotional activity may be made if the method of funding the periodic payments provides for:

- (a) An irrevocable surety bond or an irrevocable letter of credit with an independent financial institution which provides periodic payments to a winner should the establishment default for any reason. The written agreement establishing an irrevocable surety bond or irrevocable letter of credit shall be submitted to the Commission for approval;
- (b) An irrevocable trust with an independent financial institution in accordance with a written trust agreement approved by the Commission which provides periodic payments from an unallocated pool of assets to a group of winners which shall expressly prohibit the winner from encumbering, assigning or otherwise transferring in any way his right to receive the deferred portion of the winnings except to his estate. The assets of the trust shall consist of federal government securities including but not limited to treasury bills, treasury bonds, savings bonds or other federally guaranteed securities in an amount sufficient to meet the periodic payment(s) as required; or

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- (c) Another irrevocable method of providing the periodic payments to a winning player consistent with the purpose of this Section and which is approved by the Commission.

6.4.5 Reserve funding option for periodic payments.

- (a) Upon approval by the Commission, balances of winnings owed to players may be funded by the payor in a reserve consisting of approved funding of not less than the sum of the following amounts:
 - (1) The present value of the aggregate remaining balances owed on all winnings; and
 - (2) An amount sufficient to fully fund the present value of all jackpot amounts, including amounts currently reflected on progressive meters.
- (b) The payor shall notify the Director of a reserve funding option not less than forty-five (45) days prior to the commencement of any new gaming or promotional activity for which periodic payments may be used. The conditions under which a reserve funding option may be used shall be prescribed by the Director in a written notice to the licensee.
- (c) Any method of funding the reserve, other than by the use of approved funding, shall be approved in advance in writing by Commission.
- (d) Any failure to maintain full compliance at all times with each and every condition set forth above, or any failure to immediately notify the Director of any deficiencies, may subject the payor to appropriate disciplinary proceedings.

SUBCHAPTER 5 - TRAINING REQUIREMENTS

6.5.1 General.

- (a) The gaming operation shall establish and maintain training programs for all personnel involved in gaming activities.
- (b) All personnel involved in gaming activities, shall successfully complete, or otherwise demonstrate that they have met the requirements of the gaming operation's training program.

6.5.2 Dealers.

- (a) Prior to hiring, promoting or transferring a person to a dealer position, the gaming operation shall ensure that the person is tested and evaluated by a qualified instructor. The testing and evaluation shall be commensurate with the position.
- (b) Dealers shall be required to demonstrate game knowledge of:
 - (1) Game rules and play;
 - (2) Game protection;
 - (3) Card handling;
 - (4) The Regulations, MICS and Game Rules; and
 - (5) Policies and procedures relevant to the game.
- (c) The gaming operation training program shall be approved by the Director before implementation or any change.
- (d) The program shall be designed to provide dealers with the knowledge and skills necessary to satisfy requirements established by the gaming operation and the Commission.

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6.5.3 Instructors.

- (a) The instructor of the training program shall be an authorized or certified instructor approved by the Gaming Commission.
- (b) Instructors, at a minimum, shall:
 - (1) Demonstrate sufficient knowledge and skills to meet minimum requirements consistent with industry standards; and
 - (2) have graduated from a school, academy or college recognized by the industry as having expertise in the areas of casino management and card games, or have an acceptable substitute of actual experience and demonstrated ability to teach card games and games protection.

6.5.4 Table game supervisors and managers.

All table game supervisors and managers shall have dealing experience in a live gaming environment and demonstrated knowledge commensurate for the level of supervision.

SUBCHAPTER 6 - CHIPS AND TOKENS

6.6.1 Approval of chips.

- (a) The gaming operation shall not issue, modify or redeem any chips unless the chips have been approved in writing by the Director.
- (b) Application for approval or modification of chips shall be made using forms approved by the Director. Each application shall include:
 - (1) An exact drawing of each side and edge of the proposed chip, drawn to actual size, or larger in scale, showing the measurements of the proposed chip in each dimension;
 - (2) Written specifications of the proposed chips;
 - (3) The name and address of the manufacturer;
 - (4) The intended use for the proposed chips; and
 - (5) Any additional information the Director requires.
- (c) After receipt of a complete application, the Director shall request a sample of the proposed chips in final, manufactured form.
- (d) The Director shall approve an application for chips consistent with this Section.

6.6.2 Chip specifications.

- (a) Chips shall be designed, manufactured and constructed in compliance with all applicable statutes, regulations, and policies of the United States, State of Oregon and Tribe so as to:
 - (1) Not deceptively resemble any current or past coinage of the United States or any other nation; and
 - (2) Prevent counterfeiting of the chips to the extent reasonably possible.
- (b) In addition to other specifications as the Director may approve:
 - (1) The name of the gaming operation shall be inscribed on each side of each chip.
 - (2) Each side of each chip issued exclusively for a particular game shall bear an inscription, clearly indicating that use of the chip is so restricted.
 - (3) The manufacturer's name or a distinctive logo or other mark identifying the manufacturer shall be inscribed on at least one side of each chip.
 - (4) The denomination shall be inscribed on each side of each chip.
 - (5) Each chip shall be designed so that when stacked with chips of other denominations and viewed on black and white surveillance monitors, the

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denomination of the chip can be clearly distinguished from that of the other chips in the stack.

- (c) Unless the Director approves otherwise, chips shall be disk-shaped, .3.3 mm thick and have diameter of 39 mm.

6.6.3 Use of chips.

- (a) Chips shall remain the property of the gaming operation and shall be provided to players as evidence of a debt owed.
- (b) Chips shall be used only for their intended purpose and shall neither be accepted as payment for any goods or services offered at the gaming facility nor be paid or redeemed in any other transaction.

6.6.4 Chip redemption.

- (a) The gaming operation shall promptly redeem its chips from its patrons by cash or check.
- (b) Chips shall be redeemed only if presented as follows:
 - (1) By a person who the gaming operation reasonably should know is a patron;
 - (2) By another legal gaming operation that represents that it redeemed the chips or received them unknowingly, inadvertently or unavoidably; or
 - (3) By an employee in the normal course of employment.

6.6.5 Discontinued chips.

- (a) The gaming operation shall prepare a plan for redeeming discontinued chips that remain outstanding at the time of discontinuance.
- (b) The plan shall be submitted in writing to the Director for approval not later than thirty (30) days before the proposed removal, unless the cause for discontinuance of the chips cannot reasonably be anticipated, in which case the plan shall be submitted as soon as reasonably practical.
- (c) The plan shall include provisions for redemption of outstanding discontinued chips:
 - (1) For at least one hundred twenty (120) days after the removal of the chips or other period approved by the Director; and
 - (2) At the gaming facility or other location approved by the Director.
- (d) Publication of the proposed redemption shall:
 - (1) Be in at least two newspapers of general circulation in Oregon;
 - (2) Be published at least twice during each week of the redemption period;
 - (3) Be subject to the Director's approval;
 - (4) Provide information concerning discontinuance of the chips and the redemption procedure, including pertinent times and locations; and
 - (5) Be conspicuously posted at the gaming facility or other redemption location.

6.6.6 Chip disposal.

- (a) The manner of the disposal of worn, defective or discontinued chips shall be approved by the Director.
- (b) The disposal of chips and tokens shall be witnessed by the Director and representatives of the gaming operation's management, security and accounting departments.

6.6.7 Destruction of counterfeit chips.

- (a) The gaming operation shall dispose of counterfeit chips in a manner approved by the Director.
- (b) The Director, law enforcement officer or court of competent jurisdiction may order suspension of the disposal.
- (c) The gaming operation shall record:
 - (1) The number and denominations of the counterfeit chips;
 - (2) The time period during which they were discovered;
 - (3) The date, place and method of disposal;
 - (4) The names of the persons involved in the disposal; and
 - (5) Any other information as required by the Director.

6.6.8 Promotional and tournament chips.

- (a) Promotional and tournament chips shall be designed, manufactured, approved and used in accordance with Section 6.6.3, except as follows:
 - (1) Each side of each chip shall conspicuously bear the inscription, "No Cash Value"; and
 - (2) The value need not be inscribed on each side of each chip.
- (b) Section 6.6.5 shall not apply to promotional or tournament chips.

SUBCHAPTER 7 - PROGRESSIVE JACKPOTS

6.7.1 Progressive meters.

- (a) A meter showing the progressive jackpot amount shall be conspicuously placed at or near the game.
- (b) At least once a day the gaming operation shall record the amount shown on each progressive jackpot meter at the gaming facility. Explanations for meter reading decreases shall be maintained with the progressive meter sheets.
- (c) In cases where the payment of a jackpot is the explanation for a decrease in the meter reading:
 - (1) The gaming operation shall record the jackpot payout form number on the sheet; or
 - (2) Have the number reasonably available.
- (d) The gaming operation shall record the base amount of each progressive jackpot offered.

6.7.2 Progressive jackpot limits and reductions.

- (a) Progressive jackpots may be limited to an amount that is equal to or greater than the amount of the jackpot when the limit is imposed. A conspicuous notice of the limit shall be placed at or near the game or games to which the limit applies.
- (b) The amount displayed on a progressive jackpot meter shall not be reduced unless:
 - (1) A player wins the jackpot;
 - (2) The progressive jackpot meter is adjusted to correct a malfunction, or to prevent the display of an amount greater than the jackpot limit of the game, and the nature of the adjustment is documented;
 - (3) The incremental amount in excess of the base amount is distributed to another similar progressive jackpot at the gaming facility, and in such case:
 - A. The distribution is documented;
 - B. Any game offering a jackpot to which the incremental amount is distributed requires no additional money be played on a single play to

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- win the jackpot beyond the amount required by the game from which the incremental amount is distributed; and
- C. The distribution is completed within thirty (30) days after the progressive jackpot is removed from play.
- (4) The incremental amount is distributed within ninety (90) days through a concluding contest, tournament or promotion for players participating in a game(s) similar to the game(s) from which the amount is distributed; or
- (5) The Director, upon a showing of exceptional circumstances, approves a reduction, elimination, distribution, or procedure not otherwise described in this Section, which approval is confirmed in writing and consistent with State and Federal requirements

CHAPTER 7: ELECTRONIC GAMING DEVICES AND HARDWARE

SUBCHAPTER 1 - GENERAL PROVISIONS

7.1.1 Prohibited actions and devices.

- (a) The gaming operation is prohibited from placing into play or altering any electronic gaming device without approval of the Director.
- (b) An electronic gaming device shall not be approved if it does not meet the standards of, or is prohibited by, the Compact, Regulations, MICS or Game Rules.

7.1.2 Circuit boards and EPROM chips.

- (a) All circuit boards containing EPROM chips, and other electronic memory storage media, containing any software affecting the outcome of any game shall have a locked protective cover which requires Director approval to access.
- (b) Changes to theoretical hold shall require access inside the protective cover, or other secure means as approved by the Director. The Director shall be notified prior to any change in the theoretical percentage of a VLT game. A progressive jackpot, or a change in rate of progression of an existing progressive jackpot, is not considered to be a change in the theoretical payback of the game.
- (c) All program storage devices, including ROMs, EPROMs, FLASH ROMs, DVD, CD-ROM and any other electronic memory storage media, containing software affecting the outcome of any game, with the related par sheets, shall be clearly marked with sufficient information to identify the software and revision of the information stored in/on the devices and shall be shipped directly to the Director from the manufacturer, distributor or other source. Reserve EPROM chips and any other memory storage media, containing software affecting the outcome of any game shall remain in the custody of the Director.
- (d) The gaming operation shall:
 - (1) Request replacement EPROM chips or other game media by notifying the Director at least four days prior to any scheduled replacement, conversion, removal or new VLT install;
 - (2) Surrender to the Director the EPROM chips and any other electronic memory storage media being replaced; and
 - (3) Identify the related electronic gaming device by name, serial number, and casino ID number in conjunction with the request.

7.1.3 Safety requirements.

- (a) An electronic gaming device or kiosk shall not present a physical, mechanical, and electrical or fire hazard when used in its intended mode of operation.
- (b) The power supply used shall be designed to minimize current leakage in the event of intentional or inadvertent disconnection of the AC power ground and be appropriately fused or protected by circuit breakers.

7.1.4 Commission seals.

Commission seals securing any area of an electronic gaming device shall not be altered or removed unless approved by the Director.

7.1.5 Random selection standards.

- (a) Each game utilizing random selection software shall have a random number generator that shall determine the occurrence of a random event.
- (b) Unless otherwise designated by the game, all outcomes shall be available for random selection for each game.
- (c) Near misses produced by a variable secondary decision and displayed to the player are prohibited.
- (d) The random number generator and selection process shall be impervious to external influences including, but not limited to, electromagnetic interference, electrostatic discharge and radio frequency interference.
- (e) A gaming device shall use appropriate communication protocols to protect the random number generator and random selection process from influence by associated equipment, which may be communicating with the gaming device.
- (f) The use of an RNG results in the selection of game symbols or production of game outcomes shall:
 - (1) Be statistically independent;
 - (2) Conform to the desired random distribution
 - (3) Pass various recognized statistical tests; and
 - (4) Be unpredictable
- (g) The RNG shall be cycled continuously in the background between games and during game play at a speed that cannot be timed by the player. The test laboratory recognizes that some time during the game, the RNG may not be cycled when interrupts may be suspended. The test laboratory recognizes this but shall find that this exception shall be kept to a minimum.
- (h) During RNG seeding, the first seed shall be randomly determined by an uncontrolled event. After every game there shall be a random change in the RNG process (new seed, random timer, delay, etc.). This will verify the RNG doesn't start at the same value, every time. It is permissible not to use a random seed; however, the manufacturer must ensure that games will not synchronize.
- (i) It is the responsibility of the gaming operation to ensure that all games with a random number generator continue to meet the random selection standards.

7.1.6 Testing and approval of electronic gaming devices and progressive controllers.

- (a) Electronic gaming devices and progressive controllers shall not be purchased, leased, or otherwise acquired by the gaming operation unless:
 - (1) The vendor is licensed by the Commission; and
 - (2) Certification has been obtained from an independent gaming laboratory, meeting requirements of the Regulations, MICS and appropriate GLI Standards; and
 - (3) Any additional certification standards required by the Director.
- (b) Modifications to the assembly, or operational functions of electronic gaming devices or progressive controllers, shall not be made unless certification has been obtained from an independent gaming laboratory as meeting the requirements of the Regulations and MICS.
- (c) The Director may require that the vendor provide specialized testing equipment or the services of an independent expert.
- (d) The vendor shall pay all costs of any testing of electronic gaming devices, including examination, analysis and transportation.

7.1.7 Confederated Tribes Gaming Commission decal.

Each electronic gaming device, progressive controller and kiosk at the gaming facility shall display a decal that:

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- (a) Signifies the equipment has been certified for operation by the Director.
- (b) Shall be affixed, removed or replaced by the Director; and
- (c) Shall not be altered.

7.1.8 Inventory control.

Electronic gaming devices and progressive controllers:

- (a) Shall not be removed from the gaming area without approval from the Director;
- (b) When not in use shall be stored in a secure area of the gaming facility approved by the Director;
- (c) Shall be inventoried by the gaming operation, whether in use or in storage, including:
 - (1) Game type;
 - (2) Serial number;
 - (3) Game chip program identification number;
 - (4) Decal number;
 - (5) Location;
 - (6) Date placed into storage; and
 - (7) Date removed from storage.

7.1.9 External display.

- (a) All payout tables and rules of play shall be clearly displayed in a manner as follows:
 - (1) On the screen; or
 - (2) On the external housing, under glass or other transparent substance.
- (b) VLT and electronic player station numbers shall be placed on the VLT, and electronic player station, plainly visible to the surveillance cameras.
- (c) The under twenty-one age restriction shall be clearly shown on the face of the terminal.

SUBCHAPTER 2 - VIDEO LOTTERY TERMINALS

7.2.1 Technical standards.

- (a) Each VLT game shall pay out a mathematically demonstrable percentage of all amounts wagered, which shall not be less than seventy-five percent (75%) for each wager available for play on the device.
- (b) Games that may be affected by player skill shall meet this standard when using a method of play that will provide the greatest return to the player over a period of continuous play.
- (c) No hardware switches shall be installed which alter the pay tables or payout percentages for the game.
- (d) Each VLT shall be equipped with a single printing mechanism, which shall be capable of printing an original ticket that, at a minimum, shows:
 - (1) Gaming operation name;
 - (2) Serial number, validation number, or any machine readable code representing the validation number;
 - (3) Date and time;
 - (4) The alpha and numeric dollar amount;
 - (5) Expiration period or date of expiration; and
 - (6) VLT number.

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- (e) Each VLT shall be equipped with electro-mechanical, and electronic meters to accumulate the "in," "out," and "drop," values in units equal to the denomination of the VLT, and which:
 - (1) Cannot be reset;
 - (2) Display at least eight digits in length; and
 - (3) Accumulates the same values in electronic digital storage and provides the means for on-demand display of the stored information.
- (f) Electro-mechanical meters shall have an accuracy rate of not less than 99 percent. Electronic meters shall have an accuracy rate of not less than 99.99 percent.
- (g) Each VLT shall be designed so that normal maintenance does not necessitate removal of the electro-mechanical meters.
- (h) Each VLT shall be able to electronically store and display the number of plays since power on and the number of plays since door closure.
 - (1) This value shall be displayed on a meter capable of displaying at least three (3) digits.
 - (2) When the maximum value has been reached, the meters shall remain at the value until reset by occurrence of the appropriate event.
- (i) Unless a tilt condition or other malfunction exists, each VLT shall have meters continuously displaying to a player the number of credits:
 - (1) Wagered and available for wagering;
 - (2) Won; and
 - (3) Cashed out.
- (j) Electronically stored meter information required by Subsections (h) and (i) shall be preserved for a minimum of seventy-two (72) hours after a power loss to the electronic gaming device.
- (k) Each VLT shall be capable of continuation with all current game features after a malfunction is cleared. If a VLT is inoperable, the played wager and all accumulated credits shall be returned to the player.

7.2.2 Transportation of VLT's.

- (a) The gaming operation shall not receive VLT's unless the shipper can demonstrate proof of the required written approval from the OSP, including:
 - (1) Serial number of each terminal being transported;
 - (2) Full name and address of the vendor from which the VLT's are obtained;
 - (3) Full name and address of the gaming facility; and
 - (4) Date of shipment and receipt.
- (b) The vendor shall:
 - (1) Demonstrate that all approvals have been obtained from all regulatory agencies as may be required by the state of origin, and proof of all such approvals shall be provided to the gaming operation and be available for inspection by the Director prior to shipment or in conjunction with shipment; and
 - (2) Provide proof of a valid registration with the United States Attorney General in accordance with the Gaming Devices Act of 1962, codified at 15 U.S.C., Section 1173, for the current year either prior to shipment or in conjunction therewith.
- (c) The gaming operation shall notify the Director immediately upon receipt of such shipments for inspection.
- (d) In the event VLT's are sold, traded, or returned to the original seller, the gaming operation shall obtain approval from the Director and the OSP not less than ten (10) days prior to the date of transportation.

7.2.3 Destruction of VLT's.

The Director shall approve any plan for the destruction of VLT's.

- (a) At a minimum, the plan shall include detailed identification of all VLT's scheduled for destruction, the method in which the VLT's are to be destroyed, witnesses from the gaming operation's management and Security Department, and the date(s) the destruction shall take place.
- (b) The plan shall be submitted to the Director not later than thirty (30) days prior to the planned date(s) of destruction and transportation requirements.
- (c) VLT's transported to a site for destruction require the approvals of Section 7.2.3.a and 7.2.3.b.

7.2.4 Ticket validation systems.

- (a) The ticket validation system may be entirely integrated into the monitoring and control system or may be a separate system.
- (b) A ticket validation system shall:
 - (1) Be certified by an independent testing laboratory; and
 - (2) Be approved by the Director.
- (c) All system hardware and software component specifications, at a minimum shall in detail address:
 - (1) Secure environment for communication;
 - (2) Ticket issuance;
 - (3) Ticket redemption;
 - (4) Invalid ticket events;
 - (5) Password controls over validation terminals;
 - (6) Offline ticket redemption;
 - (7) Reports including ticket issuance, ticket redemption, ticket liability, ticket drop, jackpot ticket, transaction detail, and cashier activity;
 - (8) Encrypted or password protected database, including an audit log of user activity, to prevent unauthorized access; and
 - (9) Any device that holds ticket information in its memory shall not allow removing of the information unless it has first transferred that information to the database or other secured components of the validation system.

SUBCHAPTER 3 - INTERNAL AND LINKED PROGRESSIVE SYSTEMS

7.3.1 Wide Area Linked progressive systems.

- (a) An electronic gaming device may be operated as part of a wide area linked progressive system with progressive jackpots if:
 - (1) The system:
 - A. Is capable of bi-directional communication with external associated equipment;
 - B. Utilizes a communication protocol which ensures that erroneous data or signals shall not adversely affect the operation of the game;
 - C. Is certified by an independent gaming laboratory; and
 - (2) Each participating jurisdiction:
 - A. Has in force a compact with its respective state, if required; and
 - B. Utilizes security standards agreed upon by the tribes and their respective states.
- (b) The gaming operation shall immediately notify the Director upon a primary jackpot win on a linked progressive system VLT.

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- (1) Access to the circuit board by a linked progressive system vendor representative is prohibited unless the Director is present.
- (2) When accessing the linked progressive system communication unit, the vendor representative shall be accompanied by a gaming operation technician and Gaming Inspector, under surveillance coverage.

7.3.2 Progressive controllers.

- (a) The progressive controller shall continuously monitor each VLT for credits wagered, and update the progressive jackpot by the increment computed, by applying the rate of progression to the credits wagered.
- (b) Each progressive controller linking two or more VLT's shall be housed in a secure compartment, access to which shall:
 - (1) Require a key or other means of access control;
 - (2) Be documented in a progressive entry authorization log that shall:
 - A. Be maintained with each controller; and
 - B. Be completed by any person gaining entrance to the controller; and
 - C. Include the date, time, reason for access, and the first initial and last name of the person gaining access.
- (c) Each VLT shall have a separate key and key switch to reset the progressive meter or meters or another reset mechanism approved by the Director.

SUBCHAPTER 4 - HARDWARE

7.4.1 Bill validators.

- (a) Each VLT shall have at least one bill validator with a meter which records the number of bills accepted by denomination.
- (b) All bill validators shall be certified by an independent gaming laboratory.
- (c) The currency compartment shall be secured with a different key than is used for any other compartment of the VLT.

7.4.2 Surge protectors.

All electronic gaming devices shall be adequately protected from electric current surges.

7.4.3 Battery protection.

Circuit boards shall contain an auxiliary battery that shall allow for retention of data for a minimum of 180 days in the case of a loss of power.

7.4.4 VLT door-open lights.

Each VLT shall be equipped with a door-open light, such that the light shall be visible on top of the machine and visible to surveillance cameras while the main cabinet door is open.

7.4.5 Secure cabinet.

The cabinet or interior area of each VLT shall be locked and not accessible by unauthorized individuals.

7.4.6 On/off switch.

An on/off switch that controls the electrical current used in the operation of a VLT and any associated equipment shall be located in a place which is readily accessible within the interior of the VLT.

7.4.7 Electro-magnetic interference.

Electronic gaming devices shall not be adversely affected by static discharge, radio frequency or other electro-magnetic interference.

7.4.8 Keno printer

- (a) The keno printer shall indicate when paper is low, allow for completion of ticket printing, and prevent continued printing until paper is sufficiently replenished.
- (b) The system shall have the capability to recognize when the printer is off-line, and not allow for the start of a new game until the printer is capable of printing a ticket.

SUBCHAPTER 5 - MONITORING AND CONTROL SYSTEMS

7.5.1 Certification and approval.

- (a) Each VLT shall communicate to a monitoring and control system (MCS).
- (b) A MCS shall be:
 - (1) Certified by an independent testing laboratory; and
 - (2) Approved by the Director.
 - (3) All revisions and upgrades to the MCS shall be certified by an independent testing laboratory.

7.5.2 System specifications.

A MCS shall conform to system hardware and software component specifications as required by the Director that, at a minimum, include the following:

- (a) Each VLT shall have an interface element installed inside a secure area of the VLT that provides for communication between the VLT and an external data collector;
- (b) If not directly communicating VLT meters, the interface element shall maintain separate electronic meters of sufficient length to preclude loss of information from rollover;
- (c) The interface element shall retain the required information after a power loss for a period of thirty (30) days;
- (d) The interface element shall provide for information buffering and integrity checking;
- (e) The interface element shall allow for the association of a unique identification number to be used in conjunction with a VLT file on the MCS;
- (f) Shall possess a server(s), networked system or distributed systems that direct overall operation and an associated database(s) that stores all entered and collected information;
- (g) Contain a system clock that includes current date and time;
- (h) No built-in facility whereby the gaming operation can bypass system auditing to modify the database directly;
- (i) An application that captures and processes every hand pay jackpot message from each VLT;
- (j) An interrogation program that enables on-line comprehensive searching for the significant event log for the present and for the previous thirty (30) days;
- (k) A master VLT file which is a database of every VLT in operation and for each entry includes the unique interface element identification number, gaming

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- operation number, denomination of the VLT, theoretical hold of the VLT and control programs within the VLT;
- (l) Communication protocols that ensure accuracy, through error detection and manual correction, and security of transmitted data with encryption of communications initiating pay commands;
 - (m) Transmission and storage of significant game events, including power resets or failure, hand pay conditions, door openings, bill acceptor errors, low RAM battery error, printer errors, loss of communication with interface element, loss of communication with VLT, memory corruption and RAM corruption;
 - (n) Reading and storing, on demand and at time of drop, VLT meters data, including:
 - (1) Credits in, credits out, total dropped;
 - (2) Hand paid jackpots and cancelled credits;
 - (3) Hand paid VLT paid progressive jackpots;
 - (4) Bills in by denomination and total;
 - (5) Total tickets in and tickets out; and
 - (6) Games played.
 - (o) Meter data maintained for at least seventy-two (72) hours after a power loss to the interface element;
 - (p) Protection from unauthorized use or errors resulting in the loss of stored accounting meter information;
 - (q) Recording and securely storing audit data documenting user changes to system data.;
 - (r) Generation of standard system reports for the management, accounting and auditing of system activity including:
 - (1) Daily or on demand capability showing day, month, and year-to-date cumulative information;
 - (2) Title, date, time, print date and version number of system software;
 - (3) VLT number, game type, denomination, meter or actual drop, credit in/out, jackpot slips issued, win, theoretical hold percentage, actual hold percentage and variance percentage, and projected dollar variance;
 - (4) Meter to actual hand paid jackpots, cancelled credits, and progressive jackpots;
 - (5) Tickets redeemed by cashier station and shift;
 - (6) Tickets issued by date, amount, sequence number and VLT number;
 - (7) System ticket liabilities by date issued and sequence number;
 - (8) Meter win to actual taxable win;
 - (9) Daily meter reports for each VLT showing meter drop to actual, tickets in to tickets counted, meter win to actual;
 - (10) Meter hand paid and VLT paid progressive jackpots to actual;
 - (11) Meter cancelled credits to actual;
 - (12) All required meter amounts by VLT read and recorded; and
 - (13) Audit logs showing changes to accounting data or system parameters that include identification of the data or parameters changed, per and post-change values, date and time of change, and user identification.
 - (s) Security over access to stored data through the use of passwords and either a hierarchical role structure or individual menu item access;
 - (t) Restricted access to accounting or significant event log information that was properly communicated from the VLT including supervised controls and audit logs;
 - (u) Control over remote access;
 - (v) Backup and recovery of data to ensure uninterrupted gaming; and

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- (w) Any additional requirements imposed by the Director that enhance system control consistent with contemporary technical standards.

7.5.3 System malfunctions.

Any system malfunction or failure of the MCS for more than four (4) hours shall be reported to the Director within twenty-four (24) hours. The report shall include the VLT(s) affected, required remedial action and estimated time to repair the malfunction or failure.

7.5.4 Promotional System

- (a) Promotional systems shall be subject to the certification by an independent testing laboratory, and security and audit requirements of the MCS and conform to system hardware and software component specifications as required by the Director.
- (b) VLT's shall be configured to ensure security of data communicated to/from the MCS;
- (c) VLT's shall have an electronic message that shall display the amount of the promotional award received;
- (d) Promotional transactions that exceed configured MCS server limits shall be rejected;
- (e) The MCS server shall contain electronic meters for promotional awards in an out, which do not directly affect other required meter values;
- (f) Error events shall be monitored and the VLT shall display to players any disqualifying information, such as, invalid or unrecognized accounts.
- (g) The system shall have the capability that allows for the following:
 - (1) A maximum number of entries for incorrect/invalid player identification numbers;
 - (2) Flagging of player accounts with lost or stolen cards;
 - (3) Invalidation of accounts;
 - (4) Related balance transfers;
 - (5) Removal of promotional credits from player accounts through downloading to VLT's, redemption, or expiration;
 - (6) Electronic transfer of promotional credits t/from VLT's through player account transactions;
 - (7) Current promotion award balance and activity information on demand to players; and
 - (8) Configurable user access parameters to allow for separation of responsibilities.
- (h) The MCS server shall have the ability to recall the last twenty-five received/transmitted promotional transactions, to the MCS which include:
 - (1) Transaction type;
 - (2) Transaction amount;
 - (3) Date and time; and
 - (4) Player's account number, or other identifier, to allow for authentication of source/distribution of funds.
- (i) The system shall have the capability to generate reports as follows:
 - (1) Player account detail and summary reports with beginning/ending balances, VLT number, amount, date/time, and type;
 - (2) Liability report with prior day balance, total promotion amounts in/out totals, expired amounts, and day-end balance; and
 - (3) Meter summary and detail reconciliation reports that show VLT promotion meters to system activity.

7.5.5 Bonus System

- (a) Bonus systems shall be subject to the certification by an independent testing laboratory, and security and audit requirements of the MCS and conform to system hardware and software component specifications as required by the Director.
- (b) VLT's set up for bonus awards shall:
 - (1) Be configured to ensure security of the communication of data to/from the MCS;
 - (2) Notify the player the amount of the bonus award won;
 - (3) Notify the player and/or authorized system maintenance personnel about a communication failure that prevents the VLT from awarding a bonus;
 - (4) Increment coin out meters to reflect system generated bonus awards;
 - (5) Increment hand pay meters to reflect hand paid bonus awards; and
 - (6) Include bonus meters that show bonus awards in.
- (c) The bonus system shall record VLT bonus meter data for VLT paid and hand paid bonus awards and generate meter to actual system reports.
- (d) The bonus system shall generate audit logs for all bonus transactions with reporting capability by VLT number, date/time and bonus type.

SUBCHAPTER 6 - REDEMPTION KIOSK

7.6.1 Certification and approval

- (a) Each kiosk shall communicate to a monitoring and control system (MCS).
- (b) A kiosk shall be:
 - (1) Certified by an independent testing laboratory; and
 - (2) Approved by the Director.

7.6.2 Cabinet Security

The main door, that must be locked, shall be manufactured of materials that are suitable for allowing only legitimate access to the inside of the cabinet. Doors and their associated hinges shall be capable of withstanding determined illegal efforts to gain access to the inside of the Redemption Kiosk, and shall leave evidence of tampering if an illegal entry is made. The main door to the Redemption Kiosk must be robust enough to withstand forced illegal entry unless such entry causes a tilt code or visual evidence of tampering.

7.6.3 Terminal Identification

- (a) The Redemption Kiosk must have an identification badge that is not removable without leaving evidence of tampering affixed to the cabinet that must include the following information:
 - (1) Manufacturer's Name;
 - (2) Unique Serial Number;
 - (3) Redemption Kiosk Model Number; and
 - (4) Date of Manufacture

7.6.4 Terminal Integrity

Electrical and mechanical parts and design principals of the electronic associated hardware may not subject a player to any physical hazards.

7.6.5 Integrity Standard

A redemption kiosk shall be able to withstand the following tests, resuming operation without operator intervention:

- (a) Electro-magnetic Interference. Redemption kiosks shall not create electronic noise that affects the integrity or fairness of the neighboring associated equipment;
- (b) Electro-static Interference. Protection against static discharges requires that the system's hardware be earthed in such a way that static discharge energy shall not damage or inhibit the normal operation of the electronics or other components within the System. Systems may exhibit temporary disruption when subjected to a significant electro-static discharge greater than human body discharge, but they shall exhibit a capacity to recover and complete any interrupted function without loss or corruption of any control or data information associated with the System. The tests will be conducted with a severity level of up to 27KV air discharge;

NOTE: For commercial components that are affected (e.g. a PC monitor), there must be a method to determine the state the redemption kiosk was in if any of the components fail from static discharge.

- (c) Radio Frequency Interference (RFI). Systems shall not divert from normal operation by the application of RFI at a frequency range from 27 to 1000 MHz with a field strength of 3 volts per meter: and
- (d) Magnetic Interference. Systems shall not be adversely affected by Magnetic Interference. The manufacturer should supply any documentation if the device has had Magnetic Interference testing against any recognized standard.

7.6.6 Tower Light

There should be a light on top of the device that is clearly visible that automatically illuminates when any of the Error Conditions occur or the 'Call Attendant' (if applicable) is initiated by the patron.

7.6.7 Note Acceptor Stacker

Each note acceptor shall have a secure stacker that stores all accepted bills and ticket vouchers. The secure stacker is to be attached to the Redemption Terminal in such a manner so that it cannot be removed without accessing the interior of the kiosk unit.

7.6.8 Back-up Memory

The Redemption Kiosk must utilize battery back up, or an equivalent, that is capable of maintaining the accuracy of all Critical Memory (refer to 3.2.2) for thirty (30) days after power is discontinued from the Redemption Kiosk.

7.6.9 Critical Memory

Critical memory is used to store all data that is considered vital to the continued operation of the Redemption Kiosk. This includes, but is not limited to:

- (a) All Electronic Meters, as defined by this Subchapter;
- (b) Ticket Voucher Redeemed Log, provided the log is not stored on printed paper within the device; and
- (c) The last normal state the Redemption Kiosk software was in before interruption.

7.6.10 Maintenance of Critical Memory

Critical memory storage shall be maintained by a methodology that enables errors to be identified and corrected in most circumstances. This methodology may involve signatures, checksums, partial checksums, multiple copies, timestamps and/or effective use of validity codes.

7.6.11 Data Alteration

The Redemption Kiosk shall not permit the alteration of any Meter or Error Condition log information without supervised access controls. In the event Meter or Error Condition log data is changed, an audit log must be capable of being produced to document.

- (a) Data element altered;
- (b) Data element value prior to alteration;
- (c) Data element value after alteration;
- (d) Time and Date of alteration; and
- (e) Personnel that performed alteration (user login)

7.6.12 Communication Components

The Redemption Kiosk must be designed to allow for communication with a Validation System. All communications between the Redemption Kiosks and the Validation System must be secured. This network security must be implemented by the casino's Information Technology (IT) department.

7.6.13 Protocol Requirements for Redeeming Tickets

Redemption Kiosks are required to have an interface to the Validation System. Regardless of the method of interfacing with the system, the Redemption Kiosk must use a communication protocol and must not write directly to the system database. The Redemption Kiosk must only process the payment based on commands from the system.

7.6.14 Error Conditions

The Redemption Kiosk must be capable of detecting and displaying the following Error Conditions. The Error Condition must illuminate the tower light or sound an audible alarm. The Redemption Kiosk shall be able to recover to the state it was in immediately prior to the interruption occurring, including during payment. Error Conditions requiring attendant intervention are denoted by

- (a) Power loss or power reset;
- (b) System and kiosk not communicating (this may be detected upon ticket insertion only);
- (c) Coin or currency out error;
- (d) Coin Hopper or Cash Dispenser empty or timed out;
- (e) RAM error (critical memory);
- (f) Low RAM battery (if battery external to the RAM itself used);
- (g) Ticket voucher-in jam;
- (h) Door open (all external doors);
- (i) Bill acceptor stacker full (this condition should cause the Bill Acceptor to disable itself to no longer accept anything);
- (j) Bill acceptor door Open;
- (k) Stacker door open or stacker removed; and
- (l) Printer errors (if internal printer is supported)

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NOTE: If the redemption kiosk uses error codes instead of a text explanation of the Error Conditions, a description of the error codes and their meanings must be affixed on the inside of the redemption kiosk.

NOTE: If any of the above Error Conditions occur during the acceptance and/or escrowing of a ticket voucher, the ticket voucher must be returned to the patron without a status change on the Validation System or, once the Error Condition is cleared, proceed to pay the patron and have a status of 'Redeemed' on the system.

7.6.15 Maximum Redeemable Value

There shall be a maximum ticket value that can be paid by a kiosk or have available the ability to select the maximum amount.

- (a) Ticket redemption kiosks shall be configured to limit ticket validation to less than \$3,000 per transaction.
- (b) Jackpot redemption kiosks shall be configured to limit jackpot ticket validation to \$10,000 or less as determined by Operations.

7.6.16 Required Meters

- (a) Metering information is maintained in critical memory at the Redemption Kiosk.
- (b) The Redemption Kiosk must maintain the following Meters which can be by denomination:
 - (1) A "Total In" meter that accumulates the total value of all bills and ticket vouchers accepted by the device. Separate 'In meters' shall report the value of all tickets redeemed and the value of all bills redeemed; and
 - (2) A "Total Out"(s) for payments issued by the machine. Separate 'Out Meters' shall report the value of all coins dispensed and the value of all bills dispensed

7.6.17 Clearing Meters

The Redemption Kiosk must not have a mechanism whereby an unauthorized user can cause the loss of stored accounting Meter information, see also Section 7.6.8 thru 7.6.11 'Memory Requirements'.

7.6.18 Required Logs

Logs must be maintained in critical memory or on a paper log (see NOTE, below within this section) housed within the Redemption Kiosk that consists of the following:

- (a) Voucher In Event Log which must properly log the following information about the voucher redeemed:
 - (1) Date/Time of redemption;
 - (2) Amount of voucher; and
 - (3) At least last 4-digits of validation number
- (b) The Redemption Kiosk must maintain at least 35 events in the "Voucher In" event log

NOTE: If the device utilizes a printer to record the information required within this section, the printer must be capable of monitoring the 'Printer Disconnected', 'Paper Jam', 'out of Paper' conditions.

7.6.19 Ticket Acceptance

Tickets may only be accepted when the Kiosk is communicating with the system. Tickets inserted into a kiosk must be rejected when the system link is down and Payment shall only be made when the ticket is 'Stacked' within the Bill Acceptor Stacker unit.

7.6.20 Software Verification

The device shall have the ability to allow for an independent integrity check of the device's software from an outside source. This must be accomplished by being authenticated by a third-party device, which may be embedded within the device software (see NOTE within this section, below) or having an interface port for a third-party device to authenticate the media. This integrity check will provide a means for field testing the software to identify and validate the program. The test laboratory, prior to device approval, shall approve the integrity check method.

7.6.21 Reports

The following reports shall be available to CTGC upon request:

- (a) Summary of tickets in by reconciliation period; and
- (b) Reconciliation report.

CHAPTER 8: INDOOR AIR QUALITY

8.1.1 Authority and purpose.

- (a) The authority for these rules is found in The Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians' Tribal Code, Title 5, Chapter 5-5, Section 5-5-5 and Section 5-5-6.
- (b) The purpose of these rules is to establish exposure limits for toxic and hazardous substance air contaminants commonly contained in Environmental Tobacco Smoke (ETS). The limits established will meet or exceed current limits set by the United States Environmental Protection Agency and the Oregon Occupational Safety and Health Division. Contaminants include, but are not limited, to the following substances:
 - 1. Ammonia
 - 2. Arsenic
 - 3. Benzene
 - 4. Butane
 - 5. Carbon Dioxide
 - 6. Carbon Monoxide
 - 7. Cadmium
 - 8. Cyanide
 - 9. DDT
 - 10. Formaldehyde
 - 11. Lead
 - 12. Methyl Isocyanate

8.1.2 Environmental Tobacco Smoke (ETS) defined.

“Environmental Tobacco Smoke” (ETS) results from (1) being exposed to someone else’s cigarette, cigar or pipe smoke; or (2) material in indoor air that originates from tobacco smoke. Breathing in ETS is known as passive smoking, second-hand smoke or involuntary smoking.

Because the organic material in tobacco doesn’t burn completely, cigarette smoke contains more than 4,700 chemical compounds. Although OSHA has no regulation that addresses tobacco smoke as a whole, 29 CFR 1910.1000 Air contaminants, limits employee exposure to several of the main chemical components found in tobacco smoke. In normal situations, exposures would not exceed these permissible exposure limits (PELs), and, as a matter of prosecutorial discretion, OSHA will not apply the General Duty Clause to ETS.

8.1.3 Adoption by Reference

The Confederated Tribes of Coos, Lower Umpqua and Siuslaw Gaming Commission adopts by reference federal rules as printed in The Code of Federal Regulations, 29 CFR 1910 (General Occupational Safety and Health Rules; and Subdivision Z: Toxic and Hazardous Substances, Oregon Rules for Air Contaminants (OAR 437-002-0382).

8.1.4 Enforcement

Chapter 3 shall apply for enforcement of these regulations.