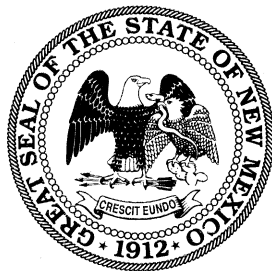


NEW MEXICO GAMING CONTROL (NMGCB)

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MINIMUM INTERNAL CONTROL STANDARDS  
FOR RACE TRACK LICENSEES

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# 1. INTRODUCTION

## 1.1 PURPOSE

These minimum internal control standards (MICS), as developed by the New Mexico Gaming Control Board (NMGCB) apply to all racetrack casino Licensees regulated by the NMGCB. A Licensee may choose to use these MICS as its system of internal controls, or it may choose to develop its own alternative system. If a Licensee develops its own system of internal controls, it shall meet or exceed these standards and be approved in advance by the NMGCB. If the Licensee's internal controls do not address a procedure, it shall be assumed that it has adopted the NMGCB MICS for that procedure. These MICS do not necessarily include references to the Gaming Control Act and other NMGCB rules. Compliance with all applicable statutes and NMGCB rules is mandatory, regardless of whether or not the statutes or rules are repeated in the internal controls.

## 1.2 PRINCIPLES

Minimum Internal Control Standards are based on three principles:

- A. access to Gaming Machines, currency, coins, and tokens shall be restricted;
- B. internal controls for each job function shall have proper segregation of duties; and
- C. all assets shall be safeguarded.

In addition to these MICS, the Licensee shall comply with applicable federal and state statutes and other NMGCB rules. Periodically, the NMGCB shall revise these MICS to reflect changes in the gaming industry or as circumstances warrant.

## 1.3 FORMS

All gaming forms shall be approved by the NMGCB prior to use by the Licensee. If the Licensee does not have the appropriate forms, it shall use the attached NMGCB approved forms.

## 1.4 RULES AND STATUTES

The Gaming Control Act, Section 60-2E-35 and NMGCB rules outline the procedures for the adoption, revision, and amending of all MICS and internal control standards. The general requirements may be found in rule 15.1.9.8 and 15.1.8.15 NMAC

## 1.5 COMPLIANCE

The Licensees' compliance with the MICS is tested throughout the year by the NMGCB. The goals of these audits are threefold: 1) to assure that the Licensee is in compliance with the MICS; 2) to analyze and conduct risk assessment of the existing controls to reach an equitable balance of the regulatory and business needs, and 3) to protect the integrity of gaming in New Mexico. A similar examination is conducted each year by an independent certified public accountant (CPA) in accordance with rule 15.1.8.15.C. NMAC. The CPA shall perform procedures to verify that the Licensee's internal control system is in compliance with the NMGCB MICS by comparing the

Licensee's internal control procedures to the standards contained in this document. The CPA shall also perform procedures to verify, on a test basis, that the Licensee has implemented and is in substantial compliance with its internal control procedures. The CPA shall prepare a report of the findings for the Licensee and submit a copy to the NMGCB no later than 120 days after the end of the Licensee's business year.

## **1.6 NEW MEXICO GAMING CONTROL BOARD MINIMUM INTERNAL CONTROL STANDARDS AND LICENSEES' INTERNAL CONTROL PROCEDURES**

A. Minimum Internal Control Standards – The NMGCB promulgates MICS. These standards are drafted in broad language to allow flexibility in certain instances for management freedom. However, they are also drafted with some specificity to provide protection of gaming assets. The goals of the MICS are as follows:

1. to safeguard the assets of the Licensee;
2. to ensure that the financial records of the Licensee are accurate and reliable;
3. to ensure that the transactions of the Licensee are performed only in accordance with the specific or general authorizations of the MICS;
4. to ensure that all transactions are recorded properly in order to ensure accurate and timely recording of financial information;
5. to ensure that only authorized personnel have access to assets;
6. to ensure that the functions, duties, and responsibilities are appropriately segregated and performed in accordance with the internal controls and that any employee of the Licensee is not in a position to perpetuate and conceal errors or irregularities in the normal course of an employee's duties; and
7. to ensure that gaming is conducted with integrity and in accordance with these MICS.

B. Internal Control Procedures – the Licensee is obligated by law and rule to develop and implement internal controls that, “at a minimum conform to the standards established in the minimum internal control standards.” To meet these MICS, Licensee management is obligated to develop internal control procedures that meet the following standards:

1. the internal control procedures shall be written primarily to guide the Licensees' employees on how to perform specific job functions;
2. the internal control procedures shall define the essential elements contained in the MICS;
3. the internal control procedures shall be specific enough to determine which job position is performing each internal control function;
4. the internal control procedures shall also determine the sequence of the internal controls;

5. the internal control procedures shall specify the location where that internal control procedure shall be performed, if applicable;
6. if the MICS require that the Licensee develop written procedures the Licensee shall develop procedures specific to its operation and shall not simply cut and paste the applicable MICS;
7. all Licensee internal controls, including all Licensee department internal controls, shall be drafted using a size 12, Times New Roman font and shall, to the extent possible, follow the format of the Minimum Internal Control Standards, with variations, upon submission, being highlighted in Legislative Markup format;
8. the internal controls shall be made available for the review of all Licensee employees within departments controlled by the MICS;
9. Each Licensee shall comply with the requirements of Gaming Control Act 60-2E-35(C) including providing:
  - a. an organizational chart depicting segregation of duties updated and resubmitted upon any change in executive or management personnel;
  - b. a description of the duties and responsibilities of each position shown on the organizational chart updated and resubmitted upon any change in executive or management personnel; and
  - c. a written statement signed by the chief financial officer and either the chief executive officer or the general manager that the system satisfies the requirements of this section and attached to the Licensee's Internal Control Statement; and
10. all internal controls shall be submitted to the NMGCB for approval prior to implementation.

## **1.7 PROCESS FOR REQUESTING A VARIANCE OR AMENDMENT**

### **A. General.**

A variance request shall arise when the Licensee believes that a specific Minimum Internal Control Standard shall be replaced with a different procedure, specific to the Licensee's operation, due to technological advances, process changes, or economic considerations. The variance request shall not be considered by the NMGCB unless the variance would achieve a level of security that meets or exceeds the existing Standard.

A request for Amendment shall arise when the Licensee desires to change one of their own, previously approved Internal Control Standards that exceeds the NMGCB Minimum Internal Control Standards with a different procedure, due to a change in the Licensee's operations or due to the belief that the enhanced standard is not necessary. The Amendment request shall not be considered by the NMGCB unless the Amendment would achieve a level of security that meets or exceeds the existing Standard. Approval of Amendments shall be by the Executive Director.

## **B. Variance Request Procedures for the Gaming Operation.**

1. The Licensee shall submit a letter in writing to the Executive Director requesting a variance from the existing MICS. The letter shall include the specific gaming operation procedures and the standards from which the Licensee is seeking a variance. The letter shall include a description of the reasons for the variance request and a description of how the proposed procedure shall achieve a level of control sufficient to accomplish the purpose of the existing standard. The Executive Director shall review the request, evaluate the adequacy of the proposed change and submit a recommendation to the Board.
2. The NMGCB shall either approve or disapprove the variance within thirty (30) days of receipt of the variance request. If the nature of the enumerated standard requires additional time for evaluation or research, the Executive Director may extend the period of time of review up to an additional sixty (60) days. The Executive Director shall evaluate the adequacy of the variance during this period.
3. The Licensee shall comply with the standards set forth in these MICS until such time as the NMGCB grants final approval of the variance request in writing.
4. All Variance requests and requests for Amendment shall be submitted in Legislative Markup Format.

## **1.8 DEFINITIONS**

Unless otherwise defined below, terms used in these MICS have the same meaning as set forth in the Gaming Control Act or other NMGCB rules. In the event of a conflict between the Act, the rules and the MICS, the Act shall control.

- A. Abandoned Ticket** – An Abandoned Ticket is an Unredeemed Ticket, usually in a very small amount, which a Patron has intentionally left behind.
- B. Accounting Lock Box** – An Accounting Lock Box is a box secured by a lock device, under Constant Surveillance, accessed with a restricted key into which are deposited completed gaming documents. Normal access to the Accounting Lock Box shall be restricted to authorized Accounting Department personnel, who shall retrieve the contents of the Accounting Lock Box at least once per day. Other access to the accounting box shall only be with the permission of a Security Supervisor or above, after notification of and under surveillance of Surveillance Personnel.
- C. Additional Payout** - Additional Payout means a supplemental cash payout, based on a Jackpot, that is not reflected in the Gaming Machine pay table (e.g., double Jackpot). Rule 15.1.10.7 B. NMAC.
- D. Agent of the NMGCB** – An Agent of the NMGCB is an employee or other person authorized by the NMGCB to act upon its behalf and under its authority.
- E. Aggregate Unreconciled Variance** – An Aggregate Unreconciled Variance is the net amount of variance when all variances for the day are combined. Variances from different

departments/areas are added together with total shortages being subtracted from total overages. The resulting figure is the aggregate variance. If a variance in one department/area causes the same variance to appear in another area, the variance shall only be counted once.

- F. Algorithm** - A procedure for solving a mathematical problem (for example: finding the greatest common divisor) in a finite number of steps that frequently involves repetition of an operation. A step-by-step procedure for solving a problem or accomplishing some end result, especially by a computer.
- G. Amendment** – An Amendment is a change to a Licensee’s previously approved Internal Control Standard, where the previously approved standard exceeds the NMGCB Minimum Internal Control Standard and where the proposed new standard will still either meet or exceed the NMGCB Minimum Standard.
- H. Barcode Scanner** – A Barcode Scanner is a device used to scan Tickets or Vouchers to determine if the Ticket is valid during the validation process.
- I. Cage** – The Cage is the area on the Gaming Floor where cash is maintained for Jackpot Payment, Gaming Machine Fills and Patron Cash Transactions.
- J. Cage Cashier** – A Cage Cashier is a casino employee, who works in the Cage and maintains an imprest fund to process gaming cash transactions.
- K. Cancelled Credits** – Cancelled Credits are the total value of payments resulting from a player initiated cash-out that exceeds the physical or configured capability of the machine to make a cash payout amount.
- L. Cancelled-Credits Meters** – The Cancelled-Credits Meters (mechanical and software) that accumulate the total value paid by an attendant resulting from a player initiated cash-out that exceeds the physical or configured capability of the machine to make a cash payout amount.
- M. Cash Reserves** – Cash Reserves are Currency, Coins, Tokens and all other items of monetary value kept in the casino for gaming purposes.
- N. Cash Vault** – The Cash Vault is the Secured Area, under Constant Surveillance, where all Cash Reserves not currently being used for gaming purposes are held for safekeeping.
- O. Change Bank** – A Change Bank is an imprest fund, outside the Cage, used to make change and to cash Tickets for Patrons.
- P. Coin-In** - Coin-In is the total value of all credits played, whether from insertion of coins, tokens, TITO Tickets, currency, deduction from a credit meter or other means.
- Q. Coin-In Meters** – The Coin-In Meters (mechanical and software) accumulate total value of all credits played whether the amount results from insertion of coins, tokens, currency, deduction from a credit meter or other means.



- R. Coin-Out** – Coin-Out is the total value of all amounts paid by the machine as a result of winning combination, whether the payout is made from the hopper, to a credit meter or by any other means.
- S. Coin-out Meters** - The Coin-Out Meters (mechanical and software) accumulate total Coin-Out value of all amounts directly paid by the machine as a result of winning combination, whether the payout is made from the hopper, to a credit meter or by any other means.
- T. Coin-Drop** – Coin-Drop is the total value of coins or tokens diverted to the drop. Coin-Drop is also the process of physically removing coins or tokens from the drop bucket.
- U. Coin-Drop-Meters** – The Coin-Drop meters (mechanical and software) accumulate the total value of coins or tokens diverted to the drop.
- V. Constant Surveillance** – Under continuous observation by at least one fixed camera attached to a continuously recording device and subject to human observation.
- W. CSED** – Child Support Enforcement Division, the division that provides the information that allows the CSED Lookup.
- X. CSED Lookup** - A process whereby the Licensee determines if a Winning Patron has an unpaid obligation that would require that their Winnings be withheld pending CSED’s determination as to whether or not CSED will claim said Winnings.
- Y. Cryptography** – The enciphering and deciphering of messages in a secure code or cipher.
- Z. Decrypt** – Decode.
- AA. EAP** – Extensible Authentication Protocol is a universal authentication framework used in wireless networks and Point-to-Point connections. It is defined in RFC 3748, which has been updated by RFC 5247.
- AB. Encrypt** – Encipher or Encode.
- AC. Extraneous Items** – Extraneous Items are personal property such as sweaters and coats (unless they are being worn), magazines, books, purses, personal currency, boxes, hats, etc.
- AD. Firewall** – A computer or computer software that prevents unauthorized access to private data (as on a company’s local area network or intranet) by outside computer users (as of the internet).
- AE. Found Money** – Found Money is currency, coin or Unredeemed Tickets lost or abandoned by Patrons, recovered by the Licensee and not subsequently claimed by and returned to the Patron.
- AF. Gaming Floor** – The portion of the Licensed Premises defined by 60-2E-26 F. NMSA: “A gaming operator licensee shall erect a permanent physical barrier to allow for multiple uses of the premises by persons of all ages. For purposes of this subsection, "permanent physical

barrier" means a floor-to-ceiling wall separating the general areas from the restricted areas. The entrance to the area where gaming machines are located shall display a sign that the premises are restricted to persons twenty-one years of age or older. Persons under the age of twenty-one shall not enter the area where gaming machines are located."

- AG. Gaming Machine** - Gaming Machine means a mechanical, electromechanical or electronic contrivance or machine that, upon insertion of a coin, token, TITO Ticket or similar object, or upon payment of any consideration, is available to play or operate a game, whether the payoff is made automatically from the machine or in any other manner; or a contrivance that is not licensed for use pursuant to the Act and that, for a consideration, affords the player an opportunity to obtain anything of value, the award of which is determined by chance, even though accompanied by some skill, whether or not the prize is automatically paid by the device **(60-2E-3 (S) NMSA 1978 and Rule 15.1.22.7 (D) (1) & (2) NMAC)**
- AH. Hard Count** – The Hard Count is the physical counting of coins and tokens after they are removed from Gaming Machines. **(“Hard Count” is defined in Rule 15.1.9.7 NMAC as follows: “means the counting of coins generated by gaming operations.”)**
- AI. Identification Number** – Wherever the term Identification Number, ID Number or employee ID Number, etc. are used, the number referred to is the most recently issued NMGCB Work Permit, Key Executive or Universal Identification Number.
- AJ. Information Systems** - IS; MIS-Management Information System; IT-Information Technology.
- AK. Jackpot** – A Jackpot means the total value of the credits that are paid to a Patron that is the result of a single winning alignment or combination as determined by the game’s software.
- AL. Kiosk (Redemption Kiosk)** – A Kiosk is a device that breaks bills and accepts venue specific redeemable Ticket Vouchers that are issued as a result of a cash-out from an electronic gaming device. Kiosks communicate Ticket Voucher information to the Ticket validation system then the validation system shall notify the Kiosk to either pay the Ticket amount or to return the Ticket Voucher to the Patron.
- AM. Legislative Markup** – “Legislative Markup” is a format where changes to a document are highlighted, by ~~Strikeouts~~ and underscores. Material that is being deleted is bracketed and struck through. Material that is being added is underscored. Where material is deleted and substituted, the deleted material is bracketed and struck through and followed by the underscored new material.
- AN. Licensed Premises** – The Licensed Premises means the area that has been approved for gaming on the Premises that is under the direct control of a Licensee and from which the Licensee is authorized to operate and permit the play of Gaming Machines and conduct all activities associated with the operation of gaming. (Rule 15.1.6.7 C. NMAC)
- AO. Lost Ticket** – A Lost Ticket is an Unredeemed Ticket that a Patron has unintentionally or inadvertently misplaced or left behind.
- AP. Manual Payout** – A Manual Payout is the payment of funds to a Patron by a Casino

employee other than a Cashier. Manual Payouts shall include, but not be limited to, Jackpots, Credit Memo Payouts (CMPOs), Short Pays and Cancel Credits.

**AQ. MEAL** – Machine Entry Access Log (GC-11).

**AR. MICS Variance** – A MICS Variance occurs when the Licensee requests permission to substitute a control process that is substantially different from the equivalent process that is specified in the NMGCB MICS for Racetracks due to unique circumstances or the Licensee’s particular business practices. A variance request shall not be considered by the NMGCB unless the variance would achieve a level of security that meets or exceeds the existing standard.

**AS. Monitored Surveillance** – Monitored Surveillance means under continuous observation by at least one camera, continuously under human observation and attached to a continuously recording device.

**AT. Partial Credits** – Partial Credits may be issued automatically when a cash payout Ticket is inserted into another Gaming Machine whose credit value is a different denomination. The whole credits are reflected as credits in the section labeled credit on the Gaming Machine. A cash-out Ticket is automatically generated for the Partial Credit amount. Patrons shall be provided information about how Partial Credits are handled by means of a sign posted in a conspicuous place on the Gaming Floor.

**AU. Patron** – A “Patron” is any person, other than an employee or a vendor, who has entered the Premises of the Licensee for a commercial purpose.

**AV. Personal Property Award** - means an award of personal property based on Gaming Machine play. Rule 15.1.10.7 (U). NMAC

**AW. Premises** – Premises means the land together with all buildings, improvements and personal property located on the land. Rule 15.1.5.7 (N). NMAC

**AX. Progressive Controller** - The Progressive Controller is hardware and software that controls all communications among the linked machines.

**AY. Progressive Gaming Device** - A Progressive Gaming Device is a gaming device that has an increasing Jackpot, based on a function of credits that are bet. This includes games that award progressive Jackpots or a ‘pool’ based on criteria other than obtaining winning symbols on the machine, such as ‘Mystery Jackpot.’ This does not include games that incorporate a bonus feature as part of the game theme, which offers awards that increase as the game is played and is not configurable.

**AZ. Promotion** - Promotion means a short-term program designed to stimulate participation in gaming activities by Patrons through advertising and the award of cash and non-cash prizes, not based on a jackpot; “Promotion” includes the gift of nominal value items, such as T-shirts and mugs; and includes player's clubs or similar programs in which gaming Patrons accumulate points, which can be exchanged for cash, machine credits, merchandise or any other thing of value. Rule 15.1.10.7 (V). NMAC

- BA. Protocol** – A set of conventions governing the treatment and especially the formatting of data in an electronic communications system.
- BB. Redeemed Ticket** - A Redeemed Ticket is a Ticket validated by the system and paid by the Cashier Cage, by the slot attendant/changebank, by a Kiosk, or by credits on a TITO Gaming Machine.
- BC. Secured Area** – A Secured Area is a room or series of rooms protected by at least one locked door under Constant Surveillance, which door can only be opened after notification of surveillance personnel.
- BD. Secure Manner** – A Secure Manner means in a fashion that restricts access to the secured material to appropriately authorized personnel.
- BE. Self Exclusion** – Self Exclusion is a process whereby a person is permitted to have himself or herself placed on a list of persons who are not permitted to game at either specified or all NMGCB licensed gaming facilities, thereby becoming a Self Excluded Person.
- BF. Sign** – To Sign means to affix one’s Signature (see definition below) to a gaming document.
- BG. Signature** – A Signature is a person’s first initial and last name, at a minimum, written in script form by the signer, immediately followed by the person’s legibly written permit or finding of suitability number (where the signer is licensed by the NMGCB) written by the signer. The Signature of an NMGCB permitted individual shall correspond with the Signature of that individual as imprinted on their Signature Card.
- BH. Slot Accounting System** - The Slot Accounting System is a game management system that continuously monitors each Gaming Device via a defined communication Protocol by either a dedicated line, dial-up system, or other secure transmission method. A Slot Accounting System is primarily tasked to provide logging, searching, and reporting of gaming significant events, collection of individual device financial and meter data, reconciliation of meter data against hard and Soft Counts, and systems security.
- BI. Slot Tournament** – A Slot Tournament is a Promotion where the Licensee allows Patrons to play designated Gaming Machines, on a non-cash basis, for “credits” with no monetary value. At the end of the tournament, cash and/or prizes may be awarded to the participants based on the “credits” won, in accordance with the rules of the tournament as established by the Licensee.
- BJ. Soft Count** - The Soft Count is the physical counting of currency after it has been removed from Gaming Machines.
- BK. SSID** – Service Set Identifier. An SSID is also referred to as a *network name* because, essentially, it is a name that identifies a wireless network.
- BL. Tilt** – A Tilt is an error in machine operation that suspends game play. Tilts can be caused by hardware or software problems and shall be corrected before game play can continue.

**BM. Ticket** – A Ticket is a Voucher.

**BN. Ticket In/Ticket Out (TITO)** – TITO is the technology that allows for the use of an encoded paper Ticket which can be inserted into a TITO capable Gaming Machine, a self-service Ticket Redemption Kiosk, and/or redeemed at the cashier's Cage. TITO Devices shall be interfaced to a Slot Accounting System, which has a centralized Ticket validation module.

**BO. TITO Devices** – TITO Devices are Gaming Machines or Redemption Kiosks that accept or print out an encoded paper Ticket, which can then either be redeemed for cash, or inserted for play into other TITO capable Gaming Machines.

**BP. Top Prize Award** – A Top Prize Award is a maximum prize (Cash, Personal Property or a choice of alternate Cash or Personal Property Awards) awarded on a Gaming Machine other than the maximum Jackpot as provided for by the manufacturer in the Gaming Machine's par sheet.

**BQ. Tokenized Machines** – Tokenized Machines are Gaming Machines configured for multi-denomination that converts a coin, token or currency into a multiple number of credits.

**BR. Surveillance Operator** – A Surveillance Operator is a licensed gaming employee who has been trained to operate the Licensee's surveillance equipment and who has been trained in casino surveillance techniques. No employee who carries out any duties that are required to be under surveillance may act as a Surveillance Operator.

**BS. Unclaimed Jackpot** – An Unclaimed Jackpot is a Jackpot won by a Patron but not paid (e.g. because the Patron was unwilling or unable to provide the necessary identification or other information or because the Patron has an outstanding CSED obligation or is a Self Excluded Person.)

**BT. Unredeemed Ticket** – An Unredeemed Ticket is a Ticket issued by a Gaming Machine or a Kiosk that the Patron has not yet redeemed through a Kiosk or at the Cage.

**BU. Unreconciled Variance** – An Unreconciled Variance is a discrepancy between an actual amount (determined by a physical count) and an expected amount (determined through a reconciliation process). A variance is unreconciled if the discrepancy cannot be resolved by a correction to the physical count, the reconciliation or both.

**BV. Vault Custodian** – The Vault Custodian is the Licensee employee with primary responsibility for the custody, control and reconciliation of the Cash Reserves maintained in the Cash Vault.

**BW. Verifier** – A Verifier is a Licensee employee who is responsible for the propriety and accuracy of the count of any funds that are involved in a transaction.

**BX. Voucher(s), Ticket** – Ticket Vouchers (TITO Tickets) are encoded Tickets printed from TITO capable Gaming Machines that are redeemed for cash in lieu of direct payment as with a Gaming Machine or are used for promotional purposes, such as free play on a Gaming Machine.

**BY. Wager** – A wager consists of three elements; consideration, prize and chance. Consideration is the cash, cash equivalent or other item of value being hazarded by the Patron making a wager. Electronic Credits played by a Patron which the Patron has received for nominal or no consideration do not constitute a wager and amounts paid out as a result of playing these credits do not constitute a win or prize. Prize is the cash, cash equivalent or other item of value being offered by the Licensee, in the event the Patron wins the wager. Chance is the random event, the outcome of which will determine if the Patron wins or loses the wager. With an Electronic Gaming Machine, the random event is the reel combination determined by the random number generator.

**BZ. Winnings** – Winnings means the Gaming Machine amount due a winning Patron as a result of a legitimate wager; “Winnings” are based on a single winning transaction on a Gaming Machine or other single transaction that entitles the winning Patron to money, a prize, or other award. **(Rule 15.1.19.7 H. NMAC)**

## 2. CURRENCY, COIN AND TOKEN CONTROL

### 2.1 General Requirements

- A. The Licensee shall establish written policies governing the collection and distribution of tips. At no time shall any gaming employee who serves in a supervisory position directly or indirectly solicit any tip or gratuity from a gaming employee under his supervision, or any other gaming employee. Tips received by a gaming employee shall not be combined with the gaming Licensee’s monies by the gaming employee. If the Licensee collects and distributes tips, the Licensee shall keep detailed records of all such tips collected and distributed.
- B. The Licensee shall complete Currency Transaction Reports and Suspicious Activity Reports as required by FinCEN and the Bank Secrecy Act.
- C. The Licensee shall notify the NMGCB Enforcement Division in writing if any slot attendant, floor attendant or cashier has more than three unresolved discrepancies, of one hundred dollars (\$100.00) or more, between the cash count and the imprest amount within a period of 60 days.
- D. The Licensee shall establish written policies and procedures for the use of an Accounting Lock Box system to secure completed gaming forms. The Accounting Lock Box(es) shall have a restricted access key and shall be located in a secure location under Constant Surveillance.

### 2.2 CASH VAULT GENERAL REQUIREMENTS

- A. The Cash Vault on the Premises is the Secured Area under Constant Surveillance where the Cash Reserves are stored. The Cash Reserves stored in the Cash Vault shall be placed in a safe, or secured cabinets. Each safe or secured cabinet shall have a locking device (either a key or electronic door combination).
- B. All coin and currency counting devices (i.e. jet sorts, coin wrappers, currency counters, etc.) shall be tested at the beginning of each shift. The test amount and the time of the test count shall be documented on a Vault Inventory (GC-01).

- C. All currency, coins and tokens shall be secured by a locking device when the Cash Vault or cage (rack) inside the Cash Vault is left unattended.
- D. Any Unreconciled Variance (overage or shortage) of five hundred dollars (\$500) or more per shift shall be reported to the NMGCB Audit and Compliance Division and the NMGCB Enforcement Division by email using the Variance Report (GC-05) within 72 hours of the discovery of the variance. The Licensee shall also immediately inform the NMGCB Enforcement Agent assigned to the track by email upon discovery of any variance of five thousand dollars (\$5,000.00) or more. Upon completion of the variance investigation, the Licensee shall prepare a written report that describes the nature of the variance, how the variance was investigated, the outcome of the investigation and the name and job title of the person who performed the investigation.
- E. Extraneous Items shall not be allowed in the Cash Vault.
- F. Only authorized personnel shall be permitted to enter the Cash Vault. The Licensee shall develop written policies that identify persons who are authorized to enter the Cash Vault. Accounting personnel shall not enter the Cash Vault unless accompanied by a security guard and with prior written notification to the NMGCB Audit and Compliance Division.

### **2.3 CASH VAULT INVENTORY**

- A. The Vault Custodian and Verifier shall independently count the entire Cash Vault's Cash Reserves at the beginning and end of each shift. All entries made on all gaming forms are to be made in ink. If an error occurs on a gaming form, the error is to be crossed out and initialed by the person making the correction and the person making the correction shall also enter their NMGCB permit number. The correct entry must be made on the same gaming form. A new gaming form should not be generated to correct errors. The Vault Custodian and Verifier shall conduct their independent counts in the presence of each other. Cash Vault Inventory counts shall be independently recorded on a Vault Inventory (GC-01). The entire contents of the Cash Vault shall be inventoried and independently recorded. Inventory means physically counting all strapped and bundled currency, coin cans, and token-racks, every sealed token bag, physically placing all loose coins or tokens in the jet sort counting machine, and physically counting loose currency or placing loose currency in the currency counting machine.
- B. On a quarterly basis, the Licensee's Cash Vault shall be counted by a person who is independent of the Cash Vault. At least annually, the Licensee shall inventory, by physically counting, all racked tokens and racked or bagged coin. Accounting personnel shall not participate in any Cash Vault Inventories.
- C. All bundled (strapped) currency shall be broken down and recounted at least weekly. Straps shall be dated and initialed by the Vault Custodian, custodian or vault auditor.
- D. The Cash Vault inventory count shall agree with the predetermined Cash Vault amount. Any Unreconciled Variance (overage or shortage) of \$500 or more per shift shall be reported to the NMGCB Audit and Compliance Division and the NMGCB Enforcement Division by e-mail using the Variance Report (GC-05) within 72 hours of the discovery of the variance. Licensee shall also immediately inform the NMGCB Enforcement Agent assigned to the track by email upon

discovery of any variance of five thousand dollars (\$5,000.00) or more.

- E. The Vault Custodian shall reconcile any variances between the inventory count and the predetermined Cash Vault amount. The Vault Custodian shall place the completed Vault Inventory (GC-01) in the Accounting Lock Box.
- F. At the change of shifts, the off-going Vault Custodian shall physically count the entire contents of the Cash Vault and shall document his/her closing inventory count on a Vault Inventory (GC-01). The on-coming Vault Custodian shall conduct a separate physical count of the entire contents of the Cash Vault and shall independently record his/her opening inventory count on a Vault Inventory (GC-01). The two Vault Custodians shall compare their independent inventory counts. If variances occur, the Vault Custodians shall recount the areas of the Cash Vault that are showing discrepancies. Once the variances, if any, are resolved the Cash Vault shall be transferred to the on-coming Vault Custodian.
- G. The on-coming Vault Custodian shall reconcile any variances between the inventory count and the predetermined Cash Vault amount. After the variances, if any, are resolved, the on-coming Vault Custodian shall place a completed Vault Inventory (GC-01) in the Accounting Lock Box.
- H. At the close of the gaming day, the Vault Custodian shall count the Cash Vault and shall document his/her closing inventory on a Vault Inventory (GC-01). The Verifier shall perform a separate inventory count and shall independently record the separate inventory count on a Vault Inventory (GC-01).
- I. The Vault Custodian shall reconcile any variances between the inventory count and the predetermined Cash Vault amount. After the variances, if any, are resolved, the Vault Custodian shall place the completed Vault Inventory (GC-01) in the Accounting Lock Box.
- J. The Vault Custodian shall be responsible for completing a Vault Reconciliation (GC-04). All entries on a Vault Reconciliation (GC-04) shall have supporting documentation. Jackpot payouts, hopper fills, and Unclaimed Jackpots shall be recorded on a Vault Reconciliation (GC-04). The Vault Custodian shall record Unclaimed Jackpots as a reconciling item on the Vault Inventory (GC-01) until the Accounting Department issues a notice of journal entry to the Cash Vault.

## **2.4 TRANSFER OF CASH VAULT FUNDS**

- A. After each drop and count, the count team leader shall transfer the custody of cash drop funds (soft and Hard Count) to the Vault Custodian. In the count room, the Vault Custodian shall recount the cash drop funds and compare his/her totals to the totals of the count team. Once the totals agree, the count team leader and the Vault Custodian shall Sign a Bill Validator Summary (GC-16) for the Soft Count funds and a Gaming Machine Count Summary (GC-21) for the Hard Count funds.
- B. Following receipt of the money from the count team, the Vault Custodian shall transfer the money to the Cash Vault and shall document the entry on a Transfer Slip (GC-06). The Transfer Slip shall be Signed by the Vault Custodian, count team leader and Verifier. The Vault Custodian shall combine the cash drop funds with the cash funds on hand in the Cash Vault.



- C. The Vault Custodian shall prepare the bank deposit and rework the cash in the Cash Vault to meet the needs of the casino for the gaming day. Any bank deposits and funds being transferred to the bank shall be documented on a Vault Reconciliation (GC-04), a Transfer Slip (GC-06) and a deposit slip. The Vault Custodian shall place one copy of the deposit slip in the Accounting Lock Box. All funds received from the bank shall be documented on a Vault Reconciliation (GC-04) and a Transfer Slip (GC-06). The Vault Custodian shall be responsible for ensuring that validated bank deposit slips are sent by the bank directly to the accounting office.
- D. Any transfer of funds to or from the Cash Vault or to or from the Cage shall be counted by both parties and a Verifier if necessary and documented on a Transfer Slip (GC-06). Each transfer shall be verified by at least two Signatures of which, at least one shall be the Signature of an individual licensed by the NMGCB.
- E. The Vault Custodian shall be responsible for maintaining the vault's copy of the Transfer Slip (GC-06).
- F. The Vault Custodian shall be responsible for depositing the other copy of the Transfer Slip (GC-06) into the Accounting Lock Box.

## **2.5 CAGE CASHIER GENERAL REQUIREMENTS**

- A. The Licensee shall test all coin and currency counting devices (i.e. jet sorts, coin wrappers, currency counters, etc.) at the beginning of each shift. The test amount and the time of the test count shall be documented on a Cage Cashier Inventory (GC-02).
- B. When the Cage Cashier's drawers are left unattended, all currency, coins and tokens shall be secured by a locking device.
- C. Cage Cashier's drawers shall only be accessible to the assigned cashier.
- D. Extraneous Items shall not be allowed in the Cage Cashiers area.
- E. Cage Cashiers may transfer funds or make change between each other in an equal exchange while under observation by an employee holding the rank of Cage supervisor or higher.
- F. The Transfer Slip (GC-06) shall be used to document the transfer of funds between the Cage Cashier and the Vault Custodian.
- G. Any Unreconciled Variance (overage or shortage) of \$500 or more per shift shall be reported to the NMGCB Audit & Compliance Division and the NMGCB Enforcement Division by email within 72 hours using a Variance Report (GC-05). Upon discovery of any variance of five thousand dollars (\$5,000.00) or more, the Licensee shall immediately inform the NMGCB Enforcement Agent assigned to the Premises by email. Upon completion of the variance investigation, the Licensee shall prepare a written report that describes the nature of the variance, how the variance was investigated, the outcome of the investigation and the name and job title of the person who performed the investigation.
- H. Only authorized personnel shall be permitted to enter the Cage. The Licensee shall develop

written policies that identify persons who are authorized to enter the Cage. Accounting personnel shall not enter the Cage unless accompanied by a security guard and with prior written notification to the NMGCB Audit and Compliance Division.

## **2.6 CAGE CASHIER**

- A. All active Cage Cashier window drawers shall be inventoried at the beginning and closing of each shift. All entries made on all gaming forms are to be made in ink. If an error occurs on a gaming form, the error is to be crossed out and initialed by the person making the correction and the person making the correction shall also enter their NMGCB permit number. The correct entry must be made on the same gaming form. A new gaming form should not be generated to correct errors. At the close of the session for which the cashier was signed-on to a validation terminal, the cashier shall print a transaction detail report listing all Tickets redeemed at the validation terminal and then shall reconcile the report to the Tickets redeemed. All bundled currency shall be counted at least weekly and straps shall be dated and initialed by the Cage Cashier. Cage Cashier inventory counts shall be documented on a Cage Cashier Inventory (GC-02).
- B. The Verifier shall observe the recount of the opening Cage Cashier's drawer and/or the closing Cage Cashier's drawer (whichever is applicable).
- C. Cage Cashier drawer inventory counts shall agree with the imprest amount.
- D. At the change of shifts, the off-going Cage Cashier shall physically count the Cage drawer and shall balance it to the imprest amount. The Cage Cashier shall document the closing inventory count on the Cage Cashier Inventory (GC-02). The on-coming Cage Cashier shall conduct a separate physical count of the Cage drawer and document the opening inventory count on the Cage Cashier Inventory (GC-02). The two Cage Cashiers shall compare their independent inventory counts. If variances occur, the Cage Cashiers shall recount the areas of the Cage drawers that are showing discrepancies. Once the variances, if any, are resolved, the Cage drawers can be transferred to the on-coming Cage Cashier. If a variance occurs and is not resolved, the off-going cashier shall notify the shift supervisor who shall ensure that the procedures outlined in G. below are followed.
- E. After the Cage Cashier drawers are inventoried and variances reconciled, the Cage Cashier shall place the completed Cage Cashier Inventory (GC-02) in the Accounting Lock Box.
- F. At the end of each shift, all Manual Payout/Fill Slips (GC-08) and variance forms, except those placed in the Accounting Lock Box shall be turned over to the Vault Custodian for documenting on the Vault Reconciliation (GC-04).
- G. Any Unreconciled Variance (overage or shortage) of \$500 or more per shift shall be reported within 72 hours of discovery to the NMGCB Audit & Compliance Division and the NMGCB Enforcement Division by e-mail using the Variance Report (GC-05). Upon discovery of any variance of five thousand dollars (\$5,000.00) or more, the Licensee shall immediately inform the NMGCB Enforcement Agent assigned to the Premises by email. Upon completion of the variance investigation, the Licensee shall prepare a written report that describes the nature of the variance, how the variance was investigated, the outcome of the investigation and the name and job title of the person who performed the investigation.

## **2. 7 CHANGE BANKS/CHANGE PERSON PROCEDURE**

For Licensees that have Change Banks, the following procedures shall be performed:

- A. A Change Bank shall contain an imprest amount of currency and/or token. The Licensee shall establish written policies determining the maximum amount of a Change Bank.
- B. The change person shall perform a daily inventory of each Change Bank/drawer and verify that the totals equal the imprest amount. The inventory shall be taken at the beginning and end of each shift. At the end of each shift, the Verifier, determined by the Licensee shall verify the ending inventory count.
- C. The Change Bank amount shall be entered on a Change Bank Inventory (GC-03).
- D. When a change person needs to exchange cash from the Cage Cashier, the change person and the Cage Cashier shall independently count the currency and coins and fill-out a Transfer Slip (GC-06).
- E. The change person shall transfer any overage to the Cage Cashier using the Transfer Slip (GC-06). The Cage Cashier shall send one copy of the Transfer Slip (GC-06) to the Vault Custodian to document the overage on the Vault Reconciliation (GC-04). The second copy shall be deposited in the Accounting Lock Box.
- F. The Cage Cashier shall issue an amount necessary to replenish any Change Bank shortage, using the Transfer Slip (GC-06). The Cage Cashier shall send one copy of the Transfer Slip (GC-06) to the Vault Custodian to document the shortage on the Vault Reconciliation (GC-04). The second copy shall be deposited in the Accounting Lock Box.
- G. Any Unreconciled Variance (overage or shortage) of \$500 or more per shift shall be reported within 72 hours of the discovery to the NMGCB Audit & Compliance Division and the NMGCB Enforcement Division by e-mail using the Variance Report (GC-05). Upon discovery of any variance of five thousand dollars (\$5,000.00) or more, the Licensee shall immediately inform, by email, the NMGCB Enforcement Agent assigned to the track. Upon completion of the variance investigation, the Licensee shall prepare and submit to the NMGCB Audit & Compliance Division a written report that describes the nature of the variance, the name of the individual responsible for the fund, how the variance was investigated, the outcome of the investigation and the name and job title of the person who performed the investigation.

## **2. 8 CHANGE BANKS/ISSUANCE AND CLOSEOUT PROCEDURES**

For Licensees that have Change Banks the following procedures shall be performed:

- A. The Cage Cashier shall check out Change Banks to change persons using a Change Bank Inventory (GC-03).
- B. The currency and coins shall be counted by the Cage Cashier and then by the change person. Both parties shall Sign the Change Bank Inventory (GC-03).

- C. When a change person needs to exchange cash from the Cage Cashier, the change person and the Cage Cashier shall independently count the currency and coins and fill out a Transfer Slip (GC-06).
- D. If a variance occurs when the Change Bank is returned, the Cage Cashier and change person shall recount the contents.
- E. The change person shall transfer any overage to the Cage Cashier using the Transfer Slip (GC-06). The Cage Cashier shall send one copy of the Transfer Slip (GC-06) to the Vault Custodian to document the overage on the Vault Reconciliation (GC-04). The second copy shall be deposited in the Accounting Lock Box.
- F. The Cage Cashier shall issue an amount necessary to replenish any Change Bank shortage using the Transfer Slip (GC-06). The Cage Cashier shall send one copy of the Transfer Slip (GC-06) to the Vault Custodian to document the shortage on the Vault Reconciliation (GC-04). The second copy shall be deposited in the Accounting Lock Box.
- G. Any Unreconciled Variance (overage or shortage) of \$500 or more per shift shall be reported to the NMGCB Audit & Compliance Division and the NMGCB Enforcement Division by e-mail within 72 hours of the discovery of the variance using the Variance Report (GC-05). Upon discovery of any variance of five thousand dollars (\$5,000.00) or more, the Licensee shall immediately inform the NMGCB Enforcement Agent assigned to the track by email. Upon completion of the investigation, the Licensee shall prepare and submit to the NMGCB Audit & Compliance Division a written report that describes the nature of the variance, how the variance was investigated, the outcome of the investigation and the name and job title of the person who performed the investigation.
- H. The Licensee shall establish and keep a log of all unresolved discrepancies exceeding \$ 25.00. The log shall identify the date, the employees involved, the shift and the amount.

## **2.9 CHECK CASHING/ATM MACHINES**

- A. Each Licensee shall establish a check cashing policy for all checks cashed that shall include the following:
  - 1. a description of the types of checks accepted which specifically excludes any government assistance checks;
  - 2. a description of the types of identification required to accept checks, which at a minimum shall include one identification that shall be a government issued photo ID;
  - 3. criteria for declining checks;
  - 4. policies to handle dishonored checks;
  - 5. a requirement that postdated checks that are not payable on demand shall not be accepted;
  - 6. a requirement that checks cashed within the Licensed Premises shall only be accepted at the

cashiers Cage; and

7. if the Licensee uses a third party check cashing service located on the Premises, the Licensee shall develop written procedures to be followed by the check cashing service that, at a minimum, address items 1-5 of this section.

B. The Licensee shall develop procedures to ensure that ATMs on the Premises do not accept debit cards issued for government assistance.

## **2.10 KIOSK PROCEDURES:**

### **A. Kiosk Operation**

1. Kiosk machines dispense currency when utilized to break bills and redeem venue specific Ticket In Ticket Out (TITO) Vouchers.
2. Kiosks are programmed by the Licensee to accept/dispense certain denominations of coin and currency, and redeem TITO Vouchers.
3. Kiosks are networked to a Slot Accounting System database to verify redemption and validity of gaming Voucher.
4. The Licensee shall develop written procedures to address Failure/Interference of proper Kiosk operations.

### **B. Kiosk Access**

1. All Kiosk access, except for maintenance purposes, shall be performed by at least the Vault Custodian and a security guard and all such access shall be under Constant Surveillance and documented on a Machine Entry Access Log (GC-11).
2. All Kiosk access for maintenance purposes shall be performed by at least a maintenance person and a security guard and all such access shall be under Constant Surveillance and documented on a Machine Entry Access Log (GC-11). The security guard shall remain at the Kiosk if the person performing the maintenance has access to the Kiosk Cash areas or cassettes.
3. The Vault Custodian shall ensure that the Kiosk is properly secured before returning to the Cash Vault.
4. In the event that a maintenance procedure must be suspended and resumed at a later time, or if a maintenance procedure is begun by one individual and completed by another, the Kiosk shall be closed by the original individual and reopened by the subsequent individual and the MEAL shall be completed for each access of the Kiosk.

### **C. Kiosk Drop Procedures**

1. Imprest Kiosk cassette amounts shall remain constant. Any deviation in the imprest amounts shall be clearly identified and recorded.

2. At each drop, the Kiosk shall be reconciled to the previous drop/replenish amount.
3. The Transaction Report generated by the Kiosk, Transfer Slips (GC-06), Vault Reconciliation (GC-04), and Vault Inventory (GC-01) shall be required to complete the reconciliation.
4. Each individual Kiosk cassette box shall be clearly marked and identified to correspond with identification on the Vault Inventory (GC-01). The denomination shall also be identified on the cassette box.
5. The inventory of each individual Kiosk cassette box shall be verified on a daily basis and reconciled to the Vault Inventory (GC-01).
6. The drop of the bill validator box shall be recorded on the gaming Vault Reconciliation (GC-04). TITO Tickets shall be reconciled to the Transaction Report generated by each Kiosk.
7. All Kiosk cassettes returned to the Cash Vault shall be counted and verified by the Vault Custodian and a second employee (e.g. Supervisor).
8. The Vault Custodian shall utilize Transfer Slips (GC-06) to record the movement of all Kiosk cassettes.
9. Transfer Slips (GC-06) shall be reconciled with the Vault Inventory (GC-01) and the Vault Reconciliation (GC-04) at the end of the gaming shift/day.

### 3. MACHINE ENTRY ACCESS LOGS (MEALS)

- A. The Licensee shall maintain MEALs (GC-11) for the following devices:
  1. Gaming Machines;
  2. Kiosks; and
  3. Progressive Controllers.
- B. The MEAL (GC-11) shall be maintained inside the device at all times.
- C. When a device door is opened, the MEAL (GC-11) shall be filled out and placed back inside the device, except when a Gaming Machine is accessed during the regularly scheduled drops.
- D. The person who opens the device and Signs the MEAL (GC-11) shall be responsible for all activity inside the device. The person who opens the device shall be present the entire time the door is open.
- E. MEALs (GC-11) which are entirely completed shall be replaced with a blank MEAL (GC-11). Entirely completed MEALs (GC-11) shall be provided to the MEAL [log] custodian, as

determined by the Licensee, for storage.

## 4. MANUAL PAYOUTS AND HOPPER FILLS

### 4.1 GENERAL

The Licensee shall report and account for all other forms of Manual Payouts (i.e. credit memo payout (CMPO), short pays, Cancelled Credits, Additional Payouts, Personal Property Awards, Promotional awards, Top Prize Awards etc.) in the same manner as manual Jackpot payouts, in addition to all other applicable reporting and disclosure requirements. No TITO Ticket that can be validated may be paid until validated.

- A. Slot employees shall verify at the Gaming Machine that a Jackpot has occurred or that a Manual Payout is appropriate and shall notify security and surveillance of the transaction. Slot attendants and cashiers shall not pay any Jackpot greater than \$ 5,000.00 until they have contacted surveillance to confirm the Jackpot and winner.
- B. The slot employee shall enter the appropriate Jackpot or Manual Payout information into the computer and shall produce a Manual Payout/Fill Slip (GC-08).
- C. The slot employee shall proceed to the Cage Cashier to obtain the Manual Payout funds.
- D. The slot employee shall complete a W-2G Statement of Gambling Winnings (IRS form) for Jackpots of \$1,200 or more.
  - 1. The Licensee shall make a good faith effort to determine if the winning Patron owes a child support obligation, by checking the NMGCB's child support database, for any Manual Payout of \$1,200 or more, other than Cancelled Credits, accumulated credits and Promotions that do not require Gaming Machine play to qualify for the Promotion.
  - 2. The Licensee shall attach the printout from the CSED Lookup to the copy of the Manual Payout Voucher to be Signed by the Patron.
  - 3. If the Licensee determines that the winning Patron owes a child support obligation, the Jackpot shall be withheld and treated as an Unclaimed Jackpot.
  - 4. The Licensee shall notify the New Mexico Department of Human Services (NMHSD) of the withheld Jackpot on the form provided by NMHSD.
  - 5. NMHSD shall have seven (7) days to notify the Licensee, in writing, that it intends to enforce a lien on the withheld Jackpot and of the amount of the lien. If NMHSD claims less than the full amount of the Jackpot, the Licensee shall pay the remainder to the winning Patron.
  - 6. The employee making the payment to the Patron shall verify all the necessary information provided by the Patron and shall have the Patron Sign the appropriate forms.
  - 7. The slot employee shall ensure that the Patron provides the appropriate number and forms

of identification (see NMAC 15.1.19.9) before issuing the Patron their Winnings. The Licensee shall make photocopies of all identification provided by the Patron. The slot employee shall compare the Signature on the Patron's identification to the Signature on the W-2G.

8. If the Patron does not have the appropriate forms of identification the Jackpot shall be considered an Unclaimed Jackpot.
  9. The Licensee shall make a good faith effort to determine if the Patron is either a Self-Excluded Person or a Board Excluded Person by checking the NMGCB Excluded Person Data Base (which is a part of the NMGCB Child Support Database), for any Manual Payout of \$1,200 or more. In the event that a Patron is a Self Excluded Person, the Licensee shall confiscate the payout along with any credits on any Gaming Machine played by the Patron. In the event that a Patron is a Board Excluded Person, the Licensee may not confiscate the payout or any credits on any Gaming Machine played by the Patron. Confiscated funds shall be added to the funds required to be expended by the Licensee for Responsible Gaming purposes. In the event that the Patron is either a Self Excluded or a Board Excluded Person, the Licensee shall cause the Patron to be removed from the Premises and may file criminal trespass charges against the Patron, at the Licensee's discretion. In the event that the Patron is either a Self Excluded or a Board Excluded Person, the Licensee shall immediately notify the NMGCB Enforcement Agent assigned to the track by email.
- E. The Patron shall Sign the Manual Payout/Fill Slip (GC-08). The slot employee shall count out the Manual Payout to the Patron and then shall give the funds to the Patron. The slot employee shall have the Verifier (to be determined by the Licensee) Sign the Manual Payout/Fill Slip (GC-08) where required. The casino floor supervisor shall also Sign the Manual Payout/Fill Slip (GC-08) if the Manual Payout is in excess of \$1,200 (\$1,200.01 or more).
- F. A Licensee's internal control system shall identify the gaming employee positions that are authorized to Sign the Manual Payout/Fill Slip (GC-08) and which gaming employee positions are authorized to Sign for the different levels of Manual Payouts up to \$1,200.00 (i.e. \$500, \$1,000, etc.). The written policy shall also define who may Sign as Verifiers and the duties of the Verifier. A combination of the following Signatures is required on the Manual Payout Voucher:

<u>Dollar Amount</u>	<u># of Signatures Required</u>	<u>Job Titles</u>
<u>\$0.01 to \$500.00</u>	<u>3</u>	<u>Cage Cashier or above</u> <u>Slot Attendant or above</u> <u>Patron Signature</u>
<u>\$500.01 to \$1,199.99</u>	<u>4</u>	<u>Cage cashier or above</u> <u>Slot Attendant or above</u> <u>Verifier as defined by the Licensee</u> <u>Patron Signature</u>



<u>\$1,200.00 and Above</u> <u>(Taxable)</u>	<u>4</u>	<u>Cage cashier or above</u> <u>Slot Attendant or above</u> <u>Supervisory Employee</u> <u>Patron Signature</u>
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- G. The completed copy of the Manual Payout/Fill Slip (GC-08) shall be forwarded to the Accounting Lock Box.
- H. When a Manual Payout/Fill Slip (GC-08) is voided, the Cage Cashier shall ensure that the Voucher is properly voided. The face of the original Voucher and copies of the Voucher shall be clearly marked as voided, dated and Signed by the Cage Cashier and casino floor supervisor. The number of the replacement Voucher shall be noted on the voided Voucher. All copies of the voided Voucher shall be deposited in the Accounting Lock Box.
- I. The Licensee shall develop written procedures if the Licensee allows slot attendants to perform more than one Manual Payout transaction at a time. The written procedures shall address the number of Manual Payout transactions that may be processed at one time and verified by another employee.

**4.2 EMERGENCY MANUAL PROCESSING OF TRANSACTIONS VIA LOCKED DISPENSING MACHINE (*WHIZ MACHINE*)**

- A. In the event the Slot Accounting System is not functioning, an emergency manual system shall be used for Manual Payout/fill transactions and a standard triplicate pre-numbered by an outside vendor Manual Payout/Fill Slip (GC-08) shall be used. The emergency manual Jackpot slips shall be located in a locked dispenser (i.e. whiz machine) in the cashier Cage. The original and first copy shall be ejected from the machine. The second copy shall be retained in a continuous unbroken form inside the dispenser. This copy shall be only accessible to the Accounting Department and Security. The Licensee shall develop procedures to ensure that the bulk supply of blank Manual Payout/Fill Slips is stored in a secure area accessible only by authorized personnel. If the Licensee chooses to use Emergency Manual Payout Books, the Licensee shall develop written procedures for the use of such Emergency Manual Payout Books and to ensure that the bulk supply of blank Emergency Manual Payout Books are stored in a secure area accessible only by authorized personnel.
- B. Before the dispensing machine is empty, the cashier shall notify the slot supervisor or higher and request a replenishment of emergency Manual Payout/Fill Slips from the Accounting Department. Accounting shall log the appropriate number of replenishment slips and transfer the slips to the dispensing machine.
- C. If the dispensing machine runs out when the Accounting Department is closed, the slot supervisor or higher shall utilize security personnel to access the replenishment emergency Manual Payout/Fill Slip Tickets.
- D. If the dispensing machine is full of copies, and the Accounting Department is closed, a slot employee may remove the copies in the presence of security. The copies shall be immediately deposited into the locked accounting box. The slot employee shall be escorted by security, when delivering copies. The entire transaction shall be under surveillance.

### 4.3 EMERGENCY MANUAL PAYOUT PROCEDURES

- A. In the event the Slot Accounting System is down, an emergency manual system shall be used for a Manual Payout and a standard triplicate pre-numbered (by an outside vendor) Manual Payout/Fill Slip (GC-08) shall be used. The emergency manual Jackpot slips are located in a locked dispenser (i.e. Whiz Machine) in the cashier cage. The original and first copy shall be ejected from the machine. The second copy shall be retained in a continuous unbroken form inside the dispenser. This copy shall be only accessible to the Accounting Department and Security. Licensee shall develop procedures to ensure that the bulk supply of blank Manual Payout/Fill Slips (GC-08) is stored in a secure area accessible only by authorized personnel.
- B. When an emergency Manual Payout/Fill Slip is required to complete a Manual Payout, the following shall occur:
1. the slot employee shall verify at the Gaming Machine that a Jackpot has occurred or that a Manual Payout is appropriate and, for a Jackpot of Fifty Dollars (\$50.00) or more, shall notify security and surveillance of the transaction;
  2. the slot employee shall request the locked dispensing machine from the Cashier Cage to prepare a sequentially pre-numbered emergency Manual Payout/Fill Slip (GC-08);
  3. the slot employee shall manually record all necessary information on the sequentially pre-numbered emergency Manual Payout/Fill Slip (GC-08). The slot employee shall verify all information is correct and Sign the form;
  4. the Cage Cashier shall Sign the form and eject the original and first copy from the locked dispensing machine. The Cage Cashier shall retain the original to balance the Cage drawer. The Manual Payout shall be counted out by the Cage Cashier and given to the slot employee along with the first copy of the emergency Manual Payout/Fill Slip (GC-08). The Manual Payout shall be recounted by the slot employee; and
  5. the Patron shall Sign the Manual Payout/Fill Slip (GC-08). The slot employee shall count out the Manual Payout to the Patron and then shall give the funds to the Patron. The slot employee shall have the Verifier (to be determined by the Licensee) Sign the Manual Payout/Fill Slip where required. Security and the casino floor supervisor shall also Sign the Manual Payout/Fill Slip (GC-08) if the Manual Payout is \$ 1,200.00 or more.
- C. The slot employee shall complete a Verification of Winnings of \$1,200 or more (GC-29) NMHSD for all Jackpots of \$ 1,200.00 or more, if the CSED Lookup through the database is not operable or is down, and W-2G Statement of Gambling Winnings (IRS form).
1. The Licensee shall make a good faith effort to determine if the winning Patron owes a child support obligation, by checking the NMGCB's CSED Lookup.
  2. The Licensee shall attach the printout from the query of the CSED Lookup to the copy of the Jackpot voucher to be Signed by the Patron.

3. If the Licensee determines that the winning Patron owes a child support obligation, the Jackpot shall be withheld and treated as an Unclaimed Jackpot.
4. The Licensee shall notify the NMHSD of the withheld Jackpot on the form provided by NMHSD within 24 hours.
5. NMHSD shall have seven (7) days from receipt of notification by the Licensee to notify the Licensee, in writing, that it intends to enforce a lien on the withheld Jackpot and of the amount of the lien.
6. If NMHSD claims less than the full amount of the Jackpot, the Licensee shall pay the remainder to the winning Patron.
7. The slot employee shall verify all the necessary information provided by the Patron and shall have the Patron Sign the appropriate forms.
8. The slot employee shall ensure the Patron provides the appropriate forms of identification (see NMAC 15.1.19.9) before issuing the Patron their Winnings.
9. The Licensee shall make photocopies of all identification provided by the Patron. The slot employee shall compare the Signature on the Patron's identification to the Signature on the jackpot voucher, Verification of Winnings of \$1,200 or More Form (GC-29) and W-2G and identification documents.
10. If the Patron does not have the appropriate forms of identification the Jackpot shall be considered an Unclaimed Jackpot.

- D. When the Slot Accounting System is back on-line a slot supervisor shall enter all the emergency Manual Payouts into the Slot Accounting System, void the originating emergency Manual Payout/Fill Slip and attach the voided slip to the Manual Payout/Fill Slip created in the Slot Accounting System.
- E. Accounting shall match the emergency manual slips to the Slot Accounting System for reconciliation and verification to the Jackpot/fill verification report.

#### **4.4 HOPPER FILL PROCEDURES**

- A. Surveillance shall be notified that an employee will be accessing the machine. The slot employee shall open the Gaming Machine door and determine that the hopper is empty or jammed. If the hopper is not empty, the slot employee shall stir the coins or tokens with their hand to release the jammed coins or tokens in the hopper and close the Gaming Machine door. After stirring the hopper the slot employee shall clear his hands. The slot employee shall determine whether a hopper fill still needs to be performed. If the hopper is empty, the slot employee shall initiate the hopper fill.
- B. The MEAL (GC-11) shall be filled out by the slot employee and put back into the Gaming Machine prior to closing the Gaming Machine door.

- C. The slot employee shall enter the information required for the fill into the Slot Accounting System and shall generate a Manual Payout/Fill Slip (GC-08) which shall be presented to the Cage Cashier.
- D. The Cage Cashier shall transfer the fill bags to the slot employee and both shall Sign the Manual Payout/Fill Slip (GC-08).
- E. The hopper shall be replenished by the slot employee. After the bag(s) have been emptied, the slot employee shall secure the machine. The slot employee shall ensure that the bag(s) have been emptied of all tokens/coins. The slot employee shall clear their hands and show the empty bag to the surveillance camera.
- F. The Manual Payout/Fill Slip (GC-08) shall be forwarded to the Accounting Lock Box.
- G. When a Manual Payout/Fill Slip (GC-08) is voided, the Cage Cashier and casino floor supervisor shall ensure that the slip is properly voided. The face of the original slip and copies of the slip shall be clearly marked as voided, dated and Signed by the Cage Cashier and casino floor supervisor. All copies of the voided slip shall be deposited in the Accounting Lock Box.
- H. The Licensee shall develop written procedures if the Licensee allows slot attendants to perform more than one hopper fill transaction at a time. The written procedures shall address the number of hopper fill transactions that may be processed at one time and verified by another employee. These procedures shall minimize the potential for errors by employees while processing multiple hopper fills.
- I. Performing hopper fills from the Gaming Machine drop bucket shall be strictly prohibited.

#### **4.5 EMERGENCY HOPPER FILL PROCEDURES**

- A. In the event the Slot Accounting System is down, an emergency manual system shall be used for a hopper fill and a standard triplicate pre-numbered by an outside vendor Manual Payout/Fill Slip (GC-08) shall be used. The emergency manual Jackpot/fill slips shall be located in a locked dispenser (i.e. Whiz Machine) in the cashier Cage. The original and first copy shall be ejected from the machine. The second copy shall be retained in a continuous unbroken form inside the dispenser. This copy shall only be accessible to the Accounting Department and Security. The Licensee shall develop procedures to ensure that the bulk supply of blank Manual Payout/Fill Slip s is stored in a secure area accessible only by authorized personnel.
- B. The slot employee shall notify the Surveillance Operator on duty that the slot employee will be accessing the machine. The slot employee shall open the Gaming Machine door and verify that the hopper is empty or jammed. If the hopper is not empty, the slot employee shall stir the coins or tokens with their hand to release the jammed coins or tokens in the hopper and close the Gaming Machine door. After stirring the hopper the slot employee shall clear his hands. The slot employee shall determine whether a hopper fill still needs to be performed. If the hopper is empty, the slot employee shall proceed to the Cage Cashier to initiate the request to obtain hopper fill bags.

- C. The MEAL (GC-11) shall be filled out by the slot employee and put back into the Gaming Machine prior to closing the Gaming Machine door
- D. The slot employee shall request the locked dispensing machine from the Cashier Cage to prepare a sequentially pre-numbered emergency Manual Payout/Fill Slip.
- E. The slot employee shall manually record all necessary information on the sequentially pre-numbered emergency Manual Payout/Fill Slip (GC-08). The slot employee shall verify all information is correct and Sign the form.
- F. The Cage Cashier shall Sign the form and eject the original and first copy from the locked dispensing machine. The Cage Cashier shall retain the original to balance the cage drawer.
- G. The Cage Cashier shall transfer the fill bags to the slot employee along with the first copy of the emergency Manual Payout/Fill Slip (GC-08).
- H. The hopper shall be replenished by the slot employee. After the bag(s) have been emptied, the slot employee shall secure the machine. The slot employee shall ensure that the bag(s) have been emptied of all tokens/coins. The slot employee shall clear their hands and show the empty bag to the surveillance camera.
- I. The Manual Payout/Fill Slip (GC-08) shall be forwarded to the Accounting Lock Box.
- J. When a Manual Payout/Fill Slip (GC-08) is voided, the Cage Cashier and casino floor supervisor shall ensure that the slip is properly voided. The face of the original slip and the first copy of the slip shall be clearly marked as void, dated and Signed by the Cage Cashier and casino floor supervisor. The original and first copy of the voided slip shall be deposited in the Accounting Lock Box. The second copy of the void Manual Payout/Fill Slip (GC-08) shall be attached to the replacement slip.
- K. When the Slot Accounting System is back on-line a slot supervisor shall enter all the emergency hopper fills into the system, void the corresponding emergency Manual Payout/Fill Slip and attach the void slip to the electronic Manual Payout/Fill Slip.

#### **4.6 AUXILIARY HOPPER FILLS**

- A. A slot employee shall determine that a fill is required, and inform Surveillance that a reserve fill will be used.
- B. With Surveillance coverage the slot employee will open the reserve door, Sign the MEAL, and remove the reserve fill. The slot employee shall close and then lock the reserve cabinet door.
- C. The slot employee shall deposit the entire contents of the fill bag into the hopper.
- D. After the bag(s) have been emptied, the slot employee shall secure the machine. The slot employee shall ensure that the bag(s) have been emptied of all tokens/coins. The slot employee shall clear their hands and show the empty bag to the surveillance camera.

- E. The slot employee shall immediately generate a Manual Payout/Fill Slip and process a hopper fill, as described in section 4.4 or section 4.5 as circumstances dictate, to replenish the reserve (auxiliary) cabinet.

#### **4.7 EXCESSIVE HOPPER FILLS**

- A. The Licensee shall review actual fills on a drop by drop basis to identify excessive hopper fills. The determination of excessive hopper fills shall be based on volume of play, location of machine, past history of machine, day, seasonality and other factors affecting the amount of play a machine receives. After identifying the machines that appear to have excessive fills, the Licensee shall perform a hopper fill analysis using the following formula:

Estimated Fills = (Ending Coin-In – Beginning Coin-In) – (Ending Drop – Beginning Drop) - (Ending Coin-Out-Beginning Coin-Out).

- B. Licensee shall compare the estimated hopper fills to actual fills and actual fills shall be within +/- one fill. All variances shall be investigated.
- C. The Licensee shall develop a form to document the excessive hopper fill analysis.

#### **4.8 ADDITIONAL PAYOUTS / PROMOTIONS / PERSONAL PROPERTY AWARDS / TOP PRIZE AWARDS**

- A. Licensees using free play Vouchers or conducting any Additional Payouts/Promotions/Personal Property Awards shall comply with all applicable rules governing the conduct of such Additional Payouts/Promotions/ Personal Property Awards or the use of free play Vouchers. The use of free play Vouchers or Slot Tournaments offered by Licensee shall be reported and accounted for in the same manner as Promotions, in addition to all other applicable reporting and disclosure requirements. The Licensee shall notify the NMGCB Audit & Compliance Division via e-mail of any proposed Additional Payout/Promotion/Personal Property Award/Top Prize Award/Slot Tournament via the Additional Payout/Promotion/Personal Property Award Submission (GC-26). The Licensee shall complete the Additional Payout/Promotion/Personal Property Award Submission (GC-26) and submit the form via e-mail to GCB-Promotions@state.nm.us. The Licensee may submit Promotion packages via regular mail if unable to e-mail or fax. The 10 day required submittal period shall not begin until a proper and complete package of Additional Payouts or Personal Property Awards is received by the NMGCB Audit & Compliance Division. Identification requirements as well as CSED Lookup and/or Excluded Person Database Lookup for a Patron to claim a prize of \$1,200 or more in any Additional Payouts shall be the same as for a Jackpot of \$1,200 or more. If the winning Patron is unable to meet the identification requirements, the prize shall be treated as an Unclaimed Jackpot. If the Licensee chooses to issue and use free play vouchers, the Licensee shall develop written procedures governing their use and application.
- B. Deductions from Licensee’s monthly gaming revenues resulting from any Additional Payout/Personal Property Award/Top Prize Award conducted by Licensee shall be summarized on the Tax Adjustments Reporting (GC-25) and submitted to the NMGCB Audit & Compliance Division within the specified timeframe. Accounting shall be responsible for completing and submitting this form to the NMGCB no later than 12:00 p.m. of the third day of the following

month. Licensee shall also complete the Additional Payouts/Personal Property Award Reporting (GC-24) listing all applicable deductions of any Additional Payouts/Personal Property Awards/Top Prize Awards conducted by Licensee. The total of all deductions listed on the Additional Payouts/Personal Property Award Reporting (GC-24) shall reconcile with the amount listed in Section 1 of the Tax Adjustments Reporting (GC-25).

#### C. TOP PRIZE AWARD JACKPOTS

1. Top Prize Awards offered by Licensees shall be reported and accounted for in the same manner as Personal Property Awards, in addition to all other applicable reporting and disclosure requirements.
2. The Licensee shall develop written procedures and house rules relative to the conduct of Top Prize Award Promotions that addresses all aspects of the Promotion including the possibility of simultaneous Top Prize Award wins. The rules shall be conspicuously displayed in the gaming area where the participating machines are located.
3. The Licensee's written policies and procedures shall address, at a minimum:
  - a. the slot employee's duties and procedures;
  - b. procedures to be followed if a Cash Alternative Option is offered;
  - c. procedures specifying the collection and copying of Patron Identification and the production of the voucher and W2-G; and
  - d. procedures for checking the CSED and/or Excluded Person Database and completing the Kiosk/Vault Transfer Verification of Winnings of \$1,200 or More Form (GC-29), if required, and an Unclaimed Jackpot Receipt (GC-09) if placing the Jackpot on hold.

#### D. PRIZE DRAWINGS

Winning entry tickets for prize drawings shall be considered and shall be treated as gaming documents. Non-winning entry tickets shall be retained for a period of six (6) months. Entry tickets for prize drawings shall be pre-numbered and shall contain such other safeguards as are necessary to prevent unauthorized duplication and other fraudulent use. Electronic entry tickets may be used and retained in an electronic format and adequately backed up.

### **4.9 GAMING BY EMPLOYEES**

The Licensee shall develop written policies governing gaming by employees of the Licensee. At a minimum, these policies shall prohibit employees of the Licensee from gaming while wearing a uniform or any other items that would identify the employee as a gaming employee.

### **4.10 PATRON DISPUTES**

- A. In the event a dispute arises with a patron concerning payment of alleged winnings or

promotional prizes, including any jackpot or credits, the licensee and patron shall abide by the procedures outlined in Rule 15.1.10.28 NMAC.

- b. At the time of the dispute, the licensee shall provide the patron with a Patron Dispute Form (GC-45) that includes a copy of Rule 15.1.10.28 NMAC.

## 5. DROP AND COUNT

### 5.1 GENERAL DROP PROCEDURES

- A. Surveillance shall be notified prior to the start of any drop.
- B. Drops shall be conducted at times that have been previously submitted to the NMGCB on the Drop and Count Schedule (GC-10).
- C. The drop team shall wear coveralls issued by the Licensee. The Licensee shall develop written procedures for the issuance and inspection of the coveralls issued to drop team members. The Licensee's inspection procedures shall include at a minimum, procedures that will deter theft of funds during and after the drop and count process.
- D. A drop team shall consist of one drop team leader, two security guards and as many others as deemed necessary. No members of the Drop Team may be related closer than the third degree of consanguinity (See Appendix 1 at page 70).
- E. The drop team leader and security shall obtain all keys necessary for the drop from the dual key lock box.
- F. The empty drop buckets and bill validator boxes shall be distributed to each machine.
- G. The team or teams shall stay together and drop one Gaming Machine bank section at a time. The soft and hard drops shall not take place simultaneously, if applicable.
- H. The Licensee shall develop written procedures for unscheduled drops.
- I. The drop team shall not be permitted to possess Extraneous Items during the drop. Use of personal electronic devices by the drop team is prohibited.
- J. The Licensee shall develop written procedures for the handling of any loose currency, coin, or TITO Tickets or tokens found outside of a Gaming Machine.

### 5.2 SOFT DROP PROCEDURES

- A. The Drop Team shall open the Gaming Machine door and remove the bill validator box, which shall be identified specifically to the machine from which it has been taken.
- B. An empty bill validator box shall be placed back into the Gaming Machine and the Gaming Machine door relocked.



- C. The bill validator box containing the removed money shall be taken to the bill validator cart.
- D. The bill validator box containing the money shall be placed on the bill validator cart. One soft drop team member shall be assigned to stay with the bill validator cart at all times during the soft drop process.
- E. Soft drop team members shall ensure that all bill validator boxes are secured and locked.
- F. One security guard shall be stationed with the soft drop team to observe all of the drop team members perform the soft drop duties. The second security guard shall be stationed with the bill validator box cart.
- G. In the event currency is not fully secured in the bill validator box, security shall tell all members to stop the soft drop process. Security shall notify surveillance which Gaming Machine bill validator box has currency not secured and the amount of currency not secured. The soft drop team leader shall obtain the bill validator box cover key from security and shall secure the currency back into the box. Security shall notify surveillance that the currency is secured and the soft drop team members shall continue the drop process.
- H. Once the drop is completed and/or bill validator box cart is full, security shall lock the cart. All drop team members and security personnel shall take the full cart to the Soft Count room. Surveillance shall ensure that the bill validator cart in the Soft Count room is monitored until the soft drop count is completed.
- I. The soft drop team and security shall continue the soft drop process until it is complete.
- J. If the Licensee use two separate soft drop teams, both bill validator carts shall be transported to the Soft Count room together.

### **5.3 HARD DROP PROCEDURES**

- A. The Drop Team shall open the Gaming Machine door and remove the hard drop bucket whether or not it is full.
- B. Security shall notify surveillance if there are loose coins or tokens inside the Gaming Machine cabinet and that the drop team member will be placing the loose coins or tokens back into the hard drop bucket.
- C. The hard drop bucket containing the coin shall be identified with the Gaming Machine from which it originated.
- D. The hard drop bucket containing the coin is taken to the hard drop bucket cart.
- E. The hard drop bucket containing the coin is placed on the hard drop bucket cart. One hard drop team member shall be assigned to stay with the hard drop bucket cart at all times during the hard drop process.
- F. One security guard shall observe the hard drop to ensure that any loose coin is put in the hard

drop bucket and all hard drop buckets are removed and replaced.

- G. The second security guard shall stay with the hard drop cart.
- H. All hard drop team members shall escort the hard drop bucket cart to the Hard Count room with security personnel once the hard drop process is complete.
- I. All drop keys shall immediately be checked back into the dual keyed lock box at the completion of the soft and hard drop process.
- J. Drop team members shall rotate duties on a weekly basis as determined by the Licensee.

#### **5.4 GENERAL COUNT PROCEDURES**

- A. Surveillance shall be notified prior to the start of any count.
- B. The count team shall wear coveralls issued by the Licensee. The Licensee shall develop written procedures for the issuance and inspection of the coveralls issued to count team members. The Licensee's inspection procedures shall include at a minimum, procedures that will deter theft of funds during and after the count process.
- C. The count team shall consist of a count leader, a count team recorder and at least two other team members. A count team recorder is not required when a currency counter automatically counts and records the value of currency and all Ticket vouchers and all Gaming Machine data. The Licensee shall develop written procedures to be followed in the event of an equipment failure. No members of the Count Team may be related closer than the third degree of consanguinity (See Appendix 1 at page 70).
- D. Drop counts shall be performed immediately after the soft and hard drops are completed allowing a reasonable amount of time for breaks.
- E. The Licensee shall determine the order of the Soft Count and Hard Count. Each count shall be performed separately.
- F. The Licensee shall complete a Bill Validator Summary (GC-16), Count (Weigh)/Wrap Variance Report (GC-17), Transfer Slip (GC-06) and a Gaming Machine Count Summary (GC-21) during the count procedure. These reports shall be reviewed by the count team leader to ensure that the forms are properly completed and Signed and then forwarded to accounting immediately after the completion of the count process.
- G. The count team shall enter the count room escorted by security. After escorting the count team into the count room security shall exit the count room and lock the door.
- H. Two members of the count team shall test the count machines or weigh scale with a predetermined amount of currency or coin. The predetermined amount shall not come from the drop buckets or bill validator boxes. This test shall be documented on the Gaming Machine Count Summary. The Licensee shall develop written procedures to test the counting machines.

1. A weigh scale calibration module shall be secured so as to prevent unauthorized access (e.g., pre-numbered seal, lock and key, etc.).
  2. The weigh scale and weigh scale interface (if applicable) shall be tested quarterly by someone who is independent of the Cage, Cash Vault, Gaming Machine departments, and count team. The result of these tests shall be documented and Signed by the person(s) performing the test.
- I. If a count team member needs to leave the count room for an emergency or scheduled break before all money is counted, verified, sorted and totaled into the computer and cash drop funds are transferred to the Cash Vault, the count team members shall secure all of the cash drop funds in the count room. The count team leader shall notify security that the count team needs to leave the count room and all count team members shall be screened by security before leaving the count room. No count team member shall be left in the count room alone. The count team members shall not reenter the count room until all count team members are present. Count team members shall remain in the count room until all money is counted, verified, sorted and totaled into the computer.
  - J. All count team members shall Sign the Gaming Machine Count Summary (GC-21) after the count is completed.
  - K. The team leader and another member shall transfer accountability of the money to the Vault Custodian at the completion of the count. The Vault Custodian shall verify the total and Sign the Gaming Machine Count Summary (GC-21) and Transfer Slip (GC-06). The Gaming Machine Count Summary (GC-21) and Transfer Slip (GC-06) shall be forwarded to accounting after the completion of the count process. Any Unreconciled Variance (overage or shortage) of \$500 or more shall be immediately reported to the NMGCB Audit and Compliance Division and the NMGCB Enforcement Division by e-mail using the Variance Report (GC-05). The Licensee shall also immediately contact the NMGCB Enforcement Agent assigned to the track by telephone upon discovery of any variance of five thousand dollars (\$5,000.00) or more. Upon completion of the variance investigation, the Licensee shall prepare a written report that describes the nature of the variance, how the variance was investigated, the outcome of the investigation and the name and job title of the person who performed the investigation.
  - L. All money shall be transferred to the Cash Vault upon leaving the count room.

## **5.5 SOFT COUNT PROCEDURES**

- A. A count team member shall unlock the bill validator box, remove the currency/Vouchers, show the empty box to a surveillance camera and relock the box.
- B. The currency/Vouchers from each Gaming Machine shall be counted and recorded individually.
- C. A count team member shall conduct a first count of the currency/Vouchers through the currency counting machine.
- D. After the first count, the currency/Vouchers shall be given to another count team member for a second count. A verification of the first count is not required when a currency counter

automatically counts and records the value of currency and all Ticket Vouchers. The automated counter grand total shall be verified by performing a physical count of the bulk currency (e.g. brick, strap and loose currency) and comparing the total to the automated counter grand total. The Licensee shall develop written procedures to be followed in the event of an equipment failure.

- E. The currency/Vouchers shall be placed in bins sorted by denomination and a printed receipt indicating the amount counted shall be given to the Soft Count recorder after the second count is completed.
- F. The Soft Count recorder shall electronically record both the Gaming Machine number that corresponds to the bill validator box counted and the total counted from that bill validator box based on the printed receipt.
- G. The team member that receives the currency/Vouchers placed in the bins shall begin the strapping and bundling process.
- H. All bundles shall be recounted and reconciled to the computer total after the strapping and bundling process is complete.
- I. The count team members shall clear their hands (show both palms up) to the surveillance camera after each Soft Count procedure is performed.

#### **5.6. HARD COUNT PROCEDURES**

- A. A count team member shall remove the Gaming Machine identifier from the hard drop bucket and give the identifier to the count recorder. The count recorder shall electronically record the Gaming Machine number or manually record the Gaming Machine number on the Gaming Machine Count Summary (GC-21).
- B. A count team member shall place the hard drop bucket on the weigh scale and shall weigh the contents of the hard drop bucket, if the Licensee uses a weigh scale during the Hard Count. The count team member shall call out the amount from the weigh scale to the count recorder and the count recorder shall restate the amount back to the count team member for verification purposes. The count recorder shall electronically record the weigh scale amount.
- C. A count team member shall pour the contents of the drop bucket into the coin counter if the Licensee uses a coin counting machine during the Hard Count. The count recorder shall electronically record the amount from the coin counting machine printed Ticket.
- D. A team member shall either bag or roll the coins or tokens in accordance with the Licensee's policies and procedures. Clear bags shall be used for bagged coins or tokens.
- E. The count team members shall clear their hands (show both palms up) to the surveillance camera after each Hard Count procedure is performed.

## 6. ACCOUNTING

### 6.1 GENERAL REQUIREMENTS

- A. Accounting shall be responsible for reviewing, analyzing, comparing, reconciling, filing, and maintaining all source documents.
- B. Accounting shall determine the amounts to deposit into the Licensee's gaming tax transfer account for subsequent transfer to the state, and shall prepare and file standard financial statements as required by the NMGCB rules.
- C. Accounting responsibilities shall also include preparing reports required by the MICS and analyzing, investigating and documenting variances noted as a result of reviewing reports.
- D. Accounting shall document its analysis, investigation and review of reports. Accounting shall also provide written documentation that will support its review, including the results of investigations conducted to explain variances outside allowable thresholds.
- E. The Licensee shall develop written procedures that outline the process for the preparation, review, analysis, and maintenance of reports required by the MICS.
- F. Accounting personnel shall not participate in any gaming transactions (i.e., drops, counts, fills, cashiering, handling currency and coin, etc.) nor enter the Cage or Cash Vault unless accompanied by a security guard and with prior written notification to the NMGCB Audit and Compliance Division. Accounting personnel may read and record Gaming Machine meters. Under no circumstances shall any person in the Accounting Department alter, amend, add to or, in any substantive way, change a gaming document that has been transferred to the Accounting Department. In the event that an error on a gaming document needs to be corrected, the originator of the document, or the originator's supervisor, shall make the correction. All entries made on all gaming forms are to be made in ink. If an error occurs on a gaming form, the error is to be crossed out and initialed by the person making the correction and the person making the correction shall also enter their NMGCB permit number. The correct entry must be made on the same gaming form. A new gaming form should not be generated to correct errors. Alternatively, Accounting Department personnel may perform the correction by preparing a corrected, replacement document, clearly indicating the alteration and documenting by whom the alterations were made. The corrected, replacement document shall then be attached to the original document in order to preserve the audit trail and accountability.
- G. All gaming related records and forms shall be maintained in accordance with NMGCB Rules.
- H. The Licensee shall develop written backup and recovery policies and procedures that ensure the timely restoration of data (onsite and offsite) in order to resume operating after hardware or software failure.
- I. Documents supporting each drop period shall be filed together by gaming day and stored in a Secure Manner as determined by the Licensee.

- J. The Licensee's written internal control procedures shall provide for proper segregation of duties in all accounting functions, including preparation and review of reports required by the MICS.
- K. Any Aggregate Unreconciled Variance of five hundred dollars (\$500.00) or more in any one gaming day shall be reported to the NMGCB Audit & Compliance Division and the NMGCB Enforcement Division by e-mail within 72 hours of the discovery of the variance. The Variance Report (GC-05) shall be used to report the variances. The Licensee shall immediately contact the NMGCB Enforcement Agent assigned to the Licensee by telephone upon discovery of the variance. The Licensee shall prepare and submit to the NMGCB Audit & Compliance Division a written report that describes the nature of the variance, how the variance was investigated, the outcome of the investigation and the name and job title of the person who performed the investigation upon completion of the variance investigation.
- L. The Licensee shall reconcile all of its bank accounts on a timely basis. Reconciling items on the bank reconciliations shall be cleared on a timely basis.

## **6.2 GAMING MACHINE REVENUE ACCOUNTING PROCEDURES**

- A. All documents and supporting forms shall be forwarded immediately to the Accounting Lock Box at the end of each shift and Soft/Hard Count(s).
- B. Accounting shall obtain a copy of all gaming forms from the Accounting Lock Box on a daily basis.
- C. Accounting personnel shall Sign the gaming forms where required.
- D. Accounting shall review, reconcile and verify all Manual Payout/Fill Slips (GC-08), used since the previous reconciliation, by day. Accounting shall verify the sequence of slip numbers from shift to shift, determine that no slips are missing or unaccounted for, verify that all voided slips are properly accounted for and examine slips for proper signatory authority, mathematical accuracy, and proper completion. Accounting shall ensure that original Vouchers are properly maintained, by gaming day, in sequential order by Voucher number. All Voided Manual Payout/Fill Slips (GC-08) shall be attached to the replacement Manual Payout/Fill Slips (GC-08) and filed with the replacement Manual Payout/Fill Slip (GC-08). A copy of the voided slip, marked with the replacement Manual Payout/Fill Slip (GC-08) number, shall be filed by the voided Manual Payout/Fill Slips (GC-08) number.
- E. Accounting shall review, and verify all Unclaimed Jackpot Receipts (GC-09) and reconcile them to corresponding Manual Payout/Fill Slips (GC-08). The proper journal entries for expired Unclaimed Jackpots shall be posted to the general ledger.
- F. Accounting shall review the Gaming Machine Count Summary (GC-21), Count (Weigh)/Wrap Variance Report (GC-17), and Bill Validator Summary (GC-16) to verify that:
  - 1. the count/weigh machine has been properly tested by a count team member; and
  - 2. all team members have Signed the Gaming Machine Count Summary (GC-21), Count (Weigh)/Wrap Variance Report (GC-17), and Bill Validator Summary (GC-16) and have proper Signatory authority.

- G. Accounting shall determine that the Vault Custodian has Signed the Gaming Machine Count Summary (GC-21), Count (Weigh)/Wrap Variance Report (GC-17), and Bill Validator Summary (GC-16) as evidence of receipt of the drop into the Cage.
- H. Accounting shall investigate all unresolved variances between the Gaming Machine Count Summary (GC-21), Count (Weigh)/Wrap Variance Report (GC-17), Bill Validator Summary (GC-16), and Vault Reconciliation (GC-04) and the results of the investigations shall have written explanations and supporting documents. and shall record the results of their investigation on a Variance Report (CG-05).
- I. Accounting shall Sign[s] the Gaming Machine Count Summary (GC-21), Count (Weigh)/Wrap Variance Report (GC-17), and Bill Validator Summary (GC-16) upon completing the review procedure.
- J. Accounting shall investigate and document any unresolved variances of 1% or more by denomination or in total on The Count (Weigh)/Wrap Variance Report (GC-17).
- K. When Accounting receives a copy of a Manual Payout/Fill Slip (GC-08) that includes a Top Prize Award Invoice they shall verify that the Voucher for the initial Winning Jackpot Amount was initiated for the exact amount as recorded by the central monitoring system. They shall then verify that the Additional Payout amount on the Voucher is equal to the difference between the Invoice amount, or the optional cash value (if the Patron has selected the cash value option, if offered) and the initial Winning Jackpot Amount.
- L. The Licensee shall perform a physical inventory count of 100% of the Gaming Machine hoppers at least once a year. The Licensee shall use a weigh scale or a jet sort coin counter to perform the physical hopper inventory count. The machine used for the inventory count shall be properly calibrated and tested before the start of the hopper inventory count. The Licensee shall forward the results of the physical hopper count inventory to accounting. Accounting shall make the necessary hopper inventory count adjustments to the Licensee's accounting records. All documentation relating to the physical hopper inventory count shall be attached to the Hopper Summary (GC-22).

### **6.3 UNCLAIMED JACKPOTS/FOUND MONEY**

- A. An Unclaimed Jackpot Receipt (GC-09) shall be completed for all Unclaimed Jackpots. One copy of the Unclaimed Jackpot Receipt (GC-09) shall be transferred to the Cash Vault and one copy of the Unclaimed Jackpot Receipt (GC-09) shall be deposited in the Accounting Lock Box. The Accounting Department shall record Unclaimed Jackpots as additions of cash to the Cash Vault and as "Unclaimed Jackpots Payable".
- B. If after thirty (30) days, a Jackpot, other than a Jackpot withheld due to a child support obligation, remains unclaimed, the Accounting Department shall reverse the Unclaimed Jackpot and record the Jackpot amount as an adjustment to revenue on the Tax Adjustments Report (GC-25). Jackpots withheld due to Child Support Obligations shall be accounted for as Unclaimed Jackpots and shall be retained by the Licensee until released and/or claimed, in whole or in part, by the NMHSD. If a Jackpot, withheld due to a Child Support Obligation, is released, in whole

or in part, by NMHSD and remains unclaimed by the Patron for thirty (30) days after the date of release by NMHSD, the released Jackpot, or portion thereof, shall be treated as an Unclaimed Jackpot under this section. If a Jackpot is claimed, in whole or in part by NMHSD, the Licensee shall remit the amount claimed to NMHSD, in accordance with NMHSD rules and procedures.

- C. The Licensee shall retain, account for and process all Unredeemed Tickets, with a minimum value to be determined by the Licensee that can be identified to a specific Patron, and all Unclaimed Jackpots, in accordance with the New Mexico Unclaimed Property Act.
- D. Unredeemed Tickets that cannot be identified to a specific Patron that are over One Hundred and Eighty (180) days old shall be added to revenue. The Licensee shall report all such expired, Unredeemed Tickets as “Unredeemed Tickets” on the Tax Adjustments Report (GC-25).
- E. The Licensee shall record all cash found in Gaming Machines as revenue. The Licensee shall establish written policies for recording Found Money as revenue. The Licensee shall enter all lost and Abandoned Tickets into the system as redeemed and shall enter the amounts into revenue. The Licensee shall report all Found Money as “Found Money” on the Tax Adjustments Report (GC-25).
- F. Any amount which has been recorded as revenue, and upon which taxes have been paid, and which subsequently, in accordance with the New Mexico Unclaimed Property Act, are remitted to the state shall be reported as “Previously reported Unclaimed Jackpots that were paid this month that need to be reversed:” on the Tax Adjustments Report (GC-25).

## 7. SIGNATURE CARDS

- A. Signature Cards (GC-12) shall be used for four purposes:
  - 1. to document the Signatures, initials and finding of suitability or work permit numbers of key and work permit personnel;
  - 2. to document gaming forms key personnel and work permittees are authorized to use and Sign;
  - 3. to document keys the key personnel and work permittees are authorized to check out and use; and
  - 4. to verify Signatures against gaming documents.
- B. All Signature Cards (GC-12) shall contain the following elements:
  - 1. the Licensee’s name;
  - 2. the gaming employee’s legal first and last name, and middle initial, if applicable, printed legibly;
  - 3. the gaming employee’s finding of suitability number or work permit number issued by the NMGCB and the employee Identification Number issued by the Licensee, if any;



4. the gaming employee's handwritten Signature and a field for the employee's initials;
  5. name of the department where the gaming employee works;
  6. any gaming forms the gaming employee is authorized to Sign;
  7. keys the gaming employee is authorized to check out and use; and
  8. the department head's Signature attesting to the validity of the information contained on the Signature Card. Signature Cards may not be pre-signed or Signed with a Signature stamp.
- C. All Signature Cards (GC-12) shall be updated any time the information contained on the card changes.
- D. The original Signature Card (GC-12) shall be maintained by the Licensee in a Secure Manner.
- E. Signature Cards shall not be required for owners or other equity stakeholders who do not sign gaming forms and do not participate in the day to day operations of the Licensee. A Signature Card (GC-12) must be on file for any person who is authorized to Sign a gaming document.

## 8. KEY CONTROL

### 8.1 RESTRICTED KEYS-GENERAL

- A. The Licensee shall determine which keys shall be restricted, but at a minimum the Licensee shall restrict:
1. Gaming Machine keys;
  2. count room keys;
  3. Cash Vault keys;
  4. surveillance room keys;
  5. Accounting Lock Box keys;
  6. all Cage keys;
  7. keys to any restricted areas;
  8. Redemption Kiosk main door keys;
  9. Redemption Kiosk logic area door keys, if applicable;
  10. validation device storage cabinet keys; and.

11. Gaming Machine media storage bin keys.

B. The Licensee shall establish written policies and procedures that define who may check out and use the restricted keys. The key control policies and procedures shall include at a minimum the following requirements:

1. restricted keys shall be kept in a dual-keyed lock box or other approved security device. This box shall be secured in an area to be determined by the Licensee and under Constant Surveillance. The Licensee shall determine the appropriate custodians of the keys to the dual-keyed lock box. The custodians shall ensure that only authorized employees check out restricted keys;
2. Gaming Machine door keys may be checked out at the beginning of each shift for the entire shift;
3. no keys shall remain in the lock of the dual keyed lock box. No person shall have access to more than one key to the dual keyed lock box; and
4. all restricted keys shall be controlled through restricted access and Key Control Logs (GC-13) or an equivalent electronic log which shall include the following information:
  - a. date of issuance;
  - b. time of issuance;
  - c. Signature of individual receiving key;
  - d. key number;
  - e. reason for issuing key;
  - f. Signature of issuer;
  - g. date of return;
  - h. time of return; and
  - j. initials of individual accepting return of key.

C. The following procedures shall be followed when a key is requested:

1. the employee shall request the key from the custodian;
2. the custodian shall verify the employee's authority to check out the key. If the person does not have authority, the custodian shall deny access. If the employee has the authority to check out the key, the custodian shall complete the applicable sections of the Key Control Log (GC-13);
3. after completing the applicable sections of the Key Control Log the custodian shall give the key to the authorized employee. The custodian and a security employee shall initial the log;
4. when the key is returned, the custodian shall accept custody and responsibility for the key by recording the time, the date, and initialing the Key Control Log (GC-13). Under no circumstances shall a key be taken off of the Premises;
5. the custodian shall immediately place the key back into the dual keyed lock box, relock the

box, and remove the access key;

6. restricted keys shall be inventoried at least annually by two gaming employees, at least one of which shall be independent of the security office and the key custodian. The Licensee shall develop written procedures to ensure the accuracy of the key inventory; and
7. bill validators/accepter door key and bill validators/accepter stacker keys shall be kept secured in the dual keyed lock box unless in use during the normal Drop/Count Process. At any other time that a bill validators/accepter door key and/or bill validators/accepter stacker key is requested, the employee requesting the key shall be accompanied by security at all times and any access to a Gaming Machine bill validators/accepter door or bill validators/accepter stacker shall be under Monitored Surveillance.

## **8.2. DUPLICATE KEYS**

- A. Duplicate keys shall be stored in a dual-keyed lock box or other approved security device located in the Cash Vault, the accounting office, the security office, or in another secure area. One key to the dual-keyed locked box for the duplicate keys shall be kept in the security lock box. The second key to the duplicate lock box is kept in the Cage Supervisor's lock box. At least two gaming employees, one of whom shall be a security officer shall be present when duplicate keys are accessed.
- B. Duplicate restricted keys shall be inventoried annually by two gaming employees independent of the security office and key custodian. The Licensee shall develop written procedures to ensure the accuracy of the duplicate key inventory.
- C. The two gaming employees accessing and/or removing a key from the dual-keyed duplicate key lockbox shall complete the Key Control Log (GC-13) with the following information whenever applicable:
  1. the date and the time;
  2. the description of the duplicate key(s) removed;
  3. the number of new keys made, if any;
  4. the Signature and Identification Number of the gaming employees accessing the duplicate key lockbox;
  5. the total number of duplicate keys existing;
  6. the reason for accessing the duplicate key;
  7. the Signature and Identification Number of the individual issuing the key; and
  8. the Signature and Identification Number of the individual receiving the key.
- D. If a duplicate key is permanently removed to replace a broken key, the Key Control Log (GC-13)

shall be completed. The broken key shall be returned to security for proper verification and disposal.

E. When a gaming employee returns a duplicate key, the employee shall complete the Key Control Log (GC-13) with the following information:

1. the initials and Identification Number of the individual accepting the returned key;
2. the date of return;
3. the time of return; and
4. the number of keys in inventory.

### **8.3 LOST KEY PROCEDURE**

The Licensee shall immediately report to NMGCB Enforcement Division any instance where a restricted key is lost or has been outside the Licensee's control for more than one shift. At the Board's discretion, the Licensee shall replace or rekey any lock for which any restricted key is lost or has been outside the Licensee's control for more than one shift. Until such locks are replaced, Licensee shall ensure that Constant Surveillance is maintained on the area that the lost key secures. Replacement shall be documented, and retained. The documentation shall be available for inspection in the security office at all times.

### **8.4 END OF DAY KEY PROCEDURES**

At the end of the day, the keys to access the restricted dual-keyed lock boxes or other approved security device shall be secured.

## **9. SURVEILLANCE SYSTEM**

### **9.1 GENERAL**

#### **A. SURVEILLANCE PLAN**

The Licensee shall implement and maintain a written surveillance plan that has been approved by the NMGCB. The plan shall include the following: a description of surveillance equipment, a blueprint or diagram of areas to be monitored and the placement of surveillance equipment, the procedures used to monitor equipment, a plan for the physical safety of the gaming Premises and Patrons and other information required by the NMGCB, pursuant to 15.1.10.23 NMAC. All NMGCB Surveillance system guidelines shall apply to all licensed gaming operators, unless the Licensee has applied for and obtained a written waiver from the NMGCB. The Licensee shall provide adequate Constant Surveillance within the Surveillance Room. The Licensee shall, on a weekly basis, test surveillance recording equipment to ensure that the recording equipment is functioning and recording properly. A record of such test, documenting the date and time of the test, the results of the test and the person or persons conducting the test shall be made and shall be retained as a gaming document.

Each gaming operator shall install and maintain the following minimum standards regarding video gaming surveillance operations:

1. Each gaming operator shall install, maintain, and operate a surveillance system of sufficient quality to produce video recordings and still picture reproduction. This system shall include:
  - a. date and time generators that display the date and time of events on each recording. The displayed date and time shall not obstruct the recorded view;
  - b. recorders that produce high quality pictures with high-speed scanning and playback capability in real time and that record the input from every camera on the system;
  - c. a monitoring screen that provides sufficient detail to clearly distinguish the value of currency, coins, tokens and the outcome of the game;
  - d. cameras equipped with lenses of sufficient magnification and clarity to allow the viewer to clearly distinguish the value of currency, coins, tokens and the outcome of the game. Cameras shall provide pan, tilt and zoom capabilities, where necessary, to effectively monitor gaming operations from different angles; and
  - e. all areas where surveillance camera coverage is required shall have lighting adequate to enable clear video recording and still reproduction.

## **B. MODIFICATIONS/ALTERATIONS TO SURVEILLANCE PLAN**

Only trained personnel or contractors shall conduct camera placement and position adjustment. All enhancements or modifications to an approved surveillance plan, including all equipment used in surveillance, including power and backup power sources, shall be submitted to the NMGCB for prior approval on NMGCB Notification of Surveillance Modification (GC-44). Gaming Machine movement or modification to the infrastructure on the Gaming Floor shall not affect or impede live surveillance monitoring and shall be submitted to the NMGCB for prior approval on the Premises Modification Request (GC-45). A complete and current list of personnel trained to conduct surveillance and camera placement shall be retained in the surveillance room at all times.

## **C. REPORTING REQUIREMENTS**

Any failure of the surveillance system or its continuous operation shall immediately be reported to the NMGCB's on-call enforcement Agent by telephone and in writing.

## **9.2 AREAS/EVENTS REQUIRING VIDEO SURVEILLANCE**

- A. The surveillance system shall monitor and record clear, unobstructed, and overall views of the following areas within the Gaming Floor twenty-four (24) hours a day, seven (7) days a week:
  1. all gaming operations, including all entrance and exit points to the Gaming Floor;
  2. the Cash Vault, cash drawers, safes, drop areas, coin or currency storage and count areas, Kiosks and all other areas where the drop, count and wrap processes are conducted;

3. all restricted key storage areas;
4. all transactions at cashier Cages and booths, including, but not limited to, the view of cash handling personnel's hands after each transaction;
5. all areas where Additional Payouts, Personal Property Awards, Promotions, players clubs or drawings occur;
6. all areas where gaming devices are stored; and
7. all cash transfer areas; and
8. the Surveillance Room.

**B. Events under Monitored Surveillance**

- a. Patron hand pays of \$1,200.00 and above;
- b. Face of Gaming Machine and payout line during a Jackpot of \$5,000 or more;
- c. Any suspicious activity;
- d. Cashier Cage transactions;
- e. Entire drop and count process;
- f. Any Patron dispute;
- g. Any unsuitable method of operation;
- h. Any suspected criminal activity;
- i. Gaming Machine access;
- j. Any violations of NMGCB rules or MICS;
- k. Vault Access;
- l. Emergency Drops.

- C. If a Patron dispute involves any display on a Gaming Machine, surveillance shall be notified to photograph the Patron and the front of the Gaming Machine in question, including all displays. If video surveillance recordings exist of any disputed Gaming Machine play, Manual Payout, or other disputed activity, those recordings shall be maintained by surveillance until the dispute is resolved.

**9.3 SURVEILLANCE**

**A. SURVEILLANCE ROOM**

1. Each Licensee shall establish a separate room dedicated to the surveillance of the Licensed Premises allowing gaming employees or Agents of the NMGCB to covertly monitor the activities of all gaming operations and any suspicious activity within the Licensed Premises. Monitors, recording equipment and surveillance storage media shall be maintained in this surveillance room.
2. Only personnel trained to operate surveillance equipment shall be authorized to monitor surveillance activities. A minimum of two (2) trained Surveillance Operators that have no

other gaming duties shall be required per shift. Surveillance shall be required to effectively monitor the events as listed in Section 9.2 of all gaming operations. The surveillance room shall not be left unattended or unmanned.

3. A complete index and guide to the gaming cameras, monitors and controls shall be posted in clear view in the surveillance room. This guide shall include, a map of the camera locations, how to call up each camera and the number of each camera.
4. Access to the surveillance room shall be limited to essential employees authorized by the Licensee, service personnel, NMGCB personnel, and others approved by the NMGCB. A current list of authorized employees and service personnel that have access to the surveillance room shall be posted in the surveillance room.

## **B. BACKUP POWER SYSTEM**

The Licensee shall install and maintain an auxiliary or backup power source capable of providing immediate restoration of power to all elements of the surveillance system and that enables surveillance personnel to continuously observe all gaming activities for a minimum of 6 hours.

## **C. RECORD KEEPING AND RETENTION**

1. The Surveillance Operators on duty shall maintain a written log of all events required to be monitored under 9.2 B. The log shall include at a minimum:
  - a. the date;
  - b. the time monitoring commenced and terminated;
  - c. the name and gaming badge number of the Surveillance Operator conducting the monitoring;
  - d. a brief description of the activity observed;
  - e. names of persons involved if known;
  - f. the camera number or other identifier of the surveillance camera used to monitor the activity;
  - g. the area of the Gaming Floor where the monitored activity occurred;
  - h. name of supervisor contacted, if applicable; and
  - i. the number of the incident report generated, if applicable.
2. The Surveillance Operators on duty shall also maintain a log recording the names of all persons entering and exiting the Surveillance Room and the time of their entrances and exits.
3. The Surveillance Operator on duty shall record the incident in the Surveillance Log and the employee performing the investigation shall prepare a written incident report of any suspicious or criminal activity, any violations of state or federal laws or NMGBC rules; Patron disputes or other significant incidents or events. The incident report shall include at a minimum:
  - a. the name and gaming badge number of the employee preparing the report;
  - b. a detailed narrative of the incident observed;
  - c. a detailed description of any action taken by surveillance in response to the incident;
  - d. the Signature of the employee preparing the incident report; and

- e. the date and time the NMGC was notified of the incident, if applicable.
- 4. All surveillance logs and suspicious activity reports shall be retained for period of five (5) years.
- 5. Surveillance logs shall be maintained and stored in a secure area.
- 6. Licensee shall allow NMGCB employees access to the surveillance logs at any time.

**D. SURVEILLANCE VIDEO RECORD RETENTION**

A Licensee shall retain in a Secure Manner all video recordings for a minimum period of thirty (30) days. The Licensee shall retain video recordings and still picture reproductions for a period of five (5) years where there are suspicious activities, or where activities appear to violate any state or federal laws. Video recordings and still picture reproductions shall be made available to the NMGCB upon request. Copies of video recordings or reproductions from video surveillance records shall not be released to any outside entity without prior approval of the NMGCB, except in compliance with a subpoena or order from a court of competent jurisdiction. The licensee may allow certified law enforcement personnel to review surveillance footage, but may not release copies without NMGCB approval.

**10. GAMING MACHINES**

**10.1 General**

- A. All Gaming Machine main doors and drop compartments shall be locked and secured when not opened for an authorized purpose.
- B. The Licensee shall thoroughly inspect every Gaming Machine on the gaming floor that has an active hopper and accepts coins/tokens for loose coins/tokens once per calendar month. Any coins/tokens found anywhere in the Gaming Machine shall be placed in the drop bucket. A Gaming Machine sweeps log shall be maintained in a location specified in the approved internal controls and shall contain:
  - 1. the date and time of the sweep,
  - 2. the Signature and NMGCB work permit number of the employee performing the sweep;  
and
  - 3. the supervisor's Signature.
- C. Gaming Machines configured for tokenization shall be configured to allow the un-played credits to be redeemed at the request of the Patron. Any credits redeemed shall be paid in accordance with procedures approved by the NMGCB and set forth in the Licensee's internal controls. The Licensee shall establish written procedures for redeeming credits from a Tokenized Machine.
- D. Licensee shall document procedures and amounts to ensure the accountability of token and U.S.



currency used for Gaming Machine testing including the amounts of token and currency that shall be allowed for testing.

## **10.2 Security of Gaming Machine Associated Equipment**

- A. Licensee shall develop written procedures to maintain an accurate inventory of all gaming media, including procedures to check gaming media in to and out of the Gaming Machine maintenance room.
- B. All central processor units, Gaming Machine interface boards, gaming media, and any other associated component device, or system that affects game outcome, shall be secured in a locked storage bin located within the Gaming Machine maintenance room accessible only by an authorized gaming employee.
- C. Licensee shall notify the NMGCB Enforcement Division not less than thirty (30) days prior to the destruction of any gaming media. The notification shall include:
  - 1. a description of the gaming media to be destroyed;
  - 2. date and time of the proposed destruction;
  - 3. method of the proposed destruction. and
  - 4. The person seeking to destroy any gaming media shall submit to the board, within 10 days of destruction, a sworn affidavit verifying the date, time, place, and manner of destruction and the names of all persons witnessing the destruction.
- D. The Gaming Machine maintenance rooms shall not maintain any tokens or currency.
- E. The Gaming Machine maintenance room shall be locked and secured when not occupied by a Gaming Machine maintenance employee. Access shall be limited to Gaming Machine technicians and other gaming employees as allowed by the NMGCB. The following items shall be maintained in a locked and secured compartment in the Gaming Machine maintenance room:
  - 1. bill validator boxes with locks installed;
  - 2. gaming media;
  - 3. machine locks; and
  - 4. processor boards with locks.
- F. All hardware and software that gathers accounting information from Gaming Machines, before transferring the information to the Gaming Machine computer monitoring system server, shall reside in a secure room that:
  - 1. has controlled access and is locked when not occupied by authorized personnel; and

2. has Constant Surveillance coverage that permits identification of anyone accessing the room.

### **10.3 Resetting/Clearing of Critical Memory**

- A. In the event of a Gaming Machine malfunction that necessitates the services of a Gaming Machine technician all efforts to correct the problem shall be taken prior to resetting or clearing the critical memory.
- B. The clearing of critical memory shall be performed in accordance with the gaming device manufacturer's procedures, utilizing as applicable approved clear chips. NMGCB Master Reset Forms shall be completed for all authorized clearing of critical memory of Gaming Machines on the gaming floor except Gaming Machines for which final meter readings have been recorded.
- C. If a Gaming Machine is the subject of a Patron dispute that cannot be resolved or if the dispute involves Five Hundred Dollars (\$500.00) or more, the Licensee shall notify the NMGCB and the Central Processing Unit (CPU) shall be removed for later testing by an independent testing laboratory designated by the NMGCB. memory shall not be performed until authorized by an Agent of the NMGCB and notification to the NMGCB Information Systems Division.
- D. For situations that require resetting or clearing the RAM, the following steps shall be taken:
  1. prior to the procedure the Gaming Machine technician shall contact the NMGCB IS Division by telephone to request that the Gaming Machine be disabled from the Central Monitoring System (CMS);
  2. the technician shall use forms provided by NMGCB IS Division that apply to individual Gaming Machine types. Master Reset forms shall not be pre-numbered as these forms are Gaming Machine specific. The technician shall complete the form prior to clearing the critical memory;
  3. the Gaming Machine technician shall record on the Master Reset form the reason for the clearing of critical memory and the value of each audit function of the Gaming Machine. These functions shall include, but are not limited to:
    - a. reel positions or video display of at least the previous two game outcomes prior to the malfunction or dispute. If no malfunction or dispute exists, this information is not required;
    - b. the actual meter readings of the Gaming Machine internal soft meters (credits played, total credits won, and Jackpots paid). If the soft meter reading cannot be obtained the comparable reading from the Licensee's Slot Accounting System shall be recorded;
    - c. the actual meter readings of the hard meters (credits played, total credits won and Jackpots paid).
    - d. the display in the progressive Jackpot indicator if the Gaming Machine is a stand-alone or linked progressive;

- e. a copy of this Master Reset form shall be transmitted to the NMGCB's IS Division;
- f. the original Master Reset form shall be maintained on file with the slot director, with a copy forwarded to accounting; and
- g. the Licensee shall test the Gaming Machine utilizing U.S. currency, token, or tickets as applicable immediately after the clearing of critical memory.

#### **10.4 Transportation, Installation, Conversion, Movement and Storage of Gaming Machines**

A. Transportation Standards: The Licensee shall adhere to the following standards pursuant to NMGCB Rule 15.1.16 NMAC prior to shipping any Gaming Machine(s) or gaming media:

- 1. the Licensee shall complete and submit to the NMGCB a Gaming Device Transport Request (GC-40) when facilitating an interstate or intrastate transaction for Gaming Machine(s). A NMGCB assigned transport control number shall be received prior to the shipments. Gaming media shall be removed and shipped separately and shall be documented pursuant to Section 10.4.A.2 of these MICS; and
- 2. the Licensee shall complete and submit to the NMGCB a Gaming Media Transport Request (GC-41) when facilitating an interstate or intrastate transaction for gaming media. A NMGCB assigned transport control number shall be received prior to any shipment(s).

B. Installation, Conversions, Movement Procedures:

- 1. The Licensee shall submit to the NMGCB's Background and Licensing Unit all completed forms and fees for licensure of new Gaming Machine(s) or modification to existing Gaming Machine(s) for each of the following situations:
  - a. Gaming Machine installation;
  - b. conversion;
  - c. removal; and
  - d. disposal.

- 2. The written request shall include forms where applicable:
  - a. Premises modification plans;
  - b. application for licensure of new Gaming Machine(s);
  - c. application for pre-approved modification of existing Gaming Machine(s) if applicable; and
  - d. all required fees.

- (1) The following shall be submitted electronically via email to GCB-Planning@state.nm.us:
  - (i). proposed chipset pairings and/or operating system versions;
  - (ii). correct pay/hold percentages, max bets, top awards;
  - (iii). coin acceptor, accounting and player denominations; and
  - (iv). assignment of Gaming Machine(s) to planned floor locations.

3. Procedures for Gaming Machine installation, conversion, removal, relocation, and disposal

shall include:

- a. notifying the NMGCB's technical support hotline;
  - b. notifying surveillance;
  - c. removing the contents of the drop buckets, bill validator storage devices, and hoppers;
  - d. labeling the contents;
  - e. transporting and storing the contents in a locked location; and
  - f. counting and recording the contents.
4. A complete drop, including the hopper and drop bucket if applicable, is required of any Gaming Machine on the gaming floor that is moved. The procedures for the drop shall include the recording of the revenue minus the amount of the initial hopper fill for each machine;
  5. The Gaming Machine shall be tested prior to use utilizing U.S. coin/currency, token and Tickets as applicable.
  6. All Gaming Machines removed from the gaming floor shall:
    - a. contain no loose or unaccounted token, currency, Tickets, coupons or credits; and
    - b. be stored in a manner approved by the NMGCB and as set forth in 10.4 C. 1of these MICS.
  7. The Licensee shall provide written notification to the NMGCB at least ten days prior to the sale or destruction of any Gaming Machine(s). Notification shall include the following:
    - a. complete description of the devices to be sold/destroyed; and
    - b. shipping information, as set forth in 10.4 A of these MICS;
    - c. The Gaming Machines shall only be shipped to entities in New Mexico that are licensed or approved by the NMGCB; or
    - d. shipment of Gaming Machines to another jurisdiction for sale/destruction shall be in compliance with the regulations and statutes of the affected jurisdiction.

C. Storage of Gaming Machines:

1. Stored Gaming Machines shall be in a secured containment area on the Premises of the Licensee, access to which is limited to Gaming Machine/slot technicians or other employees as allowed by the NMGCB. Gaming Machines may be stored with their central processor, gaming media and bill validator stacker boxes installed; however, the logic area and Gaming Machine main doors shall be locked and secured.
2. Gaming Machines may be temporarily staged in nonpublic areas off the gaming floor, immediately prior to their placement onto or immediately after being removed from the gaming floor. Such staging, shall not exceed three days unless otherwise approved in writing by the Executive Director. All Gaming Machines so staged shall be under Constant Surveillance.

## 10.5 Progressives

- A. Progressive Systems and their associated components interfaced to coin/bill-drop and Ticket-drop Gaming Machines shall meet the technical standards approved by the NMGCB with regard to

wide or local area progressives.

- B. Gaming Machines that include progressive Jackpots shall include a progressive meter, visible to the public. If any part of the distribution to the progressive Jackpot(s) is being used to fund a secondary Jackpot, visible signage informing Patrons of this supplemental distribution shall be conspicuously placed in the immediate area of the Gaming Machine
- C. The Licensee shall develop written policies and procedures pursuant to NMGCB Rule 15.1.24 NMAC;

## **10.6 Slot Tournaments**

### **A. General Conditions and Limits on Slot Tournaments**

- 1. The NMGCB or its designee may, at its discretion, deny permission to conduct a Slot Tournament to a Licensee.
- 2. The NMGCB or its designee may, at its discretion, place conditions on the conduct of a Slot Tournament.
- 3. The Licensee shall notify the NMGCB Audit & Compliance Division via the Additional Payout/Promotion/Personal Property Award Submission (GC-26) of its intent to conduct the Slot Tournament no less than 10 days prior to the start of the tournament. The notice shall include the specific dates and times during which it will conduct the Slot Tournament, and a description of the rules of play.

### **B. Conduct of Slot Tournaments**

The NMGCB may permit a Licensee to conduct Slot Tournaments provided it meets the following conditions:

- 1. Non-Convertible Tournament Chipsets
  - a. Slot Tournaments offered by the Licensee shall be reported and accounted for in the same manner as Promotions, in addition to all other applicable reporting and disclosure requirements.
  - b. Prior to commencement of the Slot Tournament the Licensee shall install a non-convertible tournament chipset in each Gaming Machine that will be used in the Slot Tournament.
  - c. The Gaming Machines into which the non-convertible chipsets were installed shall be used for no purpose other than play in the Slot Tournament until after such time as the non-convertible tournament chipsets are replaced with chipsets approved for normal play.
  - d. If the Slot Tournament ends at 3:00 p.m. or earlier, the Licensee shall replace the non-convertible tournament chipset in each Gaming Machine used in the Slot Tournament

with chipsets approved by the NMGCB for normal play prior to placing the Gaming Machines used in the Slot Tournament back into play.

- e. If the Slot Tournament ends after 3:00 p.m., the Gaming Machines used for play in the Slot Tournament shall remain out of play in a disabled state until the end of the accounting period for that day.

## 2. Convertible Tournament Chipsets

- a. The Licensee may install the convertible tournament chipset into the Gaming Machines to be used for the Slot Tournament at any time prior to the beginning of the tournament.
- b. The Licensee shall switch the Gaming Machines that will be used in the Slot Tournament from normal game play mode into tournament mode prior to the beginning of the Slot Tournament.
- c. After the Gaming Machines that will be used in the Slot Tournament have been switched into tournament mode, the machines shall be used for no purpose other than for play in the Slot Tournament until the conclusion of the Slot Tournament.
- d. If the Slot Tournament ends at 3:00 p.m. or earlier, the Licensee shall switch each Gaming Machine used in the Slot Tournament to normal game play mode prior to placing the Gaming Machines used in the Slot Tournament back into play.
- e. If the Slot Tournament ends after 3:00 p.m., the Licensee may switch the Gaming Machines used in the Slot Tournament to normal game play mode and place the Gaming Machines used in the Slot Tournament back into play. However, if the Licensee experiences a problem with the Gaming Machines used for play in the Slot Tournament after 5:00 p.m., they shall remain out of play in a disabled state until the end of the accounting period for that day.

# 11. Ticket Validation Systems – “Ticket In/Ticket Out” (TITO)

## 11.1 General

- A. The Slot Accounting System that includes the generation, validation and redemption of bar-coded Tickets/Promotional Vouchers, and the associated components interfaced to licensed Gaming Machines shall, as applicable, meet standards approved by the NMGCB.
- B. Licensees may be authorized on-going remote technical support capability for Gaming Machine computer monitoring systems by authorized representatives of the system’s licensed supplier provided:
  - 1. access to the system is user ID and password protected;
  - 2. the system automatically monitors and records access, documenting the time, date, and person accessing the system;

3. the Licensee shall maintain a monthly log documenting, for each remote access, the start date and time, end date and time, reason, and person making access and their NMGCB work permit number and shall submit this log to the NMGCB upon demand; and

4. Licensees wishing to utilize on-going remote capability have submitted a written request to and received written approval for such access from the NMGCB.

C. The Licensee shall ensure the NMGCB is provided at least five (5) days advance written notice of any proposed programming changes or upgrades to an existing Slot Accounting System, Redemption Kiosk system, or server-based gaming system which shall include, at a minimum:

1. a description of the reasons for the proposed modification;

2. a list of the computer components and programs or versions to be modified or replaced;

3. a description of any screens, menus, reports or operating processes that will be affected;

4. the method to be used to complete the proposed modification;

5. the date the proposed modifications will be installed and the estimated time for completion;

6. the name, title, work permit number and employer of the person(s) to perform the installation;

7. a diagrammatic representation of any proposed hardware design change;

8. restriction on "update" access to the production code to the person implementing the modification; and

9. procedures to ensure the user and operator manuals are promptly updated to reflect changes in policies and procedures resulting from the proposed modification.

D. A personnel access list for all Gaming Machine computer monitoring systems shall be maintained by the Licensees IT department. Only employees named on the list shall be authorized to use the system. The list shall include:

1. employee name;

2. NMGCB work permit number; and

3. all authorized functions the employee may perform or equivalent means of identifying same.

E. The Licensee shall ensure the Ticket validation system in use at the Licensees facility performs the following minimum functions to control logical access to the system:

1. generates daily monitoring logs of user access, security incidents and unusual transactions and immediately notifies the IT department of critical security incidents and unusual

transactions. These Logs shall be reviewed and initialed each day by an IT department supervisor;

2. assigns rights and privileges to each user, including:
  - a. allowance for the secure administration of user accounts to provide an adequate separation of duties; and
  - b. contains adequate password parameters such as lockout, minimum length, and expiration interval.
3. uses appropriate access permissions to restrict unauthorized users from viewing, changing or deleting critical files and directories; and
4. utilizes Encryption or password protection or equivalent security for files and directories containing critical or sensitive data, which at a minimum shall include the Ticket liability record. If Encryption is not used, the Licensee shall restrict users from viewing the contents of such files and directories, which at a minimum shall provide for the following:
  - a. the effective segregation of duties and responsibilities with regard to the system in the IT department; and
  - b. the automatic monitoring and recording by the system of access by any person to such files and directories.

F. The Licensee shall ensure the Ticket validation system in use at the Licensees facility performs the following minimum functions to control system operations:

1. validates the identity of those devices (Gaming Machines, clerk validation terminals, Kiosks, fill stations, etc) from which a transmission is received;
2. ensures that all data sent through a transmission is completely and accurately received; and
3. detects the presence of corrupt or lost data packets and, as necessary, rejects the transmission.

G. The Licensee shall ensure the Ticket validation system in use at the Licensees facility performs the following minimum functions to control the integrity of data:

1. generates a unique validation number for each Ticket, by utilizing an Algorithm, or by such other method approved by the NMGCB, which method shall prevent the ability to predict the composition of any other validation number generated by the system;
2. validates the data type and format of all inputs to critical fields and rejects any corrupt data;
3. provides for the automatic and independent recordation of critical data upon Ticket generation and redemption, including, at a minimum, the information pertaining to Ticket design; and



4. provides for verification of the information contained on a Ticket presented for redemption and the Ticket liability record for Unredeemed Tickets to a source that separately records and maintains transaction data, such as an automated transaction log, or such other compensating procedure as approved by the NMGCB, which procedure shall independently verify the accuracy of the Ticket validation number and value prior to redeeming the Ticket.
- H. The Licensee shall provide to the NMGCB information on how the Ticket validation system's malfunction warning system operates and shall ensure the Ticket validation system in use at the Licensees facility performs the following minimum functions to address business continuity:
1. utilizes data redundancy techniques, such as disk mirroring, which writes a complete duplicate copy of all data on the primary disk to a secondary disk to permit a complete and prompt recovery of all information in the event of any malfunction; and
  2. utilizes environmental controls such as uninterruptible power supplies, and fireproof and waterproof materials to protect critical hardware from natural disaster.
- I. The Licensee shall provide to the NMGCB a list of all malfunction error codes along with a list of those codes that they believe warrant notification to the NMGCB. The Licensee shall ensure the NMGCB's on-call enforcement Agent is immediately notified following the appearance of any of the error codes on the notification list indicating a malfunction of the Ticket validation system in use at the Licensees facility. The system shall not be utilized until the malfunction has been successfully repaired. Notwithstanding the foregoing, the NMGCB may permit a Licensee to utilize the system prior to it being successfully repaired, for a period not to exceed 48 hours, provided that:
1. the malfunction is limited to a single storage media device, such as a hard disk drive;
  2. the system contains a backup storage media device not utilized in the normal operation of the system, which backup device shall immediately and automatically replace the malfunctioning device, to permit a complete and prompt recovery of all information in the event of an additional malfunction; and
  3. continued use of the malfunctioning system would not limit the ability to perform a complete and prompt recovery of all information, and would not otherwise harm or affect the normal operation of the system.
- J. The Licensee shall ensure the NMGCB is provided a systems manual that includes:
1. documentation of the system design and layout both in narrative and diagrammatic formats;
  2. copies of all reports used to monitor security activity and system error codes;
  3. procedures for assigning Gaming Machine asset numbers and identifying other redemption locations in the system, and enabling and disabling Ticket capabilities for such Gaming Machines and redemption locations;

4. procedures for issuance, modification, and termination of system user accounts;
  5. constraints used to configure and maintain user passwords;
  6. procedures for restricting special rights and privileges such as “administrator” and override capabilities;
  7. the duties and responsibilities of the IT, internal audit, slot and casino accounting departments, respectively, and the level of access for each position with regard to the system;
  8. identification of all software files and directories, the location and a description of each, and the reports generated from such files;
  9. a description of physical controls on all critical hardware such as locks and surveillance, including the location and security of each piece of equipment as approved by the NMGCB;
  10. procedures for the backup and timely recovery of critical data and failure analysis;
  11. logs used to document and maintain the details of any hardware and software modifications upon implementation;
  12. procedures for reviewing the system’s operation; and
  13. policies and procedures for continued operations following a malfunction of the Slot Accounting System.
- K. Payment by Ticket printer as a method of credit redemption on a Gaming Machine is only permissible when the Gaming Machine is linked to and is in communication with an approved Slot Accounting System that allows validation of the printed Ticket. Validation information shall come from the Slot Accounting System using a secure communication Protocol. Each Gaming Machine so linked shall:
1. at the machine level, have an internal log that records and has available for recall the last 35 Tickets printed;
  2. at the machine level, have an internal log that records and has available for recall the last five (5) items redeemed; and
  3. display on its front a notice that provides fair warning of whether the Patron is paid in coin/tokens and/or by Ticket.
- L. The Licensee shall establish internal control procedures utilized to print Promotional Vouchers, including security and control over inventory, issuance, redemption and retention.
- M. Ticket design shall be approved by the NMGCB and each Ticket shall, at a minimum, contain the following printed information:

1. casino name;
  2. machine number;
  3. date and time (24-hour format acceptable);
  4. alpha and numeric dollar amount of the Ticket;
  5. Ticket sequence number;
  6. validation number;
  7. whether the Promotional Voucher is redeemable for cash (non-restricted) or not (restricted);
  8. type of transaction or other method of differentiating Ticket types; and
  9. bar code or any machine-readable code representing the validation number.
- N. Tickets shall have an expiration date of not less than 180 days from the date of issue. Tickets may, on their reverse, contain wording which indicates Tickets that cannot be validated are considered void.
- O. When a Patron cashes out of a Gaming Machine that has lost communication with the validation system, the Gaming Machine shall:
1. revert to an active hopper device; or
  2. lockup and, after reset, either:
    - a. print a “cash-out receipt” Ticket, which is visually distinct from an on-line Ticket either in format or content while still maintaining all information requirements specified, the design of which has been approved by the NMGCB; or
    - b. result in a hand pay in accordance with procedures approved by the NMGCB and set forth in the Licensees internal control procedures.
- P. When a Patron attempts to redeem a Ticket in a Gaming Machine that has lost communication with the Slot Accounting System, the Gaming Machine shall reject the Ticket and return it to the Patron.
- Q. Jackpots in excess of \$1,199.99 that require completion of a W2-G, shall cause the Gaming Machine to lockup and, after reset, either:
1. print a “Jackpot” Ticket which is visually distinct from other Tickets either in format or content while still maintaining all information requirements specified which has been approved by the NMGCB; and/or
  2. result in a hand-paid Jackpot in accordance with procedures approved by the NMGCB and set forth in the Licensees internal control procedures.

- R. “Cash-out receipt” and “Jackpot” Tickets shall be processed using Manual Payout (hand-pay) procedures as set forth in the Licensees internal controls. The “cash-out receipt” or “Jackpot” Ticket, as applicable, shall be attached to the Manual Payout form prior to it being deposited into the accounting box. No Patron shall be allowed to possess or carry a “cash-out receipt” or “Jackpot” Ticket.
- S. If the gaming device is capable of reprinting a duplicate Ticket on demand, the reprinted (duplicate) Ticket shall clearly indicate it is a duplicate, and the validation system shall be notified of this event. The duplicate Ticket shall have the same validation number as the original Ticket.
- T. Tickets may be inserted in any Gaming Machine participating in the validation system providing that no credits are issued to the Gaming Machine prior to confirmation of Ticket validity. The Patron may also redeem a Ticket at a cashier/change booth or other approved validation location. Tickets presented for redemption, whether by a cashier or through insertion into the bill validator of a participating Gaming Machine or other approved redemption device, shall immediately upon validation be moved from an unpaid status to a paid status.
- U. Each Ticket shall be redeemed by a Patron for a specific value of cash, a casino check of the Licensee in the amount of the Ticket surrendered, credits on a participating Gaming Machine, slot tokens, value chips, or any combination thereof.
- V. Upon presentation of a Ticket for redemption at a Gaming Machine, the total value of which cannot be completely converted into an equivalent value that matches the denomination for which the Gaming Machine is optioned to accept in order to activate play, the Gaming Machine shall:
  - 1. automatically issue a new Ticket containing the value that cannot be completely converted, either immediately or upon the Patron’s request; or
  - 2. not redeem the Ticket and immediately return it to the Patron.
- W. All validation terminals shall be user and password controlled. Once presented for redemption, the cashier shall:
  - 1. scan the bar code via an optical reader or equivalent; or
  - 2. input the Ticket validation number manually; and either
  - 3. print a validation receipt after each Ticket is electronically validated, or
  - 4. at the close of the session for which the cashier was signed-on, print a transaction detail report listing all Tickets redeemed at the validation terminal and then reconcile the report to the Tickets redeemed.
- X. The Licensee shall establish written internal control procedures for the immediate notification of the NMGCB's Enforcement Division Agent on call of any:
  - 1. incident of a Ticket being presented for redemption which the validation system indicates has already been redeemed; or

2. evidence that a Ticket has been counterfeited, tampered with, or altered in any way which would affect the integrity, fairness, reliability or suitability of the Ticket.
- Y. If the Slot Accounting System Ticket validation temporarily ceases to function, the Licensee shall provide an alternate method of payment either by the Slot Accounting System unique features (validity checking of Ticket/coupon information through a redundant system) to identify duplicate Tickets/coupons and prevent fraud, or use of an alternate method approved by the NMGCB.
- Z. The Licensee shall establish internal control procedures addressing situations where a Ticket for which validation information cannot be accessed from the system, or for which no validation information exists, is presented for payment. Procedures shall include:
1. security and slot department personnel checking the machine log to verify the transaction when the Ticket presented exceeds an established dollar amount set forth in the Licensees minimum internal control procedures. The established dollar amount shall not exceed two hundred fifty dollars (\$250.00). The Tickets for the established dollar amount or less may be paid by a Cage Cashier or slot attendant from their imprest funds without checking the machine log, provided, however, Tickets paid by slot attendants shall be Signed by both the slot attendant and the Patron receiving payment, then immediately taken by the slot attendant to a Cage Cashier who shall reimburse the slot attendant in cash for the face amount of the Ticket, and then process the Ticket in accordance with the procedures approved for items (3), (4) and (5) of this subsection;
  2. procedures for the physical cancellation, segregation and security of Tickets that have been paid but not redeemed in the system;
  3. the Licensee shall immediately notify the NMGCB's Enforcement on call Agent of any transactions which cannot be verified;
  4. provisions for the electronic verification and cancellation of Tickets when communication is restored and off-line data is communicated to the validation system following manual override procedures; and
  5. preparation of a report for each cashier's shift of the total number and value of all such Tickets redeemed.
- AA. The following reports shall be generated at the end of each gaming day and reconciled by day with all validated/Redeemed Tickets:
1. Ticket Issuance Report;
  2. Ticket Redemption Report;
  3. Ticket Liability Report;
  4. Ticket Drop Report;
  5. Transaction Detail Report – available from the Slot Accounting System that shows all Tickets generated by a Gaming Machine and all Tickets redeemed by the validation

terminal(s) or other Gaming Machine(s); and

6. Cashier Report –Details sum of Tickets/Vouchers paid by cashier or validation unit.

- BB. Once the validation information is stored in the database, the data may not be altered in any way. The validation system database shall be Encrypted or password-protected and shall possess a non-alterable user audit trail to detect any unauthorized alterations. The normal operation of any device that holds Ticket information shall not have any options or methods that may compromise Ticket information. Any device that holds Ticket information in its memory shall not allow removal of the information unless it has first transferred that information to the database or other secured component(s) of the validation system.
- CC. The Licensee shall, in their internal control standards, specify the period of time for which Ticket transactions shall be maintained in the validation system. Records removed from the system shall be stored and controlled in a manner approved by the NMGCB, consistent with the requirements of NMGCB Rules 15.1.8.9 and 15.1.8.12 NMAC.
- DD. The Licensee shall maintain a record of “Ticket liability” for Tickets that have been issued but not yet redeemed. The record shall be stored in the Slot Accounting System for not less than 180 days from the date of issuance of the Ticket, provided that:
1. any Unredeemed Ticket information removed from the system shall be stored and controlled in a manner approved by the NMGCB, consistent with the provisions of NMGCB Rule 15.1.8.9 and 15.1.8.12 NMAC;
  2. prior to redemption, the complete validation number of the Unredeemed Ticket shall only be available from the system;
  3. the redemption of any Ticket for which the Unredeemed Ticket record is not stored in the system shall require that, prior to redemption, the Unredeemed Ticket record be reloaded into the system, and the validation number and value of the Ticket be subsequently verified by the system;
  4. after the redemption of a Ticket for which the Unredeemed Ticket record has been reloaded into the system, the Unredeemed Ticket record shall be immediately canceled electronically and the Ticket redeemed for the value printed thereon; and
  5. the Licensee shall establish written procedures addressing lost or Abandoned Tickets recovered by the Licensee. These procedures shall, at a minimum, provide that:
    - a. all lost or Abandoned Tickets, recovered by casino personnel and remaining unclaimed shall be entered into the Slot Accounting System;
    - b. lost or Abandoned Tickets recovered by casino personnel shall be identified as such and shall be retained in accordance with Rules 15.1.8.9 and 15.1.8.12 NMAC;
    - c. funds from lost and Abandoned Tickets that cannot be identified to a specific Patron, shall be accounted for and shall be reported as Found Money to the NMGCB on Tax

Adjustments Report GC-25;

- d. funds from all other Unredeemed Tickets that remain unredeemed for one hundred and eighty (180) days shall be accounted for and reported as “Expired Tickets” on the Tax Adjustments Report (GC-25); and
- e. the Licensee shall retain, account for and process all Unredeemed Tickets, with a minimum value to be determined by the Licensee that can be identified to a specific Patron, in accordance with the New Mexico Unclaimed Property Act.

EE. Tickets for gaming days during which the Slot Accounting System experienced a malfunction shall be retained until disposal is authorized by the NMGCB. Each calendar quarter the Licensee shall audit and reconcile a statistical sample of Tickets retained for five (5) randomly selected gaming days to reports generated.

## 12. Kiosks

- A. Kiosks and their associated components shall meet the technical standards approved by the NMGCB with regard to Ticket In/Ticket Out gaming.
- B. The Kiosk bill validator access key and the Kiosk bill validator contents key shall be different from those for Gaming Machines.
- C. Kiosk cash compartment access shall be controlled by dual locks, requiring separate keys, one issued to the Vault Custodian, the other to security. Kiosk main doors shall be monitored by door access sensors which shall detect and report all external door openings to the device by way of an error code and tower light and to the Slot Accounting System. Coin compartments may be single locked.
- D. Communication controller electronics, and components housing the communication program storage media (including interface ports) comprise the logic area, which shall:
  - 1. reside within its own locked compartment area with its own locking door; and/or
  - 2. include a security system, device, or Protocol acceptable to the NMGCB that prevents the Kiosk’s control program from being written to or altered.
- E. The device shall have the ability to allow a NMGCB Agent to conduct an integrity check utilizing manufacturer provided verification methodologies to identify and validate the program. This can be accomplished by the medium being removed and authenticated by an approved third-party device, or having an interface port for an approved third-party device to authenticate the media.
- F. The Kiosk logic compartment; the program software, once validated; and the security system, device, or Protocol that prevents the Kiosk’s control program from being written to or altered; shall as necessary be sealed by an Agent of the NMGCB and an Agent shall be present to break the seal(s) when access to the compartment or the software housed therein is necessary.
- G. The maximum amount that can be paid out by a Kiosk is three thousand dollars (\$3,000.00) in

U.S. currency. The maximum Kiosk payout for any single [~~Ticket~~] Jackpot shall not exceed \$ 1,199.99. A Kiosk shall automatically cease operation and return the Ticket to the Patron if it contains insufficient U.S. currency to redeem any Ticket inserted up to the maximum payout limit.

- H. The Licensee shall establish internal control procedures for an emergency drop of the cash boxes that requires the presence of security and one other individual. The emergency cash box shall have the word “emergency” permanently placed on the cash box. The removed cash box shall be secured in the main bank or Cash Vault until the reconciliation of the Kiosk is performed.
- I. All Kiosk main door(s) and bill validator content compartment(s) shall be alarmed and shall be locked when not opened for an authorized purpose. Redemption Kiosks not communicating alarm signal(s) shall not contain any coin or currency.
- J. Each Kiosk shall be under Constant Surveillance.
- K. Any programming changes, upgrades, new installation, or movement of a Kiosk shall be tested utilizing the necessary currency, Tickets, and player cards ensuring all active functionality has been verified by the NMGCB prior to use. The Licensee shall establish written internal control procedures for accounting for currency and Tickets used in the testing of the Redemption Kiosk.

## 13. WIRELESS HANDHELD VALIDATION DEVICE AND SUPPORTING WIRELESS LOCAL AREA NETWORK

### 13.1 General

- A. Wireless handheld validation devices (hereafter referred to as validation devices) and the supporting wireless local area network use bi-directional communication to the Ticketing module or integrated part of the slot monitoring system to validate/redeem Tickets in exchange for cash on the gaming floor.
- B. The Licensee shall notify the Board, in writing, of the intent to use a validation device or a minimum of thirty (30) days prior to the anticipated go-live date. The Licensee shall also provide an electronic copy of the certification letter for the validation device and host system, which is provided by the manufacturer.
- C. Prior to upgrading or modifying the validation devices, the Licensee shall notify the Board in writing a minimum of 14 days prior to the upgrade or modification. Licensees are responsible for all system upgrades and system modifications, and for the accuracy and integrity of system data subsequent to the upgrade or modification.
- D. The Licensee shall ensure that the validation device has been tested by an independent lab and certified for use with the Licensee’s automated slot monitoring system. The certification letter for each validation device will indicate which version of the slot monitoring system the validation



device has been tested with and certified for.

- E. The Licensee shall submit a letter in conjunction with notification, outlining any limitations indicated on the certification letter or identified by the Licensee and an explanation as to how the Licensee will address or compensate for the limitations. If no limitations are indicated or identified, a letter stating such must be submitted.
- F. Validation devices may only be used at the casino where they were obtained and on the casino gaming floor where gaming activity is performed. All validation device transactions must be conducted under surveillance coverage.
- G. Audit procedures of system data in relation to the use of the validation device, including the reconciliation process, must be documented by the Accounting Department (typically in the required written accounting plan).
- H. Any documentation developed as a result of the use of the validation device must be maintained by the Licensee and is subject to the document retention requirements mandated in Rule 15.1.8.12 NMAC. These documents must be made available to the Board upon request. All Tickets or Vouchers shall be retained for at least 90 days from date of redemption, expiration or void date.

### **13.2 Industry Standards**

- A. The system manufacturer shall ensure the validation devices used in conjunction with any gaming system meet the following minimum industry standards:
  - 1. the operating system used shall be validated to provide adequate security in accordance with security requirements recommended by the National Institute of Standards and Technology (<http://csrc.nist.gov>);
  - 2. the validation device shall utilize industry standard cryptographic Algorithms for Encryption/Decryption, authentication, and Signature generation/verification; approved key generation techniques validated cryptographic modules;
  - 3. all data packets shall be Encrypted before transmission, regardless of Protocol used;
  - 4. the validation device shall employ an Extensible Authentication Protocol (EAP) utilizing 128-bit keys or greater. The validation device shall employ a Public Key Infrastructure (PKI) security certificate-based authentication process or equivalent, whereby mutual authentication between the supplicant and the authentication server occurs before any wireless communication takes place;
  - 5. the validation device shall be isolated from the wired network. The validation device and the wired network shall communicate through individual Firewalls. Networks and components shall be designed/configured with Internet Protocol (IP) forwarding and broadcast mode disabled; and

6. the validation device shall employ a stand-alone Firewall for port blocking. The Firewall shall be configured in a manner that precludes any wireless product from gaining access to the network without first being authenticated and verified.

### **13.3 System Access Controls**

- A. Licensees shall maintain an accurate and up-to-date system access listing for all validation device users that reflects each user's access privileges. At a minimum, the system access listing(s) shall include the user's name, position, level of authority, authorized functions, date access was granted, and the supervisor granting the access. All authorized users shall be reflected, which includes any vendor personnel who have onsite access rights. Vendor personnel with access rights shall be licensed accordingly.

### **13.4 Physical Access Controls**

- A. Physical access to validation devices shall be limited to authorized individuals only. Authorization for the issuance of the validation devices is controlled through the system access listing. Validation devices shall be maintained in a secure location within the Gaming Floor. The key to the device storage cabinet is maintained in Locked Box 1 and may be checked out for the entire shift. The individual accessing the cabinet is independent of the related validation device transactions. The individual accessing the cabinet and the individual checking out the device must both be present when the cabinet is accessed.
- B. The issuance of validation devices on the Gaming Floor is controlled through a wireless device control log secured with the validation devices. This log shall be completed whenever a validation device is being checked in or out. The licensed individual that will be using the validation device shall complete the log. The log shall include, but is not limited to, casino name, work permit number, date and time of check out, Signature and work permit number of individual assigned the device, position of individual, validation device identifier (a number or name associated with that specific validation device), nature of access (gaming transactions, maintenance functions, test activity, returned to manufacturer, etc), date and time of check in, and the Signature and license number of the employee returning the device. Another licensed employee must initial and provide his/her license number on the log attesting to the access and accuracy of the log each time a device is checked out or in. The log is forwarded to accounting no later than the first day of the month for the prior month.
- C. Validation devices are to remain on property unless they are being returned to the manufacturer or authorized repair center. Individuals authorized by the system access listing and Key Control Logs may allow the removal of wireless devices needing off site service or repair. Additionally, validation devices removed (for repair, upgrades or other reason) from the licensed gaming property must have access to the validation devices disabled while off Premises.

### **13.5 Monitoring**

- A. Licensees shall use an Intrusion Detection System (IDS) in conjunction with a validation device and supporting wireless local area network. This system shall be capable of generating an audit trail report reflecting unauthorized attempts to access the wireless network or validation device. At a minimum, the IT Department reviews the audit trail report on a weekly basis. All irregular

detections are noted on the report. The audit trail report is Signed and dated by the person reviewing the report. Upon detection, the Licensee shall take protective action of its system (e.g., installation of an intrusion protection system). Any irregular detections shall be reported to the NMGCB Audit & Compliance Division by e-mail if actual intrusion to a system component or module on the network occurs and the Licensee shall also immediately contact the NMGCB Enforcement Agent assigned to the track by telephone upon discovery.

### **13.6 Wireless Network Installation**

- A. All wireless network configuration parameters shall be documented in writing. The documentation shall describe the parameter and indicate its related setting. This documentation includes, but is not limited to, the strength, frequency, and length of time the unit is in use. Any electronic technology in use by the Licensee (e.g., wireless progressive sign) must not conflict with the validation device configuration or operation.

## **14. SAMPLE FORMS**

The following sample forms were discussed above. The forms reflect the minimum information that is required. The Licensee can customize these forms to adapt to their gaming operations. The forms may have the Licensee's name and logo printed on them. The Licensee may create additional forms that are essential to their operations. Alternative and additional forms used by the Licensee shall be approved by the NMGCB prior to implementation.

1. GC – 01 [Vault Inventory]
2. GC – 02 [Cage Cashier Inventory]
3. GC – 03 [Change Bank Inventory]
4. GC – 04 [Vault Reconciliation]
5. GC – 05 [Variance Report]
6. GC – 06 [Transfer Slip]
7. GC – 07 [Kiosk Balance Sheet]
8. GC – 08 [Manual Payout/Fill Slip]
9. GC – 09 [Unclaimed Jackpot Receipt]
10. GC – 10 [Drop and Count Schedule]
11. GC – 11 [MEAL]
12. GC – 12 [Signature Card]

13. GC – 13 [Key Control Log]
14. GC – 14 [Key Authorization Log]
15. GC – 16 [Bill Validator Summary]
16. GC – 17 [Count (Weigh)/Wrap Variance Report]
17. GC – 21 [Gaming Machine Count Summary]
18. GC – 22 [Hopper Summary]
19. GC – 24 [Additional Payouts/Personal Property Awards Report]
20. GC – 25 [Tax Adjustments Report]
21. GC – 26 [Additional Payout/Promotion/Personal Property Award Submission]
22. GC – 27 [Compulsive Gambling Training Report]
23. GC – 28 [Kiosk/Vault Transfer Slip]
24. GC – 29 [Verification of Winnings of \$1,200 or More Form]
25. GC – 30 [Compulsive Gambling Assistance Plan Report]
26. GC – 40 [Gaming Device Transport Request]
27. GC – 41 [Gaming Media Transport Request]
28. GC – 44 [NMGCB Notification of Surveillance Modification]
29. GC-45 [Patron Dispute Reporting Form]

APPENDIX 1.

TABLE OF CONSANGUINITY

**Showing Degrees of Relationships**

NUMBERS SHOW DEGREE OF RELATIONSHIP

					Great-Great Grand Parents 4
			Great-Grand Parents 3		Great-Grand Uncles/Aunts 5
		Grand Parents 2		Great-Uncle/Aunts 4	First Cousins Twice Removed 6
	Parents 1		Uncles/Aunts 3	First Cousins Once Removed 5	Second Cousins Once Removed 7
*FOS/Work Permit/Spouse	Brothers Sisters 2		First Cousins 4	Second Cousins 6	Third Cousins 8
Children 1		Nephews Nieces 3	First Cousins Once Removed 5	Second Cousins Once Removed 7	Third Cousins Once Removed 9
Grand Children 2		Grand Nephews/Nieces 4	First Cousins Twice Removed 6	Second Cousins Twice Removed 8	Third Cousins Twice Removed 10
	Great-Grand Children 3	Great-Grand Nephews/Nieces 5	First Cousins Thrice Removed 7	Second Cousins Thrice Removed 9	Third Cousins Thrice Removed 11