

# NEBRASKA RACING AND GAMING COMMISSION MINIMUM INTERNAL CONTROL STANDARDS

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# NEBRASKA RACING AND GAMING COMMISSION MINIMUM INTERNAL CONTROL STANDARDS

## SECTION A. GENERAL AND ADMINISTRATIVE

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### **MIC A.1 General**

**MIC A.1A** "ICS" means Internal Control System.

**MIC A.1B** "Non-gaming employee" means a member of the accounting, food and beverage, valet, maintenance, housekeeping, hotel operations, retail, and gift shop departments, and other personnel as determined by the NRG.

**MIC A.1C** Sensitive areas are those areas that management or the NRG considers sensitive to the Gaming Facility operation and therefore require strict control over access (e.g., pits, count rooms, cages, and surveillance rooms).

### **MIC A.2 Documentation of Organizational Structure**

**MIC A.2A** The ICS for documentation of organizational structure must include, at a minimum:

**MIC A.2A(i)** Organizational charts for the Licensee, which should include Board of Directors (or equivalent) and departmental charts for all gaming related departments including:

**MIC A.2A(i)(1)** Live games;

**MIC A.2A(i)(2)** Electronic gaming devices;

**MIC A.2A(i)(3)** Drop and count;

**MIC A.2A(i)(4)** Casino cashiering and credit;

**MIC A.2A(i)(5)** Internal audit;

**MIC A.2A(i)(6)** Casino accounting;

**MIC A.2A(i)(7)** Surveillance;

**MIC A.2A(i)(8)** Security;

**MIC A.2A(i)(9)** Marketing;

**MIC A.2A(i)(10)** Purchasing and contract administration; and

**MIC A.2A(i)(11)** Information Technology Department.

**MIC A.2A(ii)** A detailed description of each position shown on the organizational charts which includes:

**MIC A.2A(ii)(1)** Duties and responsibilities;

**MIC A.2A(ii)(2)** Immediate supervisor;

**MIC A.2A(ii)(3)** Positions directly supervised;

**MIC A.2A(ii)(4)** Signatory ability, including alternate procedures in cases in which the required signature is unable to perform their duty; and

**MIC A.2A(ii)(5)** Access to sensitive assets and areas.

**MIC A.2A(iii)** Policies and procedures to ensure that employees receive annual training regarding the Nebraska Racetrack Gaming Act, NRGC Adopted Rules and the ICS for the Licensee.

### **MIC A.3 Signatures**

**MIC A.3A** The ICS for signatures must include, at a minimum, procedures and controls that:

**MIC A.3A(i)** Ensure that all handwritten signatures include the employee's first name last name and their NRGC license number;

**MIC A.3A(ii)** Describe electronic signature methods, which includes a non-handwritten unique means of identifying an individual based upon a system of administrative controls (such as passwords, personal identification codes, and/or bar codes) or biometrics (such as retinal scans, voice prints, handprints and/or fingerprints);

**MIC A.3A(iii)** Ensure that electronic signature methods:

**MIC A.3A(iii)(1)** Are approved by the NRGC;

**MIC A.3A(iii)(2)** Are described as the legally binding equivalent of a handwritten signature;

**MIC A.3A(iii)(3)** Are designed to ensure the authenticity and integrity of electronic signatures and to ensure that the signer cannot readily repudiate the electronic signature as not genuine;

**MIC A.3A(iii)(4)** Include the ability to generate complete copies of records with electronic signatures in readable format suitable for inspection, review, copying and printing;

**MIC A.3A(iii)(5)** Are designed to hold individuals accountable and responsible for actions initiated under their electronic signature, to deter record and signature falsification; and

**MIC A.3A(iii)(6)** Require that electronic signatures that are not based upon biometrics employ at least two distinct identification components such as an identification code and password and be used only by their genuine owners.

**MIC A.3A(iv)** Ensure that for the use of electronic signatures based upon use of identification codes in combination with passwords, the identification codes:

**MIC A.3A(iv)(1)** Maintain the uniqueness of each combined identification code and password, such that no two individuals have the same combination of identification code and password;

**MIC A.3A(iv)(2)** Are periodically and properly checked, revised, and recalled (such as recall after an employee's separation from employment);

**MIC A.3A(iv)(3)** Can be electronically deactivated for lost, stolen, missing or otherwise potentially compromised cards and other devices that bear or generate identification code or password information, and to issue temporary or permanent replacements using suitable, rigorous controls; and

**MIC A.3A(iv)(4)** Have transaction safeguards to prevent unauthorized use of passwords and/or identification codes and detect and to report in an immediate manner any attempts at their unauthorized use to system security.

**MIC A.3A(v)** For documents that utilize electronic signatures, the document contains information associated with the signing that clearly indicate all of the following:

**MIC A.3A(v)(1)** The printed name of the signer as described in the ICS; and

**MIC A.3A(v)(2)** The date and time when the signature was executed.

**MIC A.3A(vi)** Ensure that electronic signatures executed to the electronic documents are linked to their respective electronic documents to ensure that the signatures cannot be removed, copied, or otherwise transferred to falsify an electronic document;

**MIC A.3A(vii)** Ensure that signature records are updated within ten (10) business days to reflect changes in employment status, which must include the date on which the employment status was effective.



# NEBRASKA RACING AND GAMING COMMISSION

## MINIMUM INTERNAL CONTROL STANDARDS

### SECTION B. SENSITIVE KEY CONTROLS

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#### **MIC B.1 General**

**MIC B.1A** A “Sensitive Key” means a key that either the Licensee or the NRGC considers sensitive to the casino Licensee's operation and therefore require strict control over custody and issuance in accordance with the Licensee's ICS.

**MIC B.1B** Sensitive key procedures may be automated and/or manual.

#### **MIC B.2 Sensitive Key Control**

**MIC B.2A** The ICS for sensitive keys must include, at a minimum, procedures and controls that:

**MIC B.2A(i)** Ensure that sensitive keys are not passed on at shift change without documenting the exchange according to procedures approved by NRGC;

**MIC B.2A(ii)** Ensure that if key rings are used, each key ring and each key on the ring:

**MIC B.2A(ii)(1)** Is individually identified on the key access list maintained at each sensitive key box; and

**MIC B.2A(ii)(2)** Has physical control preventing unauthorized removal of keys from the ring.

**MIC B.2A(iii)** Describe the location of all sensitive key boxes and whether any of the boxes are portable or controlled by dual locks;

**MIC B.2A(iv)** Identify which job titles have authorized access to the sensitive key box key(s) and how the keys to the sensitive key boxes are issued and controlled;

**MIC B.2A(v)** Identify the sensitive key name, location, quantity, custodian and employees or position titles authorized to sign out each sensitive key;

**MIC B.2A(vi)** Identify the location and custodian of duplicate sensitive keys; and

**MIC B.2A(vii)** Ensure that each sensitive key box is under surveillance coverage and has a clear, transparent door. NOTE: Clear transparent doors are not required for duplicate sensitive key boxes.

### **MIC B.3 Sensitive Key Procedures**

**MIC B.3A** The ICS for sensitive key procedures must include, at a minimum, procedures and controls that:

**MIC B.3A(i)** Ensure that whenever two (2) sensitive keys are required to access a controlled area, the keys are independently issued to different employees;

**MIC B.3A(ii)** Ensure that sensitive keys which require issuance under security or management escort are identified as such in the key access list;

**MIC B.3A(iii)** Ensure that physical inventories of sensitive keys are conducted quarterly to ensure that the physical count and the access list count match;

**MIC B.3A(iv)** Identify the employee responsible for:

**MIC B.3A(iv)(1)** conducting the physical inventories of sensitive keys;  
and

**MIC B.3A(iv)(2)** Making changes, deletions, and/or additions to the key access list.

### **MIC B.4 Manual Key Control**

**MIC B.4A** The ICS for manual sensitive key log(s) must include, at a minimum, procedures and controls that:

**MIC B.4A(i)** Ensure that all sensitive keys and duplicate keys issued under a manual system are issued after proper completion of a manual sensitive key log;

**MIC B.4A(ii)** Ensure that all sensitive keys are returned to the sensitive key box and signed-in by the same employee they were issued to;

**MIC B.4A(iii)** Ensure that all controlled keys should be returned to the same location and checked back out so key logs will always have current custodian of keys listed; and

**MIC B.4A(iv)** Ensure that the manual sensitive key logs are reviewed and retained on a schedule approved by the NRGC.

### **MIC B.5 Automated Key Control Systems**

**MIC B.5A** The ICS for automated key control systems must include, at a minimum, procedures and controls that:

**MIC B.5A(i)** Ensure that the automated key control system utilizes a consistent key return procedure;

**MIC B.5A(ii)** Ensure that the system is approved by the NRGC;

**MIC B.5A(iii)** Ensure that the automated key system can provide scheduled and on-demand reports for an audit trail of all access including:

**MIC B.5A(iii)(1)** The key box identifier;

**MIC B.5A(iii)(2)** The identity of the employee accessing the key box;

**MIC B.5A(iii)(3)** The identity of the key(s);

**MIC B.5A(iii)(4)** The date and time the key(s) were removed from the system;

**MIC B.5A(iii)(5)** The date and time the key(s) were returned to the system;

**MIC B.5A(iii)(6)** Any unauthorized attempts to access the key box (for non-biometric key control systems); and

**MIC B.5A(iii)(7)** All entries, changes or deletions in the system and the employee who made the entries, changes, or deletions.

**MIC B.5A(iv)** Require that manual controls exist in instances where the automated key control system fails or is inoperable including that the system retains data for a period of not less than 48 hours following system interruption;

**MIC B.5A(v)** Identify the job title(s) in charge of any automated key control system;

**MIC B.5A(vi)** Identify the job title(s) authorized to make changes to the automated key control system;

**MIC B.5A(vii)** Ensure that there are alerts for overdue keys, open doors, unauthorized attempts to access and any other unusual activities;

**MIC B.5A(viii)** Ensure notification of the NRGC in the event the automated key control system is not operational or loses power for more than 15 minutes; and

**MIC B.5A(ix)** Provide for the transfer of data from the key box to the computer monitoring system or a standalone system if this technology exists.

## **MIC B.6 Broken, Lost or Missing Keys**

**MIC B.6A** The ICS for broken, lost, or missing keys must include, at a minimum, procedures and controls that:

**MIC B.6A(i)** Identify sensitive keys that, if lost, missing, or taken from the premises, require immediate changing of the locks;

**MIC B.6A(ii)** Ensure that if a key is taken off property, it is reported to NRGC

within one hour after discovering that the key was taken off property, who will determine, in their sole discretion, when a rekey is necessary based on circumstances;

**MIC B.6A(iii)** Describe procedures for the receipt of new keys as well as the replacement and disposition of broken keys;

**MIC B.6A(iv)** Describe the process to be followed when a sensitive key is lost, missing, or taken from the premises; and

**MIC B.6A(v)** Describe the process to be followed for investigating and reporting missing sensitive keys.

# NEBRASKA RACING AND GAMING COMMISSION

## MINIMUM INTERNAL CONTROL STANDARDS

### SECTION C. TABLE GAMES

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#### **MIC C.1 General**

**MIC C.1A “Gaming-Related Vendor”** means any person required to be licensed by the Commission to provide goods or services related to the conduct of gaming.

**MIC C.1B “Live Gaming Device”** means any apparatus used to play table games including, but not limited to, any of the following:

**MIC C.1B(i)** A roulette wheel and table;

**MIC C.1B(ii)** A blackjack table;

**MIC C.1B(iii)** A craps table;

**MIC C.1B(iv)** A poker or other card game table; or

**MIC C.1B(v)** Other NRGC-approved table games.

**MIC C.1C** Licensees must submit the rules of play for any new games that the Licensee wants to introduce for play to the NRGC for approval pursuant to Addendum 1.

**MIC C.1D** Cards must be compliant with the requirements outlined in Addendum 2.

#### **MIC C.2 Table Game Pit Areas and Supervision**

**MIC C.2A** The ICS for a table games pit areas and supervision must include, at a minimum, procedures and controls that:

**MIC C.2A(i)** Are described, at a minimum, by their locations, configurations, and restrictions on access;

**MIC C.2A(ii)** Maintain staffing levels approved by the NRGC; and

**MIC C.2A(iii)** Ensure that the table games supervisors and the oversight of their assigned table games and pit operations is supervised in a manner approved by the NRGC.

#### **MIC C.3 Disposal of Live Gaming Devices**

**MIC C.3A** The ICS for the disposal of Live Gaming Devices and other gaming equipment must include, at a minimum, procedures and controls that require written

approval from the NRGC prior to disposing of or removing from the premises Live Gaming Devices.

#### **MIC C.4 Control Over Table Layouts**

**MIC C.4A** The ICS for table layouts must include, at a minimum, procedures and controls that ensure:

**MIC C.4A(i)** That all table layouts are approved by the NRGC;

**MIC C.4A(ii)** Markings and individual characteristics of the layout are of a size that can be observed by the surveillance (see surveillance MICS on requirements regarding camera coverage);

**MIC C.4A(iii)** The odds of winnings and payouts are included in markings on the layout;

**MIC C.4A(iv)** That an inventory of layouts is maintained by game type; and

**MIC C.4A(v)** Approval from the NRGC is obtained prior to removal and destruction of table layouts.

#### **MIC C.5 Gaming Statistics to be Maintained**

**MIC C.5A** The ICS for gaming statistics to be maintained must include, at a minimum, procedures and controls that ensure:

**MIC C.5A(i)** That records are maintained statistical drop, statistical win, and statistical win to drop percentage for each gaming table and type of game by day, cumulative month-to-date, and cumulative year-to-date;

**MIC C.5A(ii)** That records statistical drop, statistical win, and statistical win to drop percentage for each gaming table are reported daily to the NRGC; and

**MIC C.5A(iii)** That suspicious fluctuations and/or anomalies are defined and reported to the NRGC.

#### **MIC C.6 Payout for Progressive Table Games**

**MIC C.6A** The ICS for the payout of progressive table games must include, at a minimum, procedures and controls that ensure:

**MIC C.6A(i)** That each table game that includes progressive manual payouts has a progressive meter visible to players; and

**MIC C.6A(ii)** That table games where a “hidden meter” increments as a result of wagers display signage in the immediate area of the game in public view to explain the existence of a “hidden meter” for funding a secondary jackpot.

# NEBRASKA RACING AND GAMING COMMISSION

## MINIMUM INTERNAL CONTROL STANDARDS

### SECTION D. TABLE GAME ACCOUNTING

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#### **MIC D.1 General**

**MIC D.1A** Secured methods of moving casino monies may include, but are not limited to, using a clear chip carrier/ “bird cage”, clear container, a locked cart, locked bank bag, etc.

**MIC D.1B** The ICS for a table game must include, at a minimum, procedures and controls that:

**MIC D.1B(i)** Establish a schedule for removing drop boxes and counting the contents;

**MIC D.1B(ii)** Describe situations and alternative procedures for removing drop boxes and counting the contents that are not conducted on the normal schedule are allowed;

**MIC D.1B(iii)** Identify the authorized employee position titles that may initiate fills, credits, or enter related data into the automated table system;

**MIC D.1B(iv)** Ensure that manual methods exist for table game fills and credits should an automated system be unavailable;

**MIC D.1B(v)** Ensure that the payment on a wager that cannot be made to the nearest chip amount is rounded up to the next chip denomination;

**MIC D.1B(vi)** Allow that a patron who aggregates current bets to satisfy a table game minimum unless it is posted that aggregation is not permitted; and

**MIC D.1B(vii)** Ensure that each dealer and each box person clear their hands in view of all persons in the immediate area and surveillance before and after touching that individual's body and when entering and exiting the game.

#### **MIC D.2 Table Chips Bank**

**MIC D.2A** The ICS for table chip bank must include, at a minimum, procedures and controls that ensure:

**MIC D.2A(i)** That chips and tokens are only added or removed from the table chip bank:

**MIC D.2A(i)(1)** In exchange for cash or vouchers presented by the patron;

**MIC D.2A(i)(2)** For payment of winning wagers or collection of losing wagers made at the table;

**MIC D.2A(i)(3)** Through table fill and credit procedures;

**MIC D.2A(i)(4)** In exchange with players for gaming chips of equal value; and

**MIC D.2A(i)(5)** For any other reason approved by the NRGC.

**MIC D.2A(ii)** The transfer or exchange of chips, tokens and/or currency between table games is prohibited.

### **MIC D.3 Table Game Chip Fills**

**MIC D.3A** The ICS for table fills must include, at a minimum, procedures and controls that:

**MIC D.3A(i)** Identify the authorized employee position titles that may initiate fills;

**MIC D.3A(ii)** Ensure the ability to input data into the casino system from the pit is restricted to live games supervisors and pit clerks;

**MIC D.3A(iii)** Ensure that table fill records are at least three-part or and/or electronic forms(s) are generated at the casino cage;

**MIC D.3A(iv)** Describe the steps to complete and retain table fill records;

**MIC D.3A(v)** Ensure that any transfers of gaming monies, whether it is a cage to vault transfer, vault to cage transfer, token/chip transfer(s) to and from tables, count room to vault transfer, etc., are done in a secured manner; and

**MIC D.3A(vi)** Describe the verification of chips before they have left the casino cage and once they have arrived at the table games pit area.

### **MIC D.4 Table Credits**

**MIC D.4A** The ICS for table credits must include, at a minimum, procedures and controls that:

**MIC D.4A(i)** Identify the authorized employee position titles that may initiate a request for credit;

**MIC D.4A(ii)** That a table credit is initiated with the return of chips from a table to the cage and includes the steps followed for the request for credit, ensuring that



the chips removed are documented on a table credit slip;

**MIC D.4A(iii)** That table credit records are at least a three-part form and/or electronic form(s) and are generated at the casino cage;

**MIC D.4A(iv)** Describe the steps to complete and retain table credit records; and

**MIC D.4A(v)** Describe the verification of chips before they have left the table and when they arrive at the casino cage.

### **MIC D.5 Exchanging Chips**

**MIC D.5A** The ICS for exchanging chips must include, at a minimum, procedures and controls that ensure that chips:

**MIC D.5A(i)** Are only to be issued to a patron and only with the approval of that patron;

**MIC D.5A(ii)** Are only issued at cashiers' cages, live table games, and any other location approved by the NRG;C;

**MIC D.5A(iii)** Are only redeemed at cashiers' cages and any other location approved by the NRG;C;

**MIC D.5A(iv)** Are only be redeemed for cash, digital currency, or check dated the day of the redemption, except when the chips were obtained or used unlawfully; and

**MIC D.5A(v)** Redeemed from any person in possession of them upon the demand of the Licensee.

**MIC D.5B** The ICS for exchanging chips must include, at a minimum, procedures and controls that describe the use, redemption, or exchange of gaming chips from other Gaming Facilities, including the logging of the foreign chip exchanges.

### **MIC D.6 Accepting Cash at Gaming Tables**

**MIC D.6A** The ICS for accepting cash at gaming tables must include, at a minimum, procedures and controls that:

**MIC D.6A(i)** Ensure that cash and/or TITO vouchers are not used as a wager;

**MIC D.6A(ii)** Ensure that the purchase of chips is only permitted at a gaming table or a casino cage;

**MIC D.6A(iii)** Ensure that foreign currency is not accepted at gaming tables; and

**MIC D.6A(iv)** Describe in detail the dealer or cage process for exchanging cash and chips.

## **MIC D.7 Roulette Chips**

**MIC D.7A** The ICS for roulette chips must include, at a minimum, procedures and controls that:

**MIC D.7A(i)** Do not allow a player to remove non-value chips from the roulette table from which the chips were issued;

**MIC D.7A(ii)** Describe the process for issuing roulette chips to a player in exchange for cash or chips;

**MIC D.7A(iii)** Describe the process for exchanging roulette chips for chips after the player has ceased playing at the table; and

**MIC D.7A(iv)** Ensure that a roulette dealer can maintain an accurate account of the wagers being made at roulette with value chips so that the wagers made by one player are not confused with those made by another player at the table.

# NEBRASKA RACING AND GAMING COMMISSION

## MINIMUM INTERNAL CONTROL STANDARDS

### SECTION E. TABLE GAME INVENTORIES

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#### **MIC E.1 Chip Inventories**

**MIC E.1A** The ICS for chip inventories must include, at a minimum, procedures and controls that:

**MIC E.1A(i)** Ensure that all value chip and non-value chip movements to and from the main chip inventory and reserve chip inventory are documented in the chip inventory ledger, including the following:

**MIC E.1A(i)(1)** Chips as they are received from the manufacturer;

**MIC E.1A(i)(2)** Chips moved between the main inventory, reserve inventory, or secondary inventory; and

**MIC E.1A(i)(3)** Chips permanently removed from inventory for destruction or retirement.

**MIC E.1A(ii)** Describe the security processes for chip movements into, between, or out of inventories;

**MIC E.1A(iii)** Describe the documentation of chips taken or returned in a chip inventory ledger;

**MIC E.1A(iv)** Ensure that a physical inventory count of all chips must ensure, at a minimum:

**MIC E.1A(iv)(1)** That the primary chips are inventoried on an annual basis;

**MIC E.1A(iv)(2)** That the results are recorded in the chip inventory ledger;

**MIC E.1A(iv)(3)** That each employee who inspects and counts the chips signs chips inventory documentation; and

**MIC E.1A(iv)(4)** That the unredeemed liability for each denomination of chips and is documented.

**NOTE:** The physical inventory of chips in the secondary and reserve inventories shall only be required annually if the inventory procedures

incorporate a NRG C-sealed, locked storage compartment. Seals shall be removed only by an NRG C gaming agent, with each violation of this requirement reported upon discovery to a NRG C gaming agent on duty.

**MIC E.1A(v)** That all chips in the possession of the Licensee are stored in the chip bank, vault, or locked compartment in a cashier's cage;

**MIC E.1A(vi)** That the chips that are secured in a transparent compartment on closed gaming tables or kept in the open compartment on open gaming tables; and

**MIC E.1A(vii)** That damaged chips are not used and are securely stored until they can be removed from inventory and destroyed.

## **MIC E.2 Gaming Chips**

**MIC E.2A** The ICS for gaming chips must include, at a minimum, procedures and controls that:

**MIC E.2A(i)** Ensure that all chips conform to the color and design specifications in Addendum 3 are maintained;

**MIC E.2A(ii)** Allow for the use of non-value chips for roulette or certain player against player contests;

**MIC E.2A(iii)** The removal of a set of value or non-value chips from active play if any one of the following conditions are met:

**MIC E.2A(iii)(1)** A determination is made by the Licensee that casino is receiving a significant number of counterfeit chips;

**MIC E.2A(iii)(2)** Any impropriety or defect in the utilization of a set of value or non-value chips makes removal of the set necessary; or

**MIC E.2A(iii)(3)** The NRG C orders the removal of any set of chips.

**MIC E.2A(iv)** An approved secondary set of value chips is placed into active play when the primary set of value chips is removed;

**MIC E.2A(v)** That if a set of non-value chips is removed it is replaced with a different set of approved non-value chips or the game must be closed for play; and

**MIC E.2A(vi)** The Licensee promptly notifies the NRG C when a counterfeit chip is discovered and delivers the counterfeit chip to an NRG C gaming agent.

## **MIC E.3 Destruction of Chips**

**MIC E.3A** The ICS for the destruction of casino chips must include, at a minimum, procedures and controls that ensure:

**MIC E.3A(i)** Approval from the NRGC of the destruction;

**MIC E.3A(ii)** That surveillance staff and an NRGC gaming agent is notified before the commencement of destruction; and

**MIC E.3A(iii)** The destruction of chips occurs in a manner that may be monitored by security or surveillance and the NRGC for the duration of destruction.

#### **MIC E.4 Card and Dice Inventories**

**MIC E.4A** The ICS for card and dice inventories must include, at a minimum, procedures and controls that:

**MIC E.4A(i)** Ensure the card and dice inventories are kept on premises, secure, and from unrestricted access, which must include surveillance overview/coverage;

**MIC E.4A(ii)** Describe the process for receiving cards and dice are received from the supplier, including notification of the NRGC of the shipment and the handling of deviation between invoice/packing list amount;

**MIC E.4A(iii)** Ensure that the cards and dice inventory records are maintained;

**MIC E.4A(iv)** Describe the issuance and secure transportation of cards and dice within the licensed premises;

**MIC E.4A(v)** Describe cancellation of cards and dice once in use, including:

**MIC E.4A(v)(1)** The cancellation of cards and dice after normal game play;

**MIC E.4A(v)(2)** The removal of any cards or dice if there is any indication of tampering, flaws, scratches, marks, or other defects that might affect the integrity of the game and documentation of the removal; and

**MIC E.4A(v)(3)** The removal of cards or dice at the request of the NRGC.

**MIC E.4A(vi)** Ensure that all cancelled cards and dice are kept on premises, secure, and from unrestricted access, which must include surveillance, overview/coverage once they are taken offline and awaiting to be cut, notched, drilled, or destroyed;

**MIC E.4A(vii)** Ensure that inventory records are maintained for cancelled cards or dice until they are cut, notched, drilled, or destroyed; and

**MIC E.4A(viii)** Describe the process of cutting, notching, drilling, or destroying cancelled cards or dice.



# NEBRASKA RACING AND GAMING COMMISSION

## MINIMUM INTERNAL CONTROL STANDARDS

### SECTION F. ELECTRONIC GAMING DEVICES

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#### **MIC F.1 General**

**MIC F.1A** The ICS for electronic gaming devices (EGD) must include, at a minimum, procedures and controls that ensure:

**MIC F.1A(i)** All access to EGDs is documented on an entry access log, which must be kept inside the EGD at all times or recorded electronically;

**MIC F.1A(ii)** Changes to the EGD Computer Monitoring System or programs are tested by the Licensee or approved designee prior to implementation and approved by the NRGC prior to the implementation of such changes;

**MIC F.1A(iii)** The Licensee receives approval from the NRGC of all progressive increment rate allocations prior to modification; and

**MIC F.1A(iv)** The recovery of the Random Access Memory (RAM) of EGDs for forensic analysis. Such recovery techniques must be approved by the NRGC.

#### **MIC F.2 EGD Hand-Paid Payouts**

**MIC F.2A** The ICS for EGC hand-paid payouts must include, at a minimum, procedures and controls that:

**MIC F.2A(i)** Require that all hand-paid payouts of more than \$1,199.99:

**MIC F.2A(i)(1)** Are documented for internal Licensee purposes;

**MIC F.2A(i)(2)** Are documented pursuant to the Federal Internal Revenue Service and Nebraska Department of Revenue requirements;

**MIC F.2A(i)(3)** Require notification of the NRGC if more than \$49,999.99; and

**MIC F.2A(i)(4)** Require witnesses and security escorts based on thresholds established by the Licensee, which may be higher than \$1,199.99.

**MIC F.2A(ii)** Describe the process for paying a patron from the cage based upon a threshold established by the Licensee;

**MIC F.2A(iii)** Describe reel resetting processes after a hand-pay; and

**MIC F.2A(iv)** Ensure that payout forms, whether electronic or hard copy, are controlled in a manner that precludes any person from producing a fraudulent payout.

**MIC F.3 Other EGD Occurrences**

**MIC F.3A** The ICS for other EGC occurrences must include, at a minimum, procedures and controls that:

**MIC F.3A(i)** Describe procedures for EGD short pays/no pays; and

**MIC F.3A(ii)** Describe the handling of unredeemed credits found remaining on an EGD after the completion of player play.

**MIC F.4 Installation, Conversion, Movement or Removal of EGDs**

**MIC F.4A** The ICS for installation, conversion, movement, or removal of EGDs must include, at a minimum, procedures and controls that:

**MIC F.4A(i)** Describe how EGD's are newly installed, converted, moved to another location, and/or removed off premises/taken offline;

**MIC F.4A(ii)** Ensure the NRGC approves the change prior to the installation, conversion, movement, or removal of EGDs;

**MIC F.4A(iii)** Ensure that a drop performed is when taking a machine offline, performing conversions, and/or moving the gaming device;

**MIC F.4A(iv)** Ensure the tracking of the installation, conversion, movement, and removal of all EGDs in an EGD control log; and

**MIC F.4A(v)** Require that the EGD is tested by the NRGC or designee prior to use for any newly installed EGD and/or when conversions occur, prior to be EGD being put online.

**MIC F.5 Storage of Electronic Gaming Devices and other Gaming Software/Equipment**

**MIC F.5A** Gaming software described in this section includes, but is not limited to:

**MIC F.5A(i)** Compact flash storage devices;

**MIC F.5A(ii)** Conversion chips/set chips;

**MIC F.5A(iii)** USB drives containing gaming software;

**MIC F.5A(iv)** RAM clear chip/key; and

**MIC F.5A(v)** Other items as determined by the NRGC.



**MIC F.5B** The ICS for the storage of electronic gaming devices and other gaming software/equipment must include, at a minimum, procedures and controls that ensure:

**MIC F.5B(i)** Electronic gaming devices and the gaming software/equipment are kept on premises in a secure manner in an NRGC-approved location under constant surveillance overview/coverage; and

**MIC F.5B(ii)** That an inventory is maintained of all stored gaming software and stored gaming software that is removed from the secured area.

**MIC F.6 Resetting/Clearing the Random Access Memory (RAM)**

**MIC F.6A** The ICS for resetting/clearing the Random Access Memory (RAM) must include, at a minimum, procedures and controls that:

**MIC F.6A(i)** Ensure that in the event of an EGD malfunction that necessitates the services of a technician, all efforts to correct the problem are taken without resetting or clearing the RAM and that only after all attempts have been exhausted, for repairing the EGD, only then a RAM clear be considered/approved;

**MIC F.6A(ii)** Describe the processes if resetting or clearing the RAM is required, which must include:

**MIC F.6A(ii)(1)** Documenting the occurrence;

**MIC F.6A(ii)(2)** Notification of security and/or surveillance; and

**MIC F.6A(ii)(3)** Notification of the NRGC;

**MIC F.6A(iii)** That if the RAM has been corrupted to the extent that last game recall is unobtainable, additional documentation is completed with a thorough description of what occurred with the machine;

**MIC F.6A(iv)** Describes the process for resolving player disputes, and that for disputes of \$25,000 or more the dispute resolution include:

**MIC F.6A(iv)(1)** Notification of surveillance to photograph the customer and the front of the EGD in question, including reel positions or video display;

**MIC F.6A(iv)(2)** NRGC notification;

**MIC F.6A(iv)(3)** The secure removal and storage of the internal computer processing unit's logic board containing the CPSD of the disputed EGD by the NRGC;

**MIC F.6A(iv)(4)** That a copy of the RAM clearing documentation, which

must note the meter readings and internal audit/diagnostic observations, is forwarded to an approved independent testing laboratory for defect determination, if any; and

**MIC F.6A(iv)(5)** That the logic board is examined, installed, and sealed by the NRGC prior to being returned to play.

### **MIC F.7 EGD Statistics**

**MIC F.7A** The ICS for EGD statistics must include, at a minimum, procedures and controls that ensure:

**MIC F.7A(i)** Records are maintained for each EDG reflecting:

**MIC F.7A(i)(1)** The currency taken in;

**MIC F.7A(i)(2)** The coupons taken in;

**MIC F.7A(i)(3)** The vouchers issued;

**MIC F.7A(i)(4)** The vouchers redeemed;

**MIC F.7A(i)(5)** The EGD drop;

**MIC F.7A(i)(6)** The EGD win; and

**MIC F.7A(i)(7)** The EGD win to EGD dropped and theoretical payout percentage for each EGD by day, cumulative month and year-to-date.

**MIC F.7A(ii)** The statistical reports are distributed to EGD department management, management employees independent of the EGD department and the NRGC monthly; and

**MIC F.7A(iii)** That unusual fluctuations and/or anomalies are investigated and reported to the NRGC.

### **MIC F.8 TITO Vouchers**

**MIC F.8A** The ICS for TITO vouchers must include, at a minimum, procedures and controls that:

**MIC F.8A(i)** Ensure that no TITO voucher is accepted as payment for any goods, services, or as a tip for any casino employee;

**MIC F.8A(ii)** Ensure that a TITO voucher that has the word “void” printed on the TITO voucher cannot be redeemed;

**MIC F.8A(iii)** Allow for a TITO voucher that is missing all or part of a bar code but has the actual bar code number printed at one end of the voucher/TITO to be

manually entered into the Voucher System for redemption by a casino cage cashier;

**MIC F.8A(iv)** Describe how to verify TITO vouchers;

**MIC F.8A(v)** Describe how verify, validate, and redeem TITO vouchers when casino cage employees are unable to communicate with the redemption system for any reason or if there was loss of power;

**MIC F.8A(vi)** Ensure that if a TITO voucher is found to be not valid, or cannot be verified at the casino cage, Kiosks or EGDs linked to the redemption System, the incident is documented;

**MIC F.8A(vii)** Describe procedures for “found” TITO vouchers that no player has a legitimate claim to; and

**MIC F.8A(viii)** Describe the protocol utilized regarding expired vouchers, which much include a time period before TITO vouchers are expired.

#### **MIC F.9 Disposal of Electronic Gaming Devices and other Gaming Equipment**

**MIC F.9A(i)** The ICS for disposal of electronic gaming devices and other gaming equipment must include, at a minimum, procedures and controls that ensure the NRGC approves of the disposal prior to disposing of or removing an EGD or other gaming equipment from the premises.

# NEBRASKA RACING AND GAMING COMMISSION MINIMUM INTERNAL CONTROL STANDARDS

## SECTION G. GAMING PROMOTIONS AND COMPLIMENTARY SERVICES

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### **MIC G.1 General**

**MIC G.1A** “Promotional Items” as used in this section, means the following items, which may be issued based on predefined criteria outlined in the rules established by the Licensee:

**MIC G.1A(i)** Cashable/non cashable gaming credits; and

**MIC G.1A(ii)** Prizes given away by the Licensee, such as cash and non-cash gifts;

**MIC G.1B** A Licensee must maintain a list of employee’s titles who are allowed to issue Promotional Items.

**MIC G.1C** The list of approved employees must be provided to the NRGCC and must be updated to include any updates/changes to the list.

### **MIC G.2 Coupons for Complimentary Electronic Credits/Player’s Club Points/Cashable/Non-cashable credits**

**MIC G.2A** The ICS for coupons for Promotional Items must include, at a minimum, procedures and controls that:

**MIC G.2A(i)** Ensure that coupons for Promotional Items are redeemed only at locations approved by NRGCC;

**MIC G.2A(ii)** Ensure that prior to using coupons in an EGD or Kiosk, an NRGCC agent or designee has tested the EGD to ensure the EGD meters are incrementing correctly, and information is communicating correctly;

**MIC G.2A(iii)** Include details for printing coupons for complimentary electronic credits in-house or the receipt of coupons for complimentary electronic credits from an outside vendor and the inventory, storage, and distribution of the coupons, including the completion of a coupon inventory log;

**MIC G.2A(iv)** Include details on the printing of and distribution of coupons for complimentary electronic credits that will be completed by a direct mail house or outbound electronic mailing vendor;

**MIC G.2A(v)** Ensure that, if casino cage cashiers issue coupons, a complete

accounting of all coupons is performed;

**MIC G.2A(vi)** Address what occurs when an invalid coupon is presented, which must include notification to the casino cage cashier that the validation number cannot be found on file, the coupon has already been redeemed or the amount on the coupon differs from the amount on file;

**MIC G.2A(vii)** Ensure that if the system is not functioning when a player attempts to redeem a coupon at an EGD that the redemption may be allowed at the casino cage if:

**MIC G.2A(vii)(1)** The coupon is valid;

**MIC G.2A(vii)(2)** The player is not on the NRGC exclusion list, the NRGC statewide voluntary self-exclusion list, or the Licensee's property based self-exclusion list;

**MIC G.2A(vii)(3)** That the coupon is manually voided;

**MIC G.2A(vii)(4)** These coupons are segregated;

**MIC G.2A(vii)(5)** The electronic verification and cancellation of the coupons in the system when the system is restored following manual override procedures; and

**MIC G.2A(vii)(6)** The forwarding of coupons redeemed at the casino cage to accounting daily.

**MIC G.2A(viii)** Describe the issuing replacement coupons, if applicable.

### **MIC G.3 Promotions**

**MIC G.3A** The ICS for promotions must include, at a minimum, procedures and controls that:

**MIC G.3A(i)** Maintain a record of all promotions, which must address, at a minimum, all of the following:

**MIC G.3A(i)(1)** Unique identification for each promotion;

**MIC G.3A(i)(2)** The date and time the promotion was or is scheduled to be available;

**MIC G.3A(i)(3)** The terms of the promotion; and

**MIC G.3A(i)(4)** The date and time the promotion was or is scheduled to be decommissioned.

**MIC G.3A(ii)** Ensure that all promotions are reviewed and approved by someone

other than the employee that entered the promotion into the database;

**MIC G.3A(iii)** Include the job titles of those employees who are allowed to enter a promotion into the database and the job titles of those employees allowed to approve a promotion;

**MIC G.3A(iv)** Ensure a copy all promotion details and internal approval documentation, is provided to the NRG;

**MIC G.3A(v)** Ensure that all promotions are stated in clear and unambiguous terms;

**MIC G.3A(vi)** Ensure that the promotion terms and the record of all promotions include, at a minimum:

**MIC G.3A(vi)(1)** The date and time presented;

**MIC G.3A(vi)(2)** The date and time the promotion is active and expires;

**MIC G.3A(vi)(3)** Player eligibility, including any limitations on participation;

**MIC G.3A(vi)(4)** Any restriction on withdrawals of funds;

**MIC G.3A(vi)(5)** Wagering requirements and limitations on games or wager types;

**MIC G.3A(vi)(6)** How the player is notified when they have received a promotional award;

**MIC G.3A(vi)(7)** The order in which funds are used for wagers;

**MIC G.3A(vi)(8)** Eligible games or wager types; and

**MIC G.3A(vi)(9)** Rules regarding cancellation.

**MIC G.3A(vii)** Provide a clear and conspicuous method for a player to cancel their participation in a promotion that utilizes restricted wagering credits that cannot be cashed out until a wagering requirement or other restrictions associated with the credits is met including:

**MIC G.3A(vii)(1)** That upon request for cancellation, the player is informed of the amount of unrestricted funds that will be returned upon cancellation and the value of restricted wagering credits that will be removed from the player account; and

**MIC G.3A(vii)(2)** If a player elects to proceed with cancellation, unrestricted funds remaining in a player account must be returned

according to the terms of the promotion.

**MIC G.3A(viii)** Do not limit winnings earned while participating in the promotion once a player has met the terms of a promotion;

**MIC G.3A(ix)** Describe who is responsible for the review of the internal controls and security measures employed by the direct mail house or outbound electronic mailing vendor;

**MIC G.3A(x)** Require that an anomaly or deviation from a promotion or any equipment malfunction that occurs is reported immediately to the NRGCC;

**MIC G.3A(xi)** Ensure for the tracking redeemed and expired promotions;

**MIC G.3A(xii)** Describe accounting procedures for tracking all aspects of a promotion from issuance to redemption;

**MIC G.3A(xiii)** Ensure the documentation of all complimentary service items, whether it is cashable/non-cashable credits/electronic credits, cash and non-cash gifts, for auditing purposes, which must include, at a minimum:

**MIC G.3A(xiii)(1)** The name of customer who received the complimentary service or item;

**MIC G.3A(xiii)(2)** The name or names of the employee that issued the complimentary service;

**MIC G.3A(xiii)(3)** The actual cash value of the complimentary service or item (dollar amount for meal, hotel);

**MIC G.3A(xiii)(4)** The type of complimentary service item (i.e., food, beverage, etc.);

**MIC G.3A(xiii)(5)** The date the complimentary service or item was issued; and

**MIC G.3A(xiii)(6)** The expiration date of the complimentary service.

**MIC G.3A(xiv)** Establishes a threshold level at which a variance will be reviewed to determine the cause/initiate an investigation.

#### **MIC G.4 Promotional Coupons**

**MIC G.4A** The ICS for promotional coupons, which include match play coupons, must include, at a minimum, procedures and controls that:

**MIC G.4A(i)** Describe the details for printing coupons in-house or the receipt of coupons from an outside vendor and the inventory, storage, and distribution of the

coupons, including the completion of a coupon inventory log and/or that the printing of and distribution of coupons is completed by a direct mail house or outbound electronic mailing vendor;

**MIC G.4A(ii)** Ensure that match play coupons are presented at a table game along with a matching wager of value chip(s);

**MIC G.4A(iii)** Ensure that match play coupons clearly state the terms and conditions for use and:

**MIC G.4A(iii)(1)** Are designed and printed so that the denomination and type of coupon is clearly visible from the surveillance system;

**MIC G.4A(iii)(2)** Include the Licensee's name;

**MIC G.4A(iii)(3)** Clearly state the face value and amount of the required minimum matching wager;

**MIC G.4A(iii)(4)** Clearly state that the match play coupon has no cash value;

**MIC G.4A(iii)(5)** Contain an area designated for the placement of the required gaming chip wager, which must not obscure the visibility of the type and denomination of the coupon;

**MIC G.4A(iii)(6)** Contain a unique validation number if distributed by a direct mail house or outbound electronic mailing vendor or be sequentially numbered if distributed in-house;

**MIC G.4A(iii)(7)** Include the start and expiration dates of the program; and

**MIC G.4A(iii)(8)** Include any limitation to specific table games and/or wagers.

**MIC G.4A(iv)** Describe what occurs when a match play coupon and chip(s) are presented at an authorized gaming table, including:

**MIC G.4A(iv)(1)** A listing of the live games and specific bets (if applicable) where match play coupons will be accepted;

**MIC G.4A(iv)(2)** A requirement that the match play coupon be placed underneath the gaming chip(s) wagered by the player in the appropriate betting area of the gaming table;

**MIC G.4A(v)** Describe what occurs when the amount of chips wagered is less than the stated value of the match play coupon;



**MIC G.4A(vi)** Ensure that only one match play coupon is used with a wager;

**MIC G.4A(vii)** Ensure that winning wagers are paid as if the coupon was a value chip;

**MIC G.4A(viii)** Ensure that in the event of a tie or push, the match play coupon is not affected and is returned to the player;

**MIC G.4A(ix)** Ensure that once the dealer settles a winning or losing wager, the dealer immediately deposits a match play coupon into the drop box attached to the gaming table;

**MIC G.4A(x)** Include procedures for canceling, counting, recording, verifying, and auditing coupons;

**MIC G.4A(xi)** Ensure that coupons are included in the computation of Adjusted Gross Receipts for table games; and

**MIC G.4A(xii)** Include procedures for issuing replacement coupons, if applicable.

**MIC G.5 Tournaments, Enhanced Payouts, and Promotional Games**

**MIC G.5A** The ICS for tournaments, enhanced payouts, and promotional games must include, at a minimum, procedures and controls that ensure that each tournament, enhanced payout, and promotional game has a specific set of rules and conditions, which must be submitted under separate cover to the NREGC approval prior to implementation.

# NEBRASKA RACING AND GAMING COMMISSION MINIMUM INTERNAL CONTROL STANDARDS

## SECTION H. DROPS AND COUNTS

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### **MIC H.1 General**

**MIC H.1A** The minimum controls in this section include the drops and counts of table drop boxes and bill validator drop boxes which are collectively referred to as "drop boxes".

**MIC H.1B** Although these minimums have been combined, a Licensee must prepare separate drop and count procedures for each type of drop in their ICS.

### **MIC H.2 Table Game Drop Box Characteristics**

**MIC H.2A** The ICS for table game drop boxes must include, at a minimum, procedures and controls that ensure:

**MIC H.2A(i)** That each gaming table in the casino has an attached drop box into which currency, coupons, all drop box copies of table game transaction documents, and mutilated chips will be deposited;

**MIC H.2A(ii)** That each table game drop box has:

**MIC H.2A(ii)(1)** A separately keyed lock that secures the drop box to the gaming table;

**MIC H.2A(ii)(2)** A separately keyed lock that secures the contents inside the drop box;

**MIC H.2A(ii)(3)** A slot opening through which all currency, match play coupons, documents, etc., is inserted; and

**MIC H.2A(ii)(4)** A mechanical device that automatically closes and locks the slot opening upon removal of the drop box from the gaming table.

### **MIC H.3 Bill Validator Drop Box Characteristics**

**MIC H.3A** The ICS for bill validator drop boxes must include, at a minimum, procedures and controls that ensure:

**MIC H.3A(i)** That EGDs and Kiosks have bill validators into which a player may insert currency, vouchers, or coupons in exchange for an equal value of electronic credits on the EGD or Kiosk;

**MIC H.3A(ii)** That each bill validator has a container known as a bill validator drop box; and

**MIC H.3A(iii)** That each bill validator drop box:

**MIC H.3A(iii)(1)** Is housed in a locked compartment separate from any other compartment of the EGD and keyed differently than any other EGD compartment;

**MIC H.3A(iii)(2)** Has a slot opening through which vouchers, currency or coupons may be inserted; and

**MIC H.3A(iii)(3)** Has a separately keyed lock for access to the contents of the bill validator drop box.

#### **MIC H.4 Collection and Transportation of Drop Boxes**

**MIC H.4A** The ICS for the collection and transportation of drop boxes must include, at a minimum, procedures and controls that:

**MIC H.4A(i)** Ensure that the normally scheduled times of the drops are approved by the NRGCC;

**MIC H.4A(ii)** State which job titles participate in each drop;

**MIC H.4A(iii)** Ensure that the storage and transportation of table game and bill validator drop boxes is performed in locked storage carts and escorted by a security officer;

**MIC H.4A(iv)** Include alternative procedures for malfunctions or emergencies for the transportation of drop boxes;

**MIC H.4A(v)** Ensure that access to stored drop boxes that have contents is restricted to authorized members of the drop and count teams;

**MIC H.4A(vi)** Ensure that the drop box collection process, including transportation of drop boxes, is monitored and recorded by surveillance and security personnel;

**MIC H.4A(vii)** Ensure that drop team members, except security officers, assigned to the collection of bill validator drop boxes wear a designated one piece, pocketless jumpsuit; and

**MIC H.4A(viii)** Ensure that the drop team only has access to the EGD or Kiosk compartment which holds the bill validator drop boxes.

#### **MIC H.5 Count Room(s) Characteristics**

**MIC H.5A** The ICS for the characteristics of count room(s) must include, at a minimum, procedures and controls that:

**MIC H.5A(i)** Describe the location and general design of the count room(s);

**MIC H.5A(ii)** Ensure that count room(s) provide maximum security for the material housed and activities conducted therein and have:

**MIC H.5A(ii)(1)** A door capable of being locked from the inside by the count team;

**MIC H.5A(ii)(2)** No windows on the outside walls;

**MIC H.5A(ii)(3)** Secured vents and ducts;

**MIC H.5A(ii)(4)** A clear, glass-like count table for emptying, sorting, and counting the contents of the drop boxes;

**MIC H.5A(ii)(5)** Adequate surveillance coverage as determined by the NRGCC; and

**MIC H.5A(ii)(6)** A telephone or radio system for communication.

**MIC H.5A(iii)** Ensure that an ingress/egress log is maintained that contains, at a minimum, the following information for each individual entering or leaving the count room:

**MIC H.5A(iii)(1)** Date of Entry to the Count Room;

**MIC H.5A(iii)(2)** The name and signature of the person entering the Count Room;

**MIC H.5A(iii)(3)** The time in and out of the Count Room; and

**MIC H.5A(iii)(4)** The reason for entry for each individual entering or leaving the count room.

**MIC H.5A(iv)** Ensure that count room(s) are not used for the storage of non-related supplies and equipment.

## **MIC H.6 Count Standards**

**MIC H.6A** The ICS for performing counts must include, at a minimum, procedures and controls that:

**MIC H.6A(i)** Ensure that the count schedule is approved by the NRGCC;

**MIC H.6A(ii)** Ensure that the count team consists of at least three (3) employees;

**MIC H.6A(iii)** Ensure that everyone that enters the count rooms to perform the count process wears a one piece, pocketless jumpsuits and that the pocketless jumpsuit is worn throughout the duration of the count, verification, and transfer;

**MIC H.6A(iv)** Prohibit extraneous items in money areas, which includes but is not limited to Personal electronics and/or equipment, such as:

**MIC H.6A(iv)(1)** Work/personal cell phones; smart watches, cameras, music players, etc.,)

**MIC H.6A(iv)(2)** Personal toiletries (e.g., mirrors, makeup, cigarettes, etc.); and

**MIC H.6A(iv)(3)** Personal funds in pockets, purses, outerwear, hats/bandanas/headbands, and non-departmental approved clothing and smocks/jumpsuits.

**MIC H.6A(v)** Ensure that no person, except for NRGC personnel, external and internal auditors, and repair personnel, is permitted to enter or leave the count room until the count is completed, except during normal work breaks or in an emergency. In the case of normal work breaks or emergencies, the count must be discontinued, and everyone must exit the count room.

## **MIC H.7 Counting and Recording Drops**

**MIC H.7A** The ICS for the counting and recording of drops must include, at a minimum, procedures and controls that ensure:

**MIC H.7A(i)** The count team enters the count room together, locks the door from the inside and notifies surveillance that the count is about to begin;

**MIC H.7A(ii)** Surveillance digitally records both video and audio while monitoring the count process;

**MIC H.7A(iii)** The testing of all machines used that count currency, vouchers, and coupons prior to the start of the count;

**MIC H.7A(iv)** That alternative procedures are established for conducting the count if the counting machines or casino computer system are not operational;

**MIC H.7A(v)** Count team members clear their hands to other members of the count team and the surveillance cameras;

**MIC H.7A(vi)** That all monies are kept on the clear, glass-like count table and/or clear containers/tubs while awaiting to be verified and transferred;

**MIC H.7A(vii)** The label on the drop box is shown to the surveillance camera;

**MIC H.7A(viii)** Prohibit the counting of funds simultaneously from gaming and non-gaming business transactions;

**MIC H.7A(ix)** The inside of an empty drop box is held up for full view by the surveillance camera and another member of the count team and that the second verifier/count member verbally clears the box that is shown to them to both the employees in the Count Room and Surveillance;

**MIC H.7A(x)** That the count of each drop box is recorded on the count slip/currency count tape or into the computer system, prior to commingling the contents with contents from other drop boxes;

**MIC H.7A(xi)** That if a currency counting machine is not used, the contents of the drop boxes are manually counted and verified by at least two team members who must independently record their counts on count slips and that procedures for resolving differences are described;

**MIC H.7A(xii)** That after counting and recording all drop boxes, final count report(s) are generated;

**MIC H.7A(xiii)** That each member of the count team signs the final count report attesting to the accuracy of the information recorded;

**MIC H.7A(xiv)** Describe a secondary verification process for reviewing the count and the documentation of the secondary verification process;

**MIC H.7A(xv)** That should there be any variances and/or discrepancies between the primary and secondary count total, an investigation is immediately performed to determine the reason for the discrepancy and that the investigation is documented;

**MIC H.7A(xvi)** For any transfers of gaming monies, to include count room to vault transfer(s), etc., are done in a secured manner;

**MIC H.7A(xvii)** That unusual fluctuations, shortages, and/or anomalies are investigated and reported to the NRGCC; and

**MIC H.7A(xviii)** That final count reports and all supporting count documents, including vouchers and coupons, are maintained in a secure manner.

# NEBRASKA RACING AND GAMING COMMISSION

## MINIMUM INTERNAL CONTROL STANDARDS

### SECTION I. CASINO CASHIERING AND CREDIT

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#### **MIC I.1 General**

**MIC I.1A** Casino cage procedures for table fills and credits are included in SECTION D of the MICS.

**MIC I.1B** Casino cage procedures for EGD hand-paid payouts are included in Section E of the MICS.

**MIC I.1C** Casino cage procedures for the purchase of the drops are included in Section F of the MICS.

**MIC I.1D** The ICS for casino cashiering must include, at a minimum, procedures and controls that:

**MIC I.1D(i)** Describe the protocol(s) regarding loss of power, which must cover, at a minimum:

**MIC I.1D(i)(1)** How manual fill(s) and credit(s) for tables are performed; and

**MIC I.1D(i)(2)** How redemptions of TITO vouchers and transfers.

**MIC I.1D(ii)** Ensure that all employees working in money areas handle cash and/or cash equivalents (chips/tokens, dollar bills and change) in a manner that can be clearly viewed by surveillance cameras.

#### **MIC I.2 Location and Functions**

**MIC I.2A** The ICS for casino cashiering and credit location and functions must include, at a minimum, procedures and controls that describe:

**MIC I.2A(i)** The locations, functions, and controls of all casino cashiering areas (e.g., casino cages, main bank/vault, Kiosks); and

**MIC I.2A(ii)** The various types of transactions performed by each casino cage area.

#### **MIC I.3 Casino Cage Accountability**

**MIC I.3A** The ICS for casino cage accountability must include, at a minimum, procedures and controls that:

**MIC I.3A(i)** Ensure the assets for which the casino cage cashiers are responsible are maintained on an imprest basis and protected from unauthorized access;

**MIC I.3A(ii)** Ensure that at the end of each shift, the casino cage cashiers assigned to the outgoing shift documents the total of each casino cage cashier's inventory items counted and the total of the opening and closing cashier's inventories and reconciles the opening inventory to the closing inventory;

**MIC I.3A(iii)** Ensure that any reported shortages regarding any money areas within the facility are investigated based on a documented threshold limit;

**MIC I.3A(iv)** Ensure that all net changes in outstanding casino receivables are summarized on a casino cage accountability form on a per shift basis; and

**MIC I.3A(v)** All documentation for casino cage counts and reconciliations are stored in a secure manner.

#### **MIC I.4 Main Bank/Vault Accountability**

**MIC I.4A** The ICS for main bank/vault accountability must include, at a minimum, procedures and controls that ensure that:

**MIC I.4A(i)** All transactions and net changes in outstanding casino receivables the casino cage are documented with supporting evidence;

**MIC I.4A(ii)** Increases and decreases to the main bank/vault inventory are documented with supporting evidence; and

**MIC I.4A(iii)** All documentation for main bank/vault counts and reconciliations are stored in a secure manner.

#### **MIC I.5 Safekeeping Deposits and Withdrawals**

**MIC I.5A** The following types of safekeeping deposits are allowed by the NRGCC:

**MIC I.5A(i)** A deposit made by a player to withdraw at a later time;

**MIC I.5A(ii)** A deposit of a jackpot which could not be paid to the player because the player did not provide the required identification;

**MIC I.5A(iii)** A deposit of an EGD jackpot of \$1,200 or more when the winner of the jackpot is unknown or the jackpot was abandoned by the player;

**MIC I.5A(iv)** A deposit of a table games jackpot when the winner of the jackpot is unknown or the jackpot was abandoned by the player;

**MIC I.5A(v)** A deposit made by the casino for funds owed to a player whose identity is known (e.g., wire transfers); and



**MIC I.5A(vi)** A deposit of a partial payment on a counter check received by mail.

**MIC I.5B** The ICS for the safekeeping deposits and withdrawals must include, at a minimum, procedures and controls that:

**MIC I.5B(i)** Ensure that only cash and cash equivalents are accepted from customers for the purpose of a safekeeping deposit;

**MIC I.5B(ii)** Describe in detail the procedure for performing and documenting the identification of the player using a government issued photo identification prior to acceptance of a deposit;

**MIC I.5B(iii)** Ensure the player seeking the safekeeping of a deposit or making a withdrawal is not an Excluded Person;

**MIC I.5B(iv)** Ensure compliance with all BSA reporting requirements regarding players safe keeping/depositing monies that reach the threshold established for a Multiple Transaction Log;

**MIC I.5B(v)** Establish the time limit for safekeeping a player's deposit(s) to establish and ensure the facility is not infinitely held responsible for a player's forgotten deposit and/or other;

**MIC I.5B(vi)** Establish how unclaimed property held for safekeeping is addressed;

**MIC I.5B(vii)** Ensure that players deposits can be returned rightfully to the owner. This should include the lost and found money, monies put in safe keeping, etc.;

**MIC I.5B(viii)** Ensure that a receipt for a safekeeping deposit provided to the player and maintained by the Licensee, which may be in a physical or electronic format;

**MIC I.5B(ix)** Describe the sequence of the required signatures attesting to the accuracy of the information contained on the safekeeping deposit or withdrawal form ensuring that the form is signed by the casino cage cashier; and

**MIC I.5B(x)** Ensure that all safekeeping deposit and withdrawal transactions at the casino cage are recorded on a casino cage accountability form on a per shift basis.

## **MIC I.6 Check Cashing Privileges**

**MIC I.6A** The ICS for check cashing privileges must include, at a minimum, procedures and controls that:

**MIC I.6A(i)** Describe the types of negotiable instruments may be cashed at a

casino cage;

**MIC I.6A(ii)** Describe in detail the requirements for authorization and issuance of check cashing privileges;

**MIC I.6A(iii)** Describe in detail the procedure for performing and documenting the identification of the player using a driver's license or other government issued photo identification;

**MIC I.6A(iv)** Ensure that the player is not an Excluded Person;

**MIC I.6A(v)** Include the approval process for establishing check cashing privileges and establishing and/or changing check cashing limits;

**MIC I.6A(vi)** Ensure that third party checks, including but not limited to payroll checks, are not cashed;

**MIC I.6A(vii)** Describe how personal checks will be processed through a check guarantee service or cashed by the Licensee;

**MIC I.6A(viii)** Ensure that a casino check cashing application is completed and signed before cashing any personal check that is not:

**MIC I.6A(viii)(1)** Processed for payment by a check guarantee service; or

**MIC I.6A(viii)(2)** Approved for payment by a check guarantee service.

**MIC I.6A(ix)** Ensure that personal check presented by a player is not cashed if:

**MIC I.6A(ix)(1)** The player's check cashing privileges have been limited by the Licensee;

**MIC I.6A(ix)(2)** The player has reached his/her approved check cashing limit; and/or

**MIC I.6A(ix)(3)** The player is currently in default:

**MIC I.6A(ix)(3)(a)** on any credit or personal check obligation to the Licensee; or

**MIC I.6A(ix)(3)(b)** on any personal check obligation to the check guarantee service.

**MIC I.6B** Ensure that the failure to deposit the receipt of personal checks for collection by the next banking day are considered an extension of credit and reported to the NRGCC; and

**MIC I.6C** Describe the protocol for the buy-back of personal checks;

## **MIC I.7 Returned Checks**

**MIC I.7A** The ICS for returned must include, at a minimum, procedures and controls that ensure:

**MIC I.7A(i)** That all returned checks are documented on a returned check log;

**MIC I.7A(ii)** Notification of a returned check to the check guarantee service if the returned check was cashed by the guarantee service;

**MIC I.7A(iii)** That the player's check cashing privileges are immediately suspended until such time as the returned instrument has been paid in full and notification of the casino cage/credit departments of such action; and

**MIC I.7A(iv)** That all returned are considered to be an issuance of credit and reported to the NRG.

## **MIC I.8 Debit Cards**

**MIC I.8A** The ICS for accepting debit cards must include, at a minimum, procedures and controls that:

**MIC I.8A(i)** Describe in detail the procedure for performing and documenting the identification of the player using a driver's license or other government issued photo identification;

**MIC I.8A(ii)** Confirm the name, signature and other identifying information contained on the card, identification, and transaction record all match; and

**MIC I.8A(iii)** Verify the player is not an Excluded Person.

## **MIC I.9 Other Cash Transactions**

**MIC I.9A** The ICS must include, at a minimum, procedures and controls for foreign currency acceptance, electronic fund transfers, etc.

## **MIC I.10 Exchange and Storage of Foreign Chips**

**MIC I.10A** The ICS for exchange and storage of foreign chips must include, at a minimum, procedures and controls that ensure:

**MIC I.10A(i)** That foreign chips inadvertently received in the table drop are recorded as revenue for tax remittal purposes;

**MIC I.10A(ii)** That foreign chips are separated from the Licensee's chips and stored in separate area in the Main Bank/Vault;

**MIC I.10A(iii)** That the foreign chips that can be exchanged are transported to the appropriate casino in a secure manner;

**MIC I.10A(iv)** That foreign chips are only exchanged for an equal value than those of the Licensee; and

**MIC I.10A(v)** That documentation of the exchange of foreign chips is maintained in a secure manner.

### **MIC I.11 Coupons for Complimentary Cash or Chips**

**MIC I.11A** The ICS for coupons for complimentary cash or chips must include, at a minimum, procedures and controls that:

**MIC I.11A(i)** Ensure all distributed complimentary cash or cash equivalents/chips are documented and maintained in a secure manner;

**MIC I.11A(ii)** Ensure that each coupon for cash or chips includes:

**MIC I.11A(ii)(1)** A unique validation number;

**MIC I.11A(ii)(2)** The name of the Licensee;

**MIC I.11A(ii)(3)** The value of the coupon and whether it may be redeemed for chips and/or cash; and

**MIC I.11A(ii)(4)** The dates on which the coupon may be used.

**MIC I.11A(iii)** Ensure that all coupons are accounted for if the casino cage cashiers issue coupons;

**MIC I.11A(iv)** Include casino cage procedures for the redemption of coupons for cash or chips;

**MIC I.11A(v)** Include procedures for issuing replacement coupons, if applicable; and

**MIC I.11A(vi)** Include procedures for canceling, counting, recording, and verifying coupons for cash or chips.

### **MIC I.12 Vouchers Issued at Casino Cages**

**MIC I.12A** The ICS for vouchers issued at casino cages must include, at a minimum, procedures and controls that:

**MIC I.12A(i)** Ensure that vouchers are issued through a device linked to the voucher system at a casino cage;

**MIC I.12A(ii)** Ensure that a voucher is not issued to an Excluded Person;

**MIC I.12A(iii)** Describe the casino cashiering procedures for tracking and reconciling vouchers issued at a casino cage;

**MIC I.12A(iv)** Describe the casino cashiering procedures for documenting and investigating variances; and

**MIC I.12A(v)** Ensure that all documentation and reports pertaining to the issuance of a voucher at a casino cage are maintained in a secure manner.

**MIC I.13 Kiosks**

**MIC I.13A "Kiosk"**, as used in this subsection, does not apply to devices used for the redemption of promotional points for merchandise and/or services or for the display of marketing information to players.

**MIC I.13B** Automated Teller Machines (“ATM”) may be used in conjunction with Kiosks.

**MIC I.13C** A Kiosk may allow for ATM functionality for player cash withdrawals only where the material components of such functionality and any accompanying remote access communications are logically segregated from any other functionality.

**MIC I.13D** The ICS for kiosks must include, at a minimum, procedures and controls that:

**MIC I.13D(i)** Ensure each Kiosk is monitored and continuously recorded by surveillance;

**MIC I.13D(ii)** Ensure that Kiosks is maintained on an imprest basis;

**MIC I.13D(iii)** Ensure that Kiosks cassettes are counted down and reconciled each time a Kiosk is reimpressed;

**MIC I.13D(iv)** Describe the access to the logic area of the Kiosk;

**MIC I.13D(v)** Ensure that all access to Kiosks is documented by the individual employee who opened the Kiosk on an entry access log, which must be kept inside the Kiosk at all times or recorded electronically;

**MIC I.13D(vi)** Require that the individual employee who opens the Kiosk and signs the entry access log is responsible for all activity conducted inside the Kiosk during that time period;

**MIC I.13D(vii)** Include procedures for the following occurrences associated with a Kiosk:

**MIC I.13D(vii)(1)** Power loss or power reset;

**MIC I.13D(vii)(2)** System and Kiosk not communicating;

**MIC I.13D(vii)(3)** Machine jam;

**MIC I.13D(vii)(4)** Incomplete transactions (e.g., nonpayment by the Kiosk);

**MIC I.13D(vii)(5)** Bill validator drop box full;

**MIC I.13D(vii)(6)** Maintenance; and

**MIC I.13D(vii)(7)** Customer disputes.

**MIC I.13D(viii)** Ensure that the NRGC is notified in writing of the exact location of each Kiosk and is notified in writing of any change in location prior to the movement of a Kiosk.

#### **MIC I.14 Kiosk Fund Accountability Procedures**

**MIC I.14A** The ICS for kiosk fund accountability procedures must include, at a minimum, procedures and controls that:

**MIC I.14A(i)** Ensure that surveillance monitors and records the impressment, drop, count, and reconciliation of a Kiosk;

**MIC I.14A(ii)** Ensure that the impressment of a Kiosk, including the drop of the vouchers and currency accepted by the bill validator, is performed in the presence of a security officer or monitored by surveillance personnel;

**MIC I.14A(iii)** Ensure that currency cassettes that have been imprest are secured with a lock or tamper resistant seal, and if not placed inside a Kiosk, are stored in the main bank/vault or other secured area;

**MIC I.14A(iv)** Ensure the accurate reconciliation of the Kiosk;

**MIC I.14A(v)** Ensure that the performs the who reconciles a Kiosk is not the same casino cage cashier(s) or count room employee(s) who reimprest the cassettes to be loaded in a Kiosk;

**MIC I.14A(vi)** Ensure that, if upon reconciliation, there is a variance, a cage supervisor or count room supervisor investigates the variance;

**MIC I.14A(vii)** Describes the procedures for casino cashiering procedures for investigating and documenting variances; and

**MIC I.14A(viii)** Ensure that all documentation pertaining to the impressment (funds transfer and vouchers), reconciliation and/or variance associated with a Kiosk are maintained in a secure fashion.

#### **MIC I.15 Charitable Donations**

**MIC I.15A** If a Licensee determines utilizes a physical charitable donation box and/or a

virtual/electronic charitable donation box (kiosk), the ICS for the box must include, at a minimum, procedures and controls that:

**MIC I.15A(i)** Identify an official charitable organization or organizations for the donations, which must be approved by the NREGC;

**MIC I.15A(ii)** Ensure the NREGC is notified in writing of any change to the charitable organization(s);

**MIC I.15A(iii)** Ensure that an annual report is submitted to the NREGC, detailing all charitable donations information, including the dollar amounts given to each charity;

**MIC I.15A(iv)** Ensure that each donation box is under surveillance coverage;

**MIC I.15A(v)** Ensure that each donation box is transparent and has a lock securing the donations placed into the box and a slot opening through which currency, coin, vouchers, and chips may be deposited into the box;

**MIC I.15A(vi)** Ensure that a sign identifying the charitable organization is displayed by the donation box;

**MIC I.15A(vii)** Ensure that found TITO vouchers that no player has a legitimate claim to are prohibited from being placed in a charitable donation box;

**MIC I.15A(viii)** Ensure the sensitive key(s) associated with the donation box are maintained in accordance with the ICS for other sensitive keys;

**MIC I.15A(ix)** Establish the times of the drop and count;

**MIC I.15A(x)** Ensure that surveillance monitors and records the drop and count of a donation box;

**MIC I.15A(xi)** Ensure that the drop of the donation box is performed in the presence of a security officer or monitored by surveillance personnel;

**MIC I.15A(xii)** Describe the drop and count of the donation box, which must include the location of the count and the job titles of the employees participating in the drop and count of the donation box;

**MIC I.15A(xiii)** Describe the documentation of the drop and count of the donation box;

**MIC I.15A(xiv)** Ensure that expired vouchers deposited into the donation box are treated in accordance with Voucher Audit and Accounting Procedures for expired vouchers as required by the NREGC; and

**MIC I.15A(xv)** Ensure that the donation box drop and count reports and all

supporting count documentation is stored in a secure manner.



# NEBRASKA RACING AND GAMING COMMISSION

## MINIMUM INTERNAL CONTROL STANDARDS

### SECTION J. CASINO ACCOUNTING

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#### **MIC J.1 General**

**MIC J.1A** All reports required by the NRGC must be prepared and submitted following the format prescribed by the NRGC.

#### **MIC J.2 Complimentary Services**

**MIC J.2A** The ICS for complimentary services must include, at a minimum, procedures and controls that ensure:

**MIC J.2A(i)** That detailed records supporting the accumulation of the costs of complimentary services and items are maintained in a secure fashion; and

**MIC J.2A(ii)** That a complimentary service or item provided to players in the normal course of business is recorded at full retail price.

#### **MIC J.3 Monitoring and Reviewing Gaming Operations**

**MIC J.3A** The ICS for monitoring and reviewing gaming operations must include, at a minimum, procedures and controls that:

**MIC J.3A(i)** Ensure gaming transactions are reviewed at least daily for the following:

**MIC J.3A(i)(1)** Live games;

**MIC J.3A(i)(2)** EGDs;

**MIC J.3A(i)(3)** Sports Wagering;

**MIC J.3A(i)(4)** Casino cashiering;

**MIC J.3A(i)(5)** Coupons;

**MIC J.3A(i)(6)** Currency transaction reporting; and

**MIC J.3A(i)(7)** Sensitive key access.

**MIC J.3A(ii)** Ensure that if the EGD bill validator is not dropped each day, the tax is accounted for daily to reflect an accurate representation of day's gaming transactions and play using the amounts on the computer monitoring system;

**MIC J.3A(iii)** Ensure that when the EGDs are dropped and counted, the amounts reported on the tax return (per the monitoring and control system) are reconciled and adjusted;

**MIC J.3A(iv)** Ensure the monitoring and control system amounts are compared to the actual amounts counted for all EGDs;

**MIC J.3A(v)** Ensure that if the total variance for EGDs is  $\pm 3\%$  or more, it is investigated, documented with supporting evidence, and reported to the NRGCC;

**MIC J.3A(vi)** Ensure that the sports wagering system amounts are compared to the actual amounts counted for each Kiosks and sports wagering area cashiers;

**MIC J.3A(vii)** Ensure that if the total variance for sports wagering system amounts and actual amounts counted for a Kiosk is five hundred dollars (\$500.00) or greater, it is investigated, documented with supporting evidence, and reported to the NRGCC;

**MIC J.3A(viii)** Ensure that applicable reports are available to verify the totals of all match play coupons, coupons for cash or chips and coupons for electronic credits and reconcile the reports back to the paperwork generated by the casino cages and/or soft count; and

**MIC J.3A(ix)** Ensure the coupons for electronic credits are verified through the soft count process and recorded as part of the EGD drop and that match play coupons verified through soft count are processed as part of the table game drop.

#### **MIC J.4 Casino Accounts Receivable**

**MIC J.4A** The ICS for casino accounts receivable must include, at a minimum, procedures and controls ensure:

**MIC J.4A(i)** That all net changes in outstanding casino accounts receivables are documented with supporting evidence;

**MIC J.4A(ii)** That a casino accounts receivable aged trial balance, including the name of the player and current balance, is prepared on at least a monthly basis;

**MIC J.4A(iii)** That a casino accounts receivable aged trial balance is reconciled to the general ledger monthly; and

**MIC J.4A(iv)** That the date for the aging of a player's account, in the case of consolidation of indebtedness, is the date of the oldest debt included in the consolidation.

#### **MIC J.5 TITO vouchers Audit and Accounting Procedures**

**MIC J.5A** The ICS for TITO voucher audit and accounting procedures must include, at a

minimum, procedures and controls that:

**MIC J.5A(i)** Describe the daily redemption reconciliation of all TITO vouchers;  
and

**MIC J.5A(ii)** Describe the casino accounting procedures for the validation and reconciliation of TITO vouchers issued at the casino cage.

# NEBRASKA RACING AND GAMING COMMISSION

## MINIMUM INTERNAL CONTROL STANDARDS

### SECTION K. CURRENCY TRANSACTION REPORTING AND SUSPICIOUS ACTIVITY REPORTING

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#### **MIC K.1 General**

**MIC K.1A** Each Licensee must develop and implement a written anti-money laundering program;

**MIC K.1B** Each Licensee must ensure that the reporting and retention requirements for Currency Transaction Reports (CTR) and Suspicious Activity Reporting (SAR) are satisfied;

**MIC K.1C** Each Licensee must ensure filing deadlines for each are clearly listed in their ICS;

**MIC K.1D** Procedures for tracking player play as it relates to CTR reporting must be described in the ICS;

**MIC K.1E** Each Licensee must ensure that all CTRs and SARs are properly filed in accordance with State and Federal Regulations;

**MIC K.1F** All employees are prohibited from providing any information to players in an effort to assist the player in circumventing the reporting requirements; and

**MIC K.1G** Each Licensee must ensure that BSA/AML training is provided to all gaming employees at least annually.

#### **MIC K.2 Player Identification Requirements**

**MIC K.2A** The ICS for player identification requirements must include, at a minimum, procedures and controls that:

**MIC K.2A(i)** Ensure that if the player is unable to provide an acceptable form of identification, the transaction is refused until the necessary information has been obtained;

**MIC K.2A(ii)** Ensure that if a player refuses to provide proper identification, all cash transactions are be stopped, and the player is prevented from participating in any further gaming activity until satisfactory identification is provided;

**MIC K.2A(iii)** Ensure that if the denied transaction involves redemptions or payment of winnings, and the player is unable to provide adequate identification

to verify the player's identity and address, the player has the option of keeping the items sought to be redeemed or placing them on deposit; and

**MIC K.2A(iv)** Describe the approval of both the deposit and refund protocol(s).

### **MIC K.3 CTR Photographs**

**MIC K.3A** The ICS for CTR photographs must include, at a minimum, procedures and controls that ensure:

**MIC K.3A(i)** That for each CTR, a clear copy of the photo identification that is used to verify the player's identity is documented with the CTR; and

**MIC K.3A(ii)** That if a clear copy of photo identification is not available, the surveillance department obtains at least one photograph of the player from a surveillance camera, which shall be kept on file with the CTR.

# NEBRASKA RACING AND GAMING COMMISSION MINIMUM INTERNAL CONTROL STANDARDS

## SECTION L. INTERNAL AUDIT

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### **MIC L.1 General**

**MIC L.1A** A Licensee must have an internal audit department, regardless of name, which must report directly to the Audit Committee of the Board of Directors or equivalent unless otherwise approved by the NRG. C.

**MIC L.1B** Quarterly reports are required for all internal audits relating to gaming operations performed during the quarter. The report must include the following information:

**MIC L.1B(i)** Audit objectives;

**MIC L.1B(ii)** Audit procedures and scope, which include:

**MIC L.1B(ii)(1)** Whether the test was performed by inquiry, observation, or examination;

**MIC L.1B(ii)(2)** The scope of each observation, review and test including the sample sizes and dates tested;

**MIC L.1B(ii)(3)** The population from which the sample is selected for testing purposes, including all transactions occurring after the prior period's test dates through the current period's test date. For example, if the test date for the first quarter was February 5, the population for the second quarter's audit must include all transactions from February 6 through June 30;

**MIC L.1B(ii)(4)** The page number references to ICS procedures which correspond to findings must be included along with the specific number of exceptions noted. If there are no findings, the report must indicate that no audit findings were noted. All findings relating to the required internal audits and any other internal audits relating to gaming operations must be reported;

**MIC L.1B(ii)(5)** The specific corrective actions to be taken, implementation dates and the employees responsible for implementation and subsequent follow-up.

**MIC L.1C** Internal audit reports must be submitted to the NRG. C. no later than three months after the last day of the reporting period.

**MIC L.1D** Internal auditors must immediately notify the NRGC in writing if any material findings are noted.

## **MIC L.2 Required Internal Audits**

**MIC L.2A** The ICS for internal audits must include, at a minimum, procedures and controls that:

**MIC L.2A(i)** Clearly describe the audit procedures (“observations”) for each type of gaming offered;

**MIC L.2A(ii)** Ensure that, whenever possible, that internal audits are unannounced and are not performed at a consistent time of day, day of the month, or time of the year;

**MIC L.2A(iii)** Ensure that for live casino games, at a minimum the internal audit:

**MIC L.2A(iii)(1)** Observes and reviews the opening, closing, and shift change procedures;

**MIC L.2A(iii)(2)** Observes and reviews the fill and credit procedures;

**MIC L.2A(iii)(3)** Observes and reviews the drop box removal procedures;

**MIC L.2A(iii)(4)** Observes and reviews the count procedures and the subsequent transfer of funds;

**MIC L.2A(iii)(5)** Observes and reviews the location and control over sensitive keys;

**MIC L.2A(iii)(6)** Traces source documents to summarized documentation and reconcile to restricted copies;

**MIC L.2A(iii)(7)** Observes and reviews the on-line fill, credit, and count system for compliance; and

**MIC L.2A(iii)(8)** Observes and reviews the card and dice control procedures.

**MIC L.2A(iv)** Ensure that for electronic gaming devices, at a minimum the internal audit:

**MIC L.2A(iv)(1)** Observes and reviews the hand-paid payout procedures;

**MIC L.2A(iv)(2)** Observes and reviews the EGD drop procedures;

**MIC L.2A(iv)(3)** Observes and reviews the procedures and the subsequent transfer of funds;

**MIC L.2A(iv)(4)** Traces source documents to summarized documentation and reconcile to restricted copies;

**MIC L.2A(iv)(5)** Observes and reviews the location and control over sensitive keys;

**MIC L.2A(iv)(6)** Tests EGD case/cabinet access;

**MIC L.2A(iv)(7)** Tests on-line EGD meter reading system; and

**MIC L.2A(iv)(8)** Compares and tests the bill validator drop to the monitoring and control system and investigates significant differences.

**MIC L.2A(v)** Ensure that for casino cashiering, at a minimum the internal audit:

**MIC L.2A(v)(1)** Reconciles the change in cash accountability;

**MIC L.2A(v)(2)** Observes and reviews the countdown procedures and verify documented count;

**MIC L.2A(v)(3)** Reconciles summary sheets i.e., returned checks and safekeeping deposits/withdrawals, to physical instruments on a sample basis;

**MIC L.2A(v)(4)** Observes and reviews the casino cage accountability to the general ledger;

**MIC L.2A(v)(5)** Observes and reviews the casino cage accountability to main bank/vault and change banks;

**MIC L.2A(v)(6)** Observes and reviews the location and control over sensitive keys;

**MIC L.2A(v)(7)** Reviews check cashing procedures; and

**MIC L.2A(v)(8)** Reviews processing of payments on returned checks.

**MIC L.2A(vi)** Ensure that for currency transaction reporting, at a minimum the internal audit reviews reporting of certain cash transactions in the live games EGD, sports wagering and casino cage departments;

**MIC L.2A(vii)** Ensure that for purchasing and contract administration functions, at a minimum, the internal audit:

**MIC L.2A(vii)(1)** Tests normal purchasing and contracting procedures;

**MIC L.2A(vii)(2)** Observes and reviews the procedures for approval of capital expenditures;



**MIC L.2A(vii)(3)** Observes and reviews the procedures for related party transactions and contracts; and

**MIC L.2A(vii)(4)** Determines that contracts entered are at fair market value.

**MIC L.2A(viii)** Ensure that for remote access, at a minimum the internal audit:

**MIC L.2A(viii)(1)** Observes and reviews remote access requests and approvals;

**MIC L.2A(viii)(2)** Traces request forms to security tables to ensure that access was timely removed;

**MIC L.2A(viii)(3)** Observes and reviews remote access security features;

**MIC L.2A(viii)(4)** Observes and reviews system audit logs; and

**MIC L.2A(viii)(5)** Observes and reviews audit logs and extended access requests Management Information System (MIS), regardless of name.

**MIC L.2A(ix)** Ensure that for critical gaming systems, at a minimum the internal audit department:

**MIC L.2A(ix)(1)** Ensures that all critical gaming systems comply with Addendum 5 of these MICS;

**MIC L.2A(ix)(2)** Observes and reviews access to critical gaming systems;

**MIC L.2A(ix)(3)** Observes and reviews change control procedures;

**MIC L.2A(ix)(4)** Observes and reviews backup and recovery procedures;

**MIC L.2A(ix)(5)** Observes and reviews network security;

**MIC L.2A(ix)(6)** Observes and reviews physical security;

**MIC L.2A(ix)(7)** Observes and reviews the NRGCC's approval for all changes made to critical gaming systems; and

**MIC L.2A(ix)(8)** Observes and reviews audit/system logs.

**MIC L.2A(x)** Ensure that for player accounts, at a minimum the internal audit department:

**MIC L.2A(x)(1)** Observes and reviews the opening of a player's account;

**MIC L.2A(x)(2)** Compares the NRGCC's Exclusion List, the NRGCC's statewide voluntary self-exclusion list, and the Licensee's self-exclusion

list to the active player list;

**MIC L.2A(x)(3)** Observes and reviews the dispute logs; and

**MIC L.2A(x)(4)** Observes and reviews player account activity.

**MIC L.2A(xi)** Ensure that for promotions, at a minimum the internal audit department:

**MIC L.2A(xi)(1)** Observes and reviews recent promotions;

**MIC L.2A(xi)(2)** Determines whether promotions were approved by the NRGC prior to implementation;

**MIC L.2A(xi)(3)** Observes and reviews the process used to ensure that promotions do not include any person on the NRGC's exclusion list, the NRGC's statewide voluntary self-exclusion list, and the Licensee's self-exclusion list; and

**MIC L.2A(xi)(4)** Observes and reviews accounting procedures for promotions, expired promotions, and redeemed promotions.

**MIC L.2A(xii)** Ensure that for coupons (gaming only), at a minimum the internal audit:

**MIC L.2A(xii)(1)** Observes and reviews the recently issued coupons;

**MIC L.2A(xii)(2)** Determines whether the NRGC has approved the Coupon Distribution Program;

**MIC L.2A(xii)(3)** Observes and reviews the accounting procedures for coupons;

**MIC L.2A(xii)(4)** Observes and reviews the coupon inventories;

**MIC L.2A(xii)(5)** Observes and reviews the process for canceling or voiding coupons; and

**MIC L.2A(xii)(6)** Observes and reviews the process used to ensure that the coupon mailing/distribution list does not include any person on the NRGC's exclusion list, the NRGC's statewide voluntary self-exclusion list, and the Licensee's self-exclusion list.

**MIC L.2A(xiii)** Ensure that for sports wagering, at a minimum the internal audit department:

**MIC L.2A(xiii)(1)** Review the process used to ensure that wagering is only offered on authorized events;

**MIC L.2A(xiii)(2)** Observe and review kiosk drop procedures;

**MIC L.2A(xiii)(3)** Observe and review count procedures and the subsequent transfer of funds;

**MIC L.2A(xiii)(4)** Observe and review location and control over sensitive keys;

**MIC L.2A(xiii)(5)** Trace source documents to summarized documentation and reconcile to restricted copies;

**MIC L.2A(xiii)(6)** Review the process for canceling or voiding wagers; and

**MIC L.2A(xiii)(7)** Compare and test the drop to the sports wagering system and investigate significant differences.

**MIC L.2A(xiv)** Ensure that such other audits which may be required by the audit committee, management or the NRG, are completed.

# NEBRASKA RACING AND GAMING COMMISSION

## MINIMUM INTERNAL CONTROL STANDARDS

### SECTION M. SURVEILLANCE

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#### **MIC M.1 General**

**MIC M.1A** A Licensee must provide for the exclusive use of the NRGC and surveillance employees, space for surveillance, monitoring and recording purposes.

**MIC M.1B** The surveillance director, regardless of title, must report to the Board of Directors unless otherwise approved by the NRGC.

#### **MIC M.2 Surveillance Personnel**

**MIC M.2A** The ICS for surveillance personnel must include, at a minimum, procedures and controls that:

**MIC M.2A(i)** Ensure that surveillance employees have no other gaming related duties within the gaming operation;

**MIC M.2A(ii)** Ensure that the surveillance room is properly staffed, with a minimum of two (2) persons on-duty at all times and that at least one (1) person is always present in the surveillance room;

**MIC M.2A(iii)** Ensure surveillance staff is trained in, at a minimum:

**MIC M.2A(iii)(1)** Proper use of the surveillance equipment;

**MIC M.2A(iii)(2)** Knowledge of the games at each facility (e.g., table games, etc.) sufficient to identify:

**MIC M.2A(iii)(2)(a)** Advantage play;

**MIC M.2A(iii)(2)(b)** Over/under pays by employees;

**MIC M.2A(iii)(2)(c)** Improper and illegal play; and

**MIC M.2A(iii)(2)(d)** Collusion;

**MIC M.2A(iii)(3)** The Licensee's house rules;

**MIC M.2A(iii)(4)** The Licensee's standard operating procedures;

**MIC M.2A(iii)(5)** The Licensee's Internal Control System (ICS);

**MIC M.2A(iii)(6)** Essential elements of standard report writing, and

**MIC M.2A(iii)(7)** BSA/AML requirements.

**MIC M.2A(iv)** Ensure a training log for all surveillance personnel is maintained and provided to NRGC upon request.

### **MIC M.3 Surveillance Equipment**

**MIC M.3A** The ICS for surveillance equipment must include, at a minimum, procedures and controls that ensure:

**MIC M.3A(i)** That the Licensee has a plan/backup power source capable of providing an uninterruptable power source and backup power systems such that there is no loss in coverage, recording or monitoring in the event of a power loss;

**MIC M.3A(ii)** The NRGC office(s) have a private network/folder for investigations, saved videos, etc., in which will not allow any staff members of the facility/operations to determine what is being monitored by the NRGC;

**MIC M.3A(iii)** That the following areas, including the entrances and exits to the areas, are under constant surveillance monitoring with sufficient camera coverage to identify any individual in the area:

**MIC M.3A(iii)(1)** All areas where gaming activities are conducted;

**MIC M.3A(iii)(2)** All areas where regulated gaming equipment and supplies are stored;

**MIC M.3A(iii)(3)** All areas where cash handling occurs;

**MIC M.3A(iii)(4)** All areas where cash handling equipment is stored;

**MIC M.3A(iii)(5)** All areas where data storage, including transit and access equipment, is located;

**MIC M.3A(iii)(6)** All areas where access control equipment is located;  
and

**MIC M.3A(iii)(7)** Any other area required by the NRGC.

**MIC M.3A(iv)** That the surveillance department is equipped with camera equipment with sufficient magnification and clarity to:

**MIC M.3A(iv)(1)** Clearly distinguish the value of currency, coins, gaming chips, playing cards, dice, and outcome of the game;

**MIC M.3A(iv)(2)** Observe all areas of the playing surface for all areas where game play is conducted;

**MIC M.3A(iv)(3)** Identify all players and employees participating;

**MIC M.3A(iv)(4)** Positively identify the gaming equipment and supplies used with sufficient detail to record and review game outcomes; and

**MIC M.3A(iv)(5)** Track a person when moving through the Licensee's property.

**MIC M.3A(v)** All areas requiring constant surveillance monitoring must have sufficient camera coverage such that the failure of a single camera does not compromise the ability to monitor the area;

**MIC M.3A(vi)** That an equipment malfunction log is maintained that describes, at a minimum:

**MIC M.3A(vi)(1)** The date and time the malfunction occurred or was discovered;

**MIC M.3A(vi)(2)** The date and time the maintenance of the camera commenced;

**MIC M.3A(vi)(3)** The equipment serial number, if available; and

**MIC M.3A(vi)(4)** A description of the specific area the equipment was surveilling, i.e., section of the floor, table, entry way, etc.

**MIC M.3A(vii)** That the NRGC is notified if the equipment malfunction persists for more than twenty-four (24) hours from the time that the malfunction occurred or was discovered;

**MIC M.3A(viii)** That, in the event of a camera malfunction, the surveillance department provides immediate alternative camera coverage or other security measures;

**MIC M.3A(ix)** That a surveillance plan/camera layout is submitted to the NRGC for approval, which must include:

**MIC M.3A(ix)(1)** A floorplan of the gaming area;

**MIC M.3A(ix)(2)** The location of all cameras, including their type;

**MIC M.3A(ix)(3)** A visual representation of each camera field of view;

**MIC M.3A(ix)(4)** The location of all gaming equipment (EDGs, table games, etc.); and

**MIC M.3A(ix)(5)** The location of all gaming cash handling areas and equipment.

**MIC M.3A(x)** That the approved surveillance plan/camera layout is not altered without NRGC approval.

**MIC M.4 Surveillance Room Access and Control**

**MIC M.4A** The ICS for surveillance room access and control must include, at a minimum, procedures and controls that:

**MIC M.4A(i)** Describe who is permitted access to the surveillance room(s);

**MIC M.4A(ii)** Describe the location of the surveillance room(s) and ensure the interior is not visible to the public and non-permitted individuals;

**MIC M.4A(iii)** Ensure that the entrance to the surveillance room is not accessible by non-permitted individuals unless authorized by the NRGC;

**MIC M.4A(iv)** Ensure that remote access to the Licensee’s surveillance system is prohibited unless approved by the NRGC; and

**MIC M.4A(v)** Ensure that all ingress and egress of the surveillance room is recorded in a surveillance access log, except for ingress and egress of permitted individuals and surveillance personnel, and must contain, at a minimum:

**MIC M.4A(v)(1)** Name, date, and badge number;

**MIC M.4A(v)(2)** Time entered/access time;

**MIC M.4A(v)(3)** Reason for the authorized access; and

**MIC M.4A(v)(4)** Time of exit.

**MIC M.5 Daily Surveillance Operations**

**MIC M.5A** The ICS for daily surveillance operations must include, at a minimum, procedures and controls that:

**MIC M.5A(i)** Ensure that daily shift inspection is completed, which must include, at a minimum:

**MIC M.5A(i)(1)** The inspection of all surveillance equipment;

**MIC M.5A(i)(2)** Routine surveillance equipment testing;

**MIC M.5A(i)(3)** A review of surveillance logs and records;

**MIC M.5A(i)(4)** The preparation and submission of routine forms and reports; and

**MIC M.5A(i)(5)** A review of surveillance incident reports.

**MIC M.5A(ii)** Ensure that all surveillance monitors have unobstructed views for surveillance employees.

## **MIC M.6 Surveillance Records**

**MIC M.6A(i)** The ICS for surveillance records must include, at a minimum, procedures and controls that:

**MIC M.6A(i)(1)** Ensure that the viewing of original digital surveillance records or recordings is not allowed unless approved by the NRGC;

**MIC M.6A(i)(2)** Ensure the release of copies of surveillance records or recordings is not allowed unless approved by the NRGC;

**MIC M.6A(i)(3)** Ensure compliance with the NRGC records retention schedule, and

**MIC M.6A(i)(4)** Ensure that the recording retention plan includes:

**MIC M.6A(i)(4)(a)** The minimum property wide retention time for all camera recordings that must be at least fourteen (14) days;

**MIC M.6A(i)(4)(b)** Identify critical coverage areas where the retention time is at least twenty-one (21) days;

**MIC M.6A(i)(4)(c)** A method for identifying and preventing deletion of records linked to investigations;

**MIC M.6A(i)(4)(d)** A method for identifying and preventing deletion of coverage selected by the NRGC for further review;

**MIC M.6A(i)(4)(e)** A method for requesting permission to archive saved coverage to long term storage from the NRGC;

**MIC M.6A(i)(4)(f)** A method for ensuring that any recordings involving suspected or confirmed unlawful activity or detentions are retained for investigation by the NRGC; and

**MIC M.6A(i)(4)(g)** A method to ensure that all video determined to be of evidentiary value by the NRGC and its agents be secured and retained until the NRGC provides operations written notice the video need not be retained.



## **MIC M.7 Chain of Evidence**

**MIC M.7A** The ICS for chain of evidence must include, at a minimum, procedures and controls that:

**MIC M.7A(i)** Ensure the maintaining, copying, and releasing any tapes/digital surveillance records which contain illegal and/or suspected illegal activities;

**MIC M.7A(ii)** Ensure that the NRGC is notified immediately of the illegal and/or suspected unlawful activity and of the digital surveillance record's existence;

**MIC M.7A(iii)** Prohibit the viewing of any digital recording other than by the NRGC the Licensee's security/surveillance employees, the NRGC, or law enforcement officials unless approved by the NRGC, or pursuant to a lawful subpoena; and

**MIC M.7A(iv)** Ensure that the NRGC is immediately notified of any lawful subpoena.

# NEBRASKA RACING AND GAMING COMMISSION

## MINIMUM INTERNAL CONTROL STANDARDS

### SECTION N. SECURITY

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#### **MIC N.1 General**

**MIC N.1A** The ICS must contain detailed procedures for control over the following situations and activities, including who participates in each activity, their duties and responsibilities, forms completed and distribution thereof, signatory responsibilities and all applicable controls:

**MIC N.1A(i)** Case number system and preparation of security incident reports;

**MIC N.1A(ii)** Issuing temporary badges, including preparation of the temporary badge log;

**MIC N.1A(iii)** Issuing visitor/vendor badges, including preparation of the visitor/vendor badge log;

**MIC N.1A(iv)** Fund transfer control;

**MIC N.1A(v)** Power failure/camera outage;

**MIC N.1A(vi)** Enforcement of gambling restrictions;

**MIC N.1A(vii)** Firearms prohibition;

**MIC N.1A(viii)** Alcoholic beverages and intoxicated players;

**MIC N.1A(ix)** Disorderly/disruptive players;

**MIC N.1A(x)** Trespass policy;

**MIC N.1A(xi)** Emergencies; and

**MIC N.1A(xii)** Eviction procedures.

**MIC N.1B** The ICS must contain detailed procedures for control over the following situations and activities, including who participates in each activity, their duties and responsibilities, forms completed, signatory responsibilities, and all applicable controls for the following:

**MIC N.1B(i)** Enforcement of entry and gambling restrictions for visibly intoxicated persons;

**MIC N.1B(ii)** Employee access to controlled areas;

**MIC N.1B(iii)** Lost employee access badges and gaming licenses;

**MIC N.1B(iv)** Issuance and return of temporary badges; and

**MIC N.1B(v)** Trespassing, including Self-Excluded and Excluded Persons.

**MIC N.1C** The ICS shall contain detailed procedures for security's role in the following activities and events, including who participates, their duties and responsibilities, forms completed, signatory responsibilities, and all applicable controls:

**MIC N.1C(i)** Power failure/camera outage;

**MIC N.1C(ii)** Card and dice;

**MIC N.1C(iii)** Inventory;

**MIC N.1C(iv)** Inspection;

**MIC N.1C(v)** Cancellation and destruction;

**MIC N.1C(vi)** Panic alarm activations and monthly testing;

**MIC N.1C(vii)** Facility lockdown; and

**MIC N.1C(viii)** Drops.

## **MIC N.2 Security Reporting**

**MIC N.2A** The ICS for security reporting must include, at a minimum, procedures and controls that:

**MIC N.2A(i)** Ensure that security personnel promptly report to the NRGC any facts which the Licensee has reasonable grounds to believe indicate a violation of law (other than minor traffic violations), or NRGC rules committed by Licensees, their employees or others;

**MIC N.2A(ii)** Ensure that the NRGC is immediately notified of all inquiries made by law enforcement or other government officials concerning the conduct of a Licensee; and

**MIC N.2A(iii)** Ensure for the completion of a daily security incident log that contains, at a minimum:

**MIC N.2A(iii)(1)** Date and time of the security incident;

**MIC N.2A(iii)(2)** Name of player involved, if available;

**MIC N.2A(iii)(3)** Contact information of player involved, if available;

**MIC N.2A(iii)(4)** Description of incident;

**MIC N.2A(iii)(5)** Outcome of the incident;

**MIC N.2A(iii)(6)** Whether or not law enforcement was notified;

**MIC N.2A(iii)(7)** Whether or not the NRGC was notified; and

**MIC N.2A(iii)(8)** Any proposed additional actions that are necessary.

**MIC N.2A(iv)** Ensure that a copy of the daily Security Incident Log is submitted to the NRGC within 72 hours of the completion of the gaming day.

### **MIC N.3 Casino Access Control**

**MIC N.3A** The ICS for casino access control must include, at a minimum, procedures and controls that:

**MIC N.3A(i)** Ensure that a person who has not attained 21 years of age do not have access to the casino floor;

**MIC N.3A(ii)** Ensure that all persons who appear to be under an age threshold as determined by the Licensee have a valid government-issued photo identification, which includes at a minimum the person's date of birth, verified at the point of entry to the casino floor;

**MIC N.3A(iii)** Ensure that person who appear to be visibly intoxicated are not be permitted access to or allowed to remain on the casino floor or to place wagers;

**MIC N.3A(iv)** Ensure that players that are on the Self-Exclusion list do not have access to the casino floor; and

**MIC N.3A(v)** Describe the issuance of and accounting of visitor/vendor badges for daily or multi-day use.

# NEBRASKA RACING AND GAMING COMMISSION MINIMUM INTERNAL CONTROL STANDARDS

## SECTION O. TIPS AND GRATUITIES

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### **MIC O.1 Tips and Gratuities – General**

**MIC O.1A** No gaming employee who serves in a supervisory position may accept tips or gratuities from a player.

**MIC O.1B** No employee may solicit any tip or gratuity.

**MIC O.1C** TITO vouchers are prohibited from being accepted as a tip or gratuity.

**MIC O.1D** TITO vouchers found in a tip box must be treated as a found TITO vouchers.

**MIC O.1E** Chips/tokens may be permitted to be accepted as tips.

### **MIC O.2 Tips and Gratuities for Table Games**

**MIC O.2A** The ICS for tips and gratuities for table games must include, at a minimum, procedures and controls that:

**MIC O.2A(i)** Describe which position titles are allowed to receive tips; and

**MIC O.2A(ii)** Ensure that tip bets placed by a player for the dealer do not remain in action, but if the bet is won it is immediately be placed in the tip drop box by the dealer.

### **MIC O.3 Tip Box Characteristics**

**MIC O.3A** The ICS for tip boxes must include, at a minimum, procedures and controls that ensure:

**MIC O.3A(i)** That gaming table has attached to it a transparent locked tip box in which tips or gratuities received by the dealer must be immediately deposited;

**MIC O.3A(ii)** That each tip box has a lock securing the tips placed into the box and a slot opening through which chips may be deposited into the box; and

**MIC O.3A(iii)** That each tip box and locked holding container is under continuous surveillance coverage.

### **MIC O.4 Drop and Count of Tip Box Drops and Counts**

**MIC O.4A** The ICS for drop and count of tip box contents must include, at a minimum,

procedures and controls that:

**MIC O.4A(i)** Ensure that tip boxes are emptied into locked holding containers located within the pit area;

**MIC O.4A(ii)** Ensure that surveillance is notified prior to emptying the tip boxes;

**MIC O.4A(iii)** Ensure that the drop and count of tip boxes and holding containers is not performed simultaneously or conflict with any other tips and gratuities drop and count;

**MIC O.4A(iv)** Ensure that the drop and count of tip boxes and holding containers is conducted on a schedule and a location approved by the NRGCC; and

**MIC O.4A(v)** Ensure that the results of the tip counts are recorded and maintained in a secure fashion.

# NEBRASKA RACING AND GAMING COMMISSION

## MINIMUM INTERNAL CONTROL STANDARDS

### SECTION P. PLAYER ACCOUNT SPECIFICATIONS

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#### **MIC P.1 General**

**MIC P.1A** A “player account” as used in these MICS refers to an account maintained by a Licensee for a player where information relative to gaming and financial transactions are recorded on behalf of the player including, but not limited to, deposits, withdrawals, wagers, winnings, and balance adjustments. The term does not include an account used solely by a Licensee to track promotional points or credits or similar benefits issued by a Licensee to a player which may be redeemed for merchandise and/or services.

**MIC P.1B** A Licensee may offer the ability to establish player accounts.

**MIC P.1C** Only an individual who is twenty-one (21) years of age or older not a prohibited participant, and not on the NRG C exclusion list, the NRG C statewide voluntary self-exclusion list or the licensee’s self-exclusion may create a player account.

**MIC P.1D** This section shall not be construed to prevent a restricted player from creating a player account and depositing funds to such an account even if they are prohibited from placing certain wagers.

#### **MIC P.2 Player Account Registration**

**MIC P.2A** The ICS for player account registration must include, at a minimum, procedures and controls that ensure:

**MIC P.2A(i)** That the licensee collects, at a minimum, the following personal identifying information from the individual for each player establishing an account:

**MIC P.2A(i)(1)** The player’s full legal name;

**MIC P.2A(i)(2)** The player’s date of birth;

**MIC P.2A(i)(3)** The player’s principal residential address. A post office box is not acceptable;

**MIC P.2A(i)(4)** Any other information collected from the player used to verify their identity and to prove the player is at least twenty-one (21) years of age.

**MIC P.2A(ii)** That the licensee allows the player to update authentication

credentials, registration information and the account used for financial transactions. A secure authentication process shall be employed for these purposes.

### **MIC P.3 Age and Identity Verification**

**MIC P.3A** The ICS for age and identity verification must include, at a minimum, procedures and controls that ensure:

**MIC P.3A(i)** That the licensee uses an electronic verification method with respect to each player's name, date of birth and government issued identification number, at the time of account establishment by a NRGC-approved national independent reference company which meets or exceeds the reliability, security, accuracy, privacy, and timeliness provided by individual reference service companies;

**MIC P.3A(ii)** That the licensee refuses to establish an account if it is found that any of the information supplied is untrue or incomplete; and

**MIC P.3A(iii)** That the licensee periodically re-verifies a player's identification and upon reasonable suspicion that the player's identification has been compromised.

### **MIC P.4 Terms and Conditions and Privacy Policies for Player Accounts**

**MIC P.4A** The ICS for terms and conditions and privacy policies for accounts must include, at a minimum, procedures and controls that:

**MIC P.4A(i)** Ensure that all terms and conditions and privacy policies for player accounts are readily accessible to the player before and after registration and noticed when materially updated beyond any grammatical or other minor changes;

**MIC P.4A(ii)** Ensure that all terms and conditions address all aspects of the player account operation, including, but not limited to all of the following:

**MIC P.4A(ii)(1)** A statement that no underage individuals are permitted to participate in games of chance;

**MIC P.4A(ii)(2)** Advice to the player to keep their authentication credentials (e.g., password and username) secure;

**MIC P.4A(ii)(3)** All processes for dealing with lost authentication credentials, forced password changes, password strength and other related items as required by the NRGC;

**MIC P.4A(ii)(4)** A full explanation of all rules applicable to inactive accounts, including the conditions under which an account is declared inactive and what actions will be undertaken on the account once this declaration is made;



**MIC P.4A(ii)(5)** Information about timeframes and limits regarding deposits to and/or withdrawals from the player account, including a clear and concise explanation of all fees, if applicable; and

**MIC P.4A(ii)(6)** Statements indicating that the Licensee has the right to:

**MIC P.4A(ii)(6)(a)** Refuse to establish a player account for what it deems good and sufficient reason;

**MIC P.4A(ii)(6)(b)** Refuse deposits to and/or withdrawals from player accounts for what it deems good and sufficient reason; and

**MIC P.4A(ii)(6)(c)** Suspend or close any player account at any time pursuant to the terms and conditions between the Licensee and the player unless there is a pending investigation or player dispute.

**MIC P.4A(iii)** Ensure that privacy policies address all aspects of the personal identifying information protection collected for the player account, including, but not limited to all of the following:

**MIC P.4A(iii)(1)** The information required to be collected;

**MIC P.4A(iii)(2)** The purpose and legal basis for information collection;

**MIC P.4A(iii)(3)** The period in which the information is stored, or, if no period can be set, the criteria used to set this;

**MIC P.4A(iii)(4)** The conditions under which information may be disclosed;

**MIC P.4A(iii)(5)** An affirmation that measures are in place to prevent the unauthorized or unnecessary disclosure of the information; and

**MIC P.4A(iii)(6)** Any other privacy requirements specified by the NRG.

## **MIC P.5 Player Access to Accounts**

**MIC P.5A** The ICS for player access to accounts must include, at a minimum, procedures and controls that ensure:

**MIC P.5A(i)** That one or more authentication methods, such as a username and a password or a secure alternative means, are utilized to assure that only the player has access to the player account;

**MIC P.5A(ii)** That other allowable authentication credentials are approved by the NRG;

**MIC P.5A(iii)** That a player is allowed to change their authentication credential at any time;

**MIC P.5A(iv)** That when a player has forgotten their authentication credentials, a secure authentication process is employed for the retrieval or reset of their forgotten authentication credential;

**MIC P.5A(v)** That current account balance information, including any restricted wagering credits and unrestricted funds, and transaction options are available to the player once authenticated;

**MIC P.5A(vi)** That all restricted wagering credits and unrestricted funds that have a possible expiration are indicated separately;

**MIC P.5A(vii)** That an account is locked if suspicious activity is detected; and

**MIC P.5A(viii)** That a secure authentication process is employed for the account to be unlocked.

#### **MIC P.6 Financial Transactions Regarding Player Accounts**

**MIC P.6A** The ICS for financial transactions regarding player accounts must include, at a minimum, procedures and controls that:

**MIC P.6A(i)** Ensure the player provides confirmation/denial of every financial transaction initiated, including:

**MIC P.6A(i)(1)** The type of transaction (deposit/withdrawal);

**MIC P.6A(i)(2)** The transaction value; and

**MIC P.6A(i)(3)** For denied transactions, a descriptive message as to why the transaction was not completed as initiated.

**MIC P.6A(ii)** Ensure that player accounts are using funding which shall produce a sufficient audit trail for verification of the source of the wagers;

**MIC P.6A(iii)** Disclose to the player that, for debit cards and EFTs, the player may be liable for any charges and the charges may be deducted from their account;

**MIC P.6A(iv)** Ensure that any funds deposited pursuant to this section are available for use in accordance with the financial institution's policy regarding funds availability;

**MIC P.6A(v)** Ensure that financial transactions conducted through EFT, the Licensee prevents EFT fraud;

**MIC P.6A(vi)** Describes that a failed EFT attempt is not considered fraudulent if the player has successfully performed an EFT on a previous occasion with no outstanding chargebacks. Otherwise, the licensee shall:

**MIC P.6A(vi)(1)** Temporarily block the player account for investigation of fraud after 5 consecutive failed EFT attempts within a 10-minute period. If there is no evidence of fraud, the block may be vacated; and

**MIC P.6A(vi)(2)** Suspend the player account after five (5) additional consecutive failed EFT attempts within a 10-minute period.

**MIC P.6A(vii)** Ensure that a player is allowed to withdraw the funds maintained in his or her player account, whether the account is open or closed, except as otherwise provided in these rules, or any other applicable state or federal laws;

**MIC P.6A(viii)** Ensure the licensee employs a mechanism that can detect and prevent any withdrawal activity initiated by a player that would result in a negative balance of the player account;

**MIC P.6A(ix)** Ensure the licensee prevent a player account to be overdrawn unless caused by payment processing issues outside the control of the licensee;

**MIC P.6A(x)** Ensure the licensee honors a player's request to withdraw funds within five (5) business days after the request, unless otherwise prevented;

**MIC P.6A(xi)** Ensure the licensee declines to honor a player's request to withdraw funds only if the licensee believes in good faith that the player engaged in either fraudulent conduct or other conduct that would put the licensee in violation of the statutes and these rules. In such cases, the licensee must:

**MIC P.6A(xi)(1)** Provide notice to the player of the nature of the investigation of the player account; and

**MIC P.6A(xi)(2)** Conduct its investigation in a reasonable and expedient fashion, providing the player with additional written notice of the status of the investigation every tenth (10th) business day starting from the day the original notice was provided to the player.

**MIC P.6A(xii)** Ensure that a request for withdrawal is considered honored if it is processed by the licensee notwithstanding a delay by a payment processor, credit card issuer, or the custodian of a financial account;

**MIC P.6A(xiii)** Ensure that all adjustments to player accounts for amounts of more than five hundred dollars (\$500.00) are authorized by supervisory personnel before being entered; and

**MIC P.6A(xiv)** Ensure that all adjustments to player accounts for amounts of five hundred dollars (\$500.00) or less are periodically reviewed by supervisory

personnel and reported to the NRGC.

### **MIC P.7 Player Account Activity Statements**

**MIC P.7A** The ICS for player account statements must include, at a minimum, procedures and controls that ensure:

**MIC P.7A(i)** That, upon request of the player, the licensee provides a player a statement of their player account activity for the past year;

**MIC P.7A(ii)** That player account activity statements provided include sufficient information to allow players to reconcile the statement against their own financial records; and

**MIC P.7A(iii)** That there is a mechanism to resolve disputed player account statements in a timely manner.

### **MIC P.8 Responsible Gaming Limits**

**MIC P.8A** The ICS for responsible gaming limits must include, at a minimum, procedures and controls that:

**MIC P.8A(i)** Allows a player to set the following responsible gaming limits set forth below on their player account:

**MIC P.8A(i)(1)** A deposit limit, which shall be offered on a daily, weekly, and monthly basis and shall specify the maximum amount of money a player may deposit into his or her player account from a payment processor during a particular period; and

**MIC P.8A(i)(2)** For sports wagering, a wager limit, which shall be offered on a daily, weekly, and monthly basis and shall specify the maximum amount of player account funds that may be put at risk during a particular period.

**MIC P.8A(ii)** Ensure that any decreases to the limits are effective immediately or at the point in time (e.g., next login, next day) that is clearly indicated to the player; and

**MIC P.8A(iii)** Ensure that any increases to limits become effective only after the time of the previous limit (e.g., day, week, month, etc.) has expired and the player reaffirms the requested increase.

### **MIC P.9 Suspension and Restoration of Player Accounts**

**MIC P.9A** The ICS for suspension and restoration of player accounts must include, at a minimum, procedures and controls that ensure:

**MIC P.9A(i)** That there is a mechanism to place a player account in a suspended mode;

**MIC P.9A(ii)** That a suspended mode shall be activated:

**MIC P.9A(ii)(1)** When requested by the player for a specified period, which must not be less than seventy-two (72) hours;

**MIC P.9A(ii)(2)** When required by the NRGC;

**MIC P.9A(ii)(3)** Upon a determination that a player is a prohibited participant or on the NRGC exclusion list, the NRGC statewide voluntary self-exclusion list, or the Licensee's property based self-exclusion list; or

**MIC P.9A(ii)(4)** When evidence exists that indicates:

**MIC P.9A(ii)(4)(a)** Illegal activity;

**MIC P.9A(ii)(4)(b)** A negative account balance; or

**MIC P.9A(ii)(4)(c)** A violation of the terms and conditions has taken place on an account.

**MIC P.9A(iii)** That when a player account is in a suspended mode, the licensee:

**MIC P.9A(iii)(1)** Prevents the player from making wagers;

**MIC P.9A(iii)(2)** Prevents the player from depositing funds unless the account is suspended due to having a negative player account balance but only to the extent the player account balance is brought back to zero dollars;

**MIC P.9A(iii)(3)** Prevents the player from withdrawing funds from his or her player account, provided that the licensee acknowledges that the funds have cleared, and that the reason(s) for exclusion would not prohibit a withdraw;

**MIC P.9A(iii)(4)** Prevents the player from making changes to his or her player account;

**MIC P.9A(iii)(5)** Prevents the removal of the player account from the system; and

**MIC P.9A(iii)(6)** Prominently indicates to the player that their account is in a suspended mode, the restrictions placed on the account, and any further course of action needed to remove the suspended mode.

**MIC P.9A(iv)** Ensure that a suspended account may be restored for any of the

following reasons:

**MIC P.9A(iv)(1)** Upon expiration of the time established by the player if solely the result of a self-exclusion request;

**MIC P.9A(iv)(2)** If authorized by the NRGC;

**MIC P.9A(iv)(3)** When the player is no longer a prohibited participant or on the NRGC exclusion list, the NRGC statewide voluntary self-exclusion list, or the licensee's self-exclusion list; or

**MIC P.9A(iv)(4)** When the licensee has lifted the suspended status.

**MIC P.9A(v)** Ensure the licensee provides the NRGC with a list of suspended accounts, including the reasons why the account is in suspended mode, monthly or upon request of the NRGC.

### **MIC P.10 Player Account Closure**

**MIC P.10A** The ICS for player account closure must include, at a minimum, procedures and controls that ensure:

**MIC P.10A(i)** The licensee provides a method for a player to close his or her player account;

**MIC P.10A(ii)** That information on closing an account is provided to the player and posted in conspicuous areas; and

**MIC P.10A(iii)** That any balance remaining in a closed player account is refunded in a timely manner.

### **MIC P.11 Inactive Player Accounts**

**MIC P.11A** The ICS for inactive player accounts must include, at a minimum, procedures and controls that:

**MIC P.11A(i)** Establish the period of activity after which the licensee may close any account with no activity, including making a wager, making an account deposit, or withdrawing funds, which may not be less than three (3) years;

**MIC P.11A(ii)** Ensure access to a player's inactive account only after performing additional identity verifications;

**MIC P.11A(iii)** Protect inactive accounts that contain funds from unauthorized access, changes or removal;

**MIC P.11A(iv)** Ensure that no licensee is charge an administration fee or maintenance fee for any inactive account;

**MIC P.11A(v)** Ensure that funds from inactive accounts are returned to the player where possible;

**MIC P.11A(vi)** Ensure that unclaimed property and comply with the provision of the State of Nebraska.

## **MIC P.12 Securing Payment Methods**

**MIC P.12A** The ICS for securing payment methods must include, at a minimum, procedures and controls that:

**MIC P.12A(i)** Ensure all financial transactions are conducted in accordance with federal regulations and the NRGCC's rules;

**MIC P.12A(ii)** Ensure the collection of sensitive information directly related to financial transactions is limited to the information strictly needed for such transaction;

**MIC P.12A(iii)** Ensure that adequate measures are taken to protect any type of payment from a fraudulent use;

**MIC P.12A(iv)** Verify that the payment processors ensure the protection of the player's data, including any sensitive information given by the player, or transaction related data;

**MIC P.12A(v)** Ensure a match of ownership between the payment type holder and the player account holder;

**MIC P.12A(vi)** Ensure that the licensee can generate all transactional records of player accounts to trace a single financial transaction of a player from another transaction; and

**MIC P.12A(vii)** Ensure all financial transactions can be reconciled with financial institutions and payment processors daily or as otherwise specified by the NRGCC.

## **MIC P.13 Personal Identifying Information Security**

**MIC P.13A** The ICS for personal identifying information security must include, at a minimum, procedures and controls that:

**MIC P.13A(i)** Ensure that any information about player accounts that is not subject to disclosure pursuant to the privacy policies is kept confidential, except where the release of that information is required by law;

**MIC P.13A(ii)** Ensure that no employee or agent of the licensee divulges any confidential information related to the placing of a wager or any confidential account information related to the licensee, except that pursuant to a court order, state or federal law, or NRGCC order such information may be disclosed.

# NEBRASKA RACING AND GAMING COMMISSION

## MINIMUM INTERNAL CONTROL STANDARDS

### SECTION Q. SPORTS WAGERING

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#### **MIC Q.1 General Conduct of Sports Wagering**

**MIC Q.1A** Sports wagering operations shall comply with the chapters and appendices of the latest version of the GLI-33 Standards for Event Wagering Systems.

**MIC Q.1B** GLI standards are intended to supplement rather than supplant other specifications required in these MICS.

**MIC Q.1C** Additionally, the ICS shall contain controls and reasonable methods for:

**MIC Q.1C(i)** Automated and manual risk management procedures;

**MIC Q.1C(ii)** Employee management, including user access controls for all sports wagering personnel and segregation of duties;

**MIC Q.1C(iii)** Identifying and reporting fraud and suspicious conduct, including identifying unusual wagering activity and reporting such activity to an independent integrity monitoring provider;

**MIC Q.1C(iv)** Ensuring regulatory compliance;

**MIC Q.1C(v)** Accepting wagers and issuing pay outs, plus any additional controls for issuing pay outs of more than \$10,000;

**MIC Q.1C(vi)** Monitoring all software applications that comprise the sports wagering system;

**MIC Q.1C(vii)** Submitting and receiving approval of all types of wagers available to be offered by the system;

**MIC Q.1C(viii)** Accounting for all integrated third-party systems;

**MIC Q.1C(ix)** Reconciling assets and documents contained in a sports wagering area cashier's drawer and in kiosks, including the drop and count procedures for kiosks;

**MIC Q.1C(x)** Paying winning sports wagers at the cage after the sports wagering area has closed, if applicable;

**MIC Q.1C(xi)** Accepting gaming chips for sports bets, if applicable;



**MIC Q.1C(xii)** Issuance and acceptance of promotional funds and free bets for sports wagering;

**MIC Q.1C(xiii)** Identifying and preventing wagering by prohibited participants;

**MIC Q.1C(xiv)** Preventing past-post wagers from being placed;

**MIC Q.1C(xv)** Paying winning sports wagers, in the event of a failure of the equipment or system's ability to pay winning sports wagers;

**MIC Q.1C(xvi)** Filing an incident report with the NRGC for each equipment or system failure and documenting the date, time, and reason for the failure along with the date and time the system is restored; and

**MIC Q.1C(xvii)** Any other information which may be required by the NRGC.

**MIC Q.1D** The wagering rules, together with any other information the NRGC considers appropriate, must be made readily available to individuals and players. The wagering rules must address the following items regarding sports bets:

**MIC Q.1D(i)** Types of sports bets accepted;

**MIC Q.1D(ii)** Minimum and maximum sports bets;

**MIC Q.1D(iii)** Description of the process for handling incorrectly posted events, odds, sports bets, or results;

**MIC Q.1D(iv)** Method for calculation and payment of winning sports bets;

**MIC Q.1D(v)** Effect of schedule changes;

**MIC Q.1D(vi)** Method of notifying players of odds or proposition changes;

**MIC Q.1D(vii)** Acceptance of sports bets at other than posted terms;

**MIC Q.1D(viii)** Procedures related to pending, winning sports bets;

**MIC Q.1D(ix)** An easy and obvious method for a player to make a complaint and to enable the player to notify the NRGC if such complaint has not been or cannot be addressed by the licensee or Sports Wagering Services Provider;

**MIC Q.1D(x)** Description of prohibited participants and events and wager types on which sports bets may not be accepted;

**MIC Q.1D(xi)** Methods of funding a wager;

**MIC Q.1D(xii)** Maximum payouts established by limiting the amount of a sports bet and not applied to reduce the amount paid to a player as a result of a winning sports bet;

**MIC Q.1D(xiii)** A policy that the licensee or Sports Wagering Services Provider can cancel sports bets for obvious errors, including a definition and procedures for obvious errors;

**MIC Q.1D(xiv)** Parlay bet related rules;

**MIC Q.1D(xv)** Rules and procedures for wagering communications;

**MIC Q.1D(xvi)** What is to occur when an event or any component of an event on which sports bets are accepted is canceled; and

**MIC Q.1D(xvii)** Any other wagering rule-related information the NRGC determines necessary.

## **MIC Q.2 Sources of Data Used to Resolve Sports Wagers**

**MIC Q.2A** The ICS for sources of data used to resolve sports wagers must include, at a minimum, procedures and controls that:

**MIC Q.2A(i)** Ensure the licensee and/or Sports Wagering Services Provider documents and submits to the NRGC for approval the sources of data used to resolve sports wagers. The NRGC may disapprove of the sources of data for any reason, including but not limited to, the type of wager and method of data collection;

**MIC Q.2A(ii)** Describe the setting and updating the odds/payouts and prices including:

**MIC Q.2A(ii)(1)** Publicly providing the current odds/payouts and prices;

**MIC Q.2A(ii)(2)** Changing odds/payouts and prices as necessary to manage exceptions; and

**MIC Q.2A(ii)(3)** Logging and periodically reviewing the odds/payouts and prices used in sports wagers.

**MIC Q.2A(iii)** Ensure that logs and other audit trails exist to prevent misuse of authority.

## **MIC Q.3 Prohibited Participants**

**MIC Q.3A** The ICS for prohibited participants must include, at a minimum, procedures and controls that:

**MIC Q.3A(i)** Prevent a prohibited participant as defined in Neb. Rev. Stat. 9-1103(12) from placing a sports bet;

**MIC Q.3A(ii)** Ensure that if the licensee or Sports Wagering Services Provider

detects or is notified of an individual suspected of being a prohibited participant who had engaged or is engaging in prohibited sports wagering, the licensee or Sports Wagering Services Provider, or both, take reasonable measures to verify whether the individual is prohibited or not;

**MIC Q.3A(iii)** Ensure that if the licensee or Sports Wagering Services Provider cannot establish by reasonable measures that the individual is prohibited, the individual is presumed to not be a prohibited participant for the purposes of this section; and

**MIC Q.3A(iv)** Ensure that the licensee or Sports Wagering Services Provider cancels a sports bet made by a prohibited participant, confiscate the funds and deliver the funds to the NRGC.

#### **MIC Q.4 Layoff Wagers**

**MIC Q.4A** A licensee or Sports Wagering Services Provider may place and accept layoff wagers.

**MIC Q.4B** A licensee or Sports Wagering Services Provider may decline to accept a layoff wager in its sole discretion.

**MIC Q.4C** The ICS for layoff must include, at a minimum, procedures and controls that ensure that when placing a layoff wager, the licensee or Sports Wagering Services Provider placing a layoff discloses its identity of the licensee or Sports Wagering Services Provider accepting the layoff wager to the NRGC upon request.

#### **MIC Q.5 Tournaments, Contests, and Pools**

**MIC Q.5A** The ICS for tournaments, contests, and pools must include, at a minimum, procedures and controls that Ensure that no sports wagering tournament, contest, or pool is conducted unless the Licensee or Sports Wagering Services Provider, before the first time a tournament, contest, or pool type is offered, obtains approval from the NRGC. Note: The Licensee or Sports Wagering Services Provider may file a master list with the NRGC to satisfy the requirement.

#### **MIC Q.6 Integrity Monitoring/Suspicious Behavior**

**MIC Q.6A** The ICS for integrity monitoring/suspicious behavior must include, at a minimum, procedures and controls that:

**MIC Q.6A(i)** Can identify and report unusual wagering activity to the NRGC. A licensee or Sports Wagering Services Provider may contract with an independent integrity monitoring provider to provide this identification and reporting;

**MIC Q.6A(ii)** Ensure the licensee or Sports Wagering Services Provider receiving a report of suspicious wagering activity can suspend wagering on events or wager types related to the report but may only cancel sports wagers related to

the report after receiving approval from the NRGC;

**MIC Q.6A(iii)** Maintains records of all event integrity monitoring services and activities, including all reports of unusual or suspicious wagering activity and any supporting documentation, for a minimum of five (5) years and must provide such records to the NRGC on request;

**MIC Q.6A(iv)** Maintain the confidentiality of information provided by a sports governing body related to unusual wagering activity, suspicious wagering activity, or the integrity of an event, unless disclosure is required by the NRGC, any applicable law, or a lawful order of a court of competent jurisdiction;

**MIC Q.6A(v)** Ensure the NRGC is promptly notified if the Licensee or Sports Wagering Services Provider detects or becomes aware of any of the following:

**MIC Q.6A(v)(1)** Any person participating in sports wagering who is engaging in or attempting to engage in, or who is reasonably suspected of, cheating, theft, embezzlement, collusion, use of funds derived from illegal activity, money laundering, or any other illegal activities;

**MIC Q.6A(v)(2)** Any person who is reasonably suspected of misrepresenting their identity or using false identification to establish or attempt to establish a player account;

**MIC Q.6A(v)(3)** Suspected criminal activity related to any aspect of sports wagering;

**MIC Q.6A(v)(4)** Any criminal or disciplinary proceedings commenced against the licensee, Sports Wagering Services Provider, or persons employed by the licensee or Sports Wagering Service Provider, in connection with its sports wagering operations; or

**MIC Q.6A(v)(5)** Any sports wagers that violate any applicable state or federal law.

**MIC Q.6A(vi)** Ensure that a Sports Wagering Services Provider promptly notifies the licensee on behalf of which it accepts sports wagers of any issues impacting the integrity of sports wagering.

## **MIC Q.7 Reports of Sports Wagering Operations**

**MIC Q.7A** The ICS for reports of sports wagering operations must include, at a minimum, procedures and controls that ensure the licensee or Sports Wagering Services Provider prepares reports supporting sports wagering revenue, wagering liability, winnings, and any other reports required by the NRGC.