

**TECHNICAL AMENDMENT OF TRIBAL-STATE COMPACT
FOR THE CONTROL OF CLASS III VIDEO GAMES OF CHANCE
ON THE WHITE EARTH BAND OF CHIPPEWA RESERVATION IN MINNESOTA**

WHEREAS, The State of Minnesota and the White Earth Band of Chippewa signed a Compact for the control of video games of chance on May 15, 1991; and

WHEREAS, Pursuant to 6.12 of the Compact, amendments to the hardware and software requirements for video games of chance are contemplated; and

WHEREAS, The White Earth Band of Chippewa seeks to update and modernize its gaming facility by adding approved coin and bill acceptors and modifying technical standards as it relates to gaming devices that accept coin, currency or cashless tickets, and the issuance of cashless tickets; and

WHEREAS, The State Commissioner of Public Safety and the Chairman of the Band believe it is in the mutual interest of the parties to carry out the spirit and intent of the Compact to provide for the technical amendments;

NOW, THEREFORE, in consideration of the mutual undertakings and agreements hereinafter set forth, the Band and the State enter into this Technical Amendment:

I. Section 6.9 **Hardware Requirements for Video Games of Chance**. Section 6.9(6) currently reads:

- (6) Approved Coin and Bill Acceptors. At least one electronic or mechanical coin acceptor must be installed in or on each video game of chance. The devices may also contain bill acceptors for denominations determined by the Band. Prior to operation within the reservation, all models of coin and bill acceptors installed must have been tested and approved in writing by a gaming test laboratory as provided in Section 6.

The above section is REPEALED and replaced by the following:

- (6) Approved Coin and Bill Acceptors. At least one electronic or mechanical coin acceptor must be installed in or on each video game of chance. The devices may also contain bill acceptors, or cashless ticket acceptor/dispensers for denominations determined by the Band. Prior to operation with the Band, all models of coin, bill acceptors and cashless ticket acceptor/dispensers installed must have been tested and approved in writing by a gaming test laboratory as provided in section 6.

II. Section 6.9(9) currently provides:

- (9) Secure Cash Compartment. The coin and currency compartment shall be secured with a different key or combination than that used for the main cabinet door, except that a separate cash compartment shall not be required for coins necessary to pay prizes in a machine which pays prizes through a drop hopper.

The above section is **REPEALED** and replaced by the following:

- (9) Secure Cash Compartment. The coins and currency compartment shall be secured with a different key or combination than that used for the main cabinet door, except that a separate cash compartment shall not be required for coins necessary to pay prizes in a machine which pays prizes through a drop hopper or a machine that accepts cashless tickets and issues cashless tickets.

III. Section 6.9(11) currently provides:

- (11) Printed Record of Credits and Payouts Required. A single printing mechanism which must be capable of printing an original ticket and retaining an exact, legible copy, either within the game or in a slot management/reporting system approved by the gaming test laboratory, that provides permanent sequential tracking, and which permits monitoring of error conditions on a printed medium for future use, and which records the following information: (a) the number of credits; (b) value of the credits in dollars and cents; (c) the cash paid by the device and (d) any other data required by the Tribe. Video game of chance utilizing coin drop hoppers are permitted, provided they are monitored by a slot management/reporting system of the type described in this paragraph which has been approved by an independent gaming test laboratory.

The above section is **REPEALED** and replaced by the following:

- (11) Printed Record of Credits and Payouts Required. A single printing mechanism which must be capable of printing an original ticket and retaining an exact, legible copy, either within the game or in a slot management/reporting system approved by the gaming test laboratory, that provides permanent sequential tracking, and which permits monitoring of error conditions on a printed medium for future use, and which records the following information: (a) the number of credits; (b) value of the credits in dollars and cents; (c) the cash paid by the device and (d) any other data required by the Tribe. Video game of chance utilizing coin drop hoppers and that also accept cashless tickets and issue cashless tickets are permitted, provided they are monitored by a slot management/reporting system of the type described in this paragraph which has been approved by an independent gaming test laboratory.

IV. There is hereby added a new section 6.9A:

6.9A Technical Standards for Gaming Devices that Accept Coin, Currency or Cashless Tickets and Issue Cashless Tickets

- (1) Cashless Gaming Devices. The following technical standards are applicable for gaming devices that accept coin, currency, or cashless tickets and issue cashless tickets. Cashless gaming devices and the associated equipment must be tested and approved by a gaming test laboratory. prior to public play on a cashless ticket gaming device, the State of Minnesota, through its Commissioner of Public Safety, will test and certify the gaming device.
- (2) Credit Redemption. Available credits may be collected from the gaming device by the player pressing the “COLLECT” button at any time other than during:
 - (a) A game being played;
 - (b) Audit mode;
 - (c) Any door open;
 - (d) Test mode;
 - (e) A credit Meter or Win Meter is incrementing, unless the entire amount is placed on the meters when the collect button is pressed; or
 - (f) An error condition occurs.
- (3) Cancel Credit. If credits are collected, and the total credit value is greater than or equal to a specific limit (e.g. Printer Limit for printer games), the games shall lock up until the credits have been paid, and the handpay is cleared by an attendant.
- (4) Printers. The printer shall print on a ticket and provide the data to an on-line data system that records the following information regarding each payout ticket printed. The information listed below can be obtained from the gaming device, validation terminal, the on-line data management system or other means;
 - (a) Value of credits in U.S. currency;
 - (b) Time of day the ticket was printed in twenty-four (24) hour format showing hours and minutes;
 - (c) Date, in any recognized format, indicating the day, month and year;
 - (d) Gaming device number or machine number; and
 - (e) Unique validation number, or bar code.

The gaming device shall either keep a duplicate copy or print only one (1) copy to the player. Each gaming device shall have two dedicated logs that will record a ticket history at a minimum of thirty-five (35) tickets printed and thirty-five (35) tickets redeemed. In addition, an approved system shall be used to validate the payout ticket and the ticket information on the central system and shall be retained at least as long as the ticket is valid at that location.

- (5) Printer Location. The printer shall be located in a locked area of the gaming device (e.g. require opening of the main door access) but not in the logic area or

the drop box. This requirement ensures that changing the paper does not require access to the drop (cash) or logic areas.

- (6) Error Conditions. A printer shall have mechanisms to allow software to interpret and act upon the following conditions:
- (a) Out of paper/paper low;
 - (b) Printer jam/failure; and
 - (c) Printer disconnected (this may only be detected when the software tries to print).

These conditions shall trigger an error condition to indicate the error has occurred.

- (7) Ticket Validation. Payment of ticket printer as a method of credit redemption is only permissible where the gaming device is linked to an on-line data system, which allows validation of the printed ticket. Validation approved or information shall come from the host system in order to validate tickets. Tickets may be validated at the gaming device or at any validation terminal as long as it meets the standards of this section. Provisions must be made if communication is lost and validation information cannot be sent to the host system, thereby requiring the manufacturer to have an alternate method of payment.
- (8) Duplicate Tickets. If the gaming device is capable of printing duplicate tickets, it must be clearly indicated that it is a duplicate ticket. The validation system must be able to identify duplicate tickets to prevent fraud by reprinting and redeeming a ticket that was previously issued by the gaming device.
- (9) Metering Modifications. To account for cashless tickets accepted by a gaming device, the following electronic gaming device meters shall be incremented:
- (a) Total value of all items accepted;
 - (b) Total number of all items accepted; and
 - (c) The "drop" meter shall maintain a cumulative count of the number of coins that have been diverted into a drop bucket and credit value of all bills or cashless tickets inserted into the bill acceptor for play. It is acceptable to have both a "coin drop" meter and a "bill drop" meter. The game shall have a separate meter that accumulates the number of cashless tickets accepted, not including bills.
 - (d) The gaming device or on-line data system shall have a separate meter that accumulates and increments the total value of cashless tickets accepted, not including bills which are included in section (c) above.
- (10) No Credit Extended. As provided in Section 4.2, nothing in this amendment shall be construed to authorize the extension of credit to any person for gaming.

V. There is added a new Section 6.9B:

6.9B Bands Minimum Internal Control Standards for Gaming Devices that Accept Coin, Currency or Cashless Tickets and Issue Cashless Tickets

The Band shall adopt minimum internal control standards governing cashless acceptance and dispersing devices, which at minimum shall provide:

- (1) The customer may request a cashless ticket from the gaming machine, which reflects all remaining credits. The cashless ticket shall be printed at the gaming machine by an internal document printer.
- (2) The cashless ticket at a minimum shall contain the following printed information:
 - (a) Casino name;
 - (b) Machine number;
 - (c) Date and Time;
 - (d) Alpha and numeric dollar amount of the cashout;
 - (e) Voucher (cashless ticket) number;
 - (f) Validation number;
 - (g) Bar code;
 - (h) Type of transaction;
 - (i) A phrase stating that the voucher will expire in sixty (60) days after issuance.
- (3) Cashless ticket must be redeemed within sixty (60) days from the time of issue by the gaming device. After that period, an unredeemed cashless ticket will have no cash value. If payment is made on the expired cashless ticket, an authorized supervisor or management personnel must process an override in the on-line data system.
- (4) The customer shall redeem the cashless ticket at a redemption center. Once presented for redemption, the cashier shall:
 - (a) Scan the bar code via an optical reader or its equivalent; or
 - (b) Input the cashless ticket validation number into the computer.
- (5) The information contained in paragraph 4 of this section shall be transmitted to the host computer. The host computer shall verify the authenticity of the cashless ticket and communicate directly to the change booth or cashier cage terminal.
- (6) If valid, the cashier pays the customer the appropriate amount and the cashless ticket is electronically noted "paid" in the system. After the cashless ticket is electronically validated, the system prints out a validation receipt. The receipt shall be stapled to the cashless ticket and shall remain in the cashier's bank for reconciliation purposes.

- (7) The validation receipt at the minimum shall contain the following printed information:
- (a) Machine number;
 - (b) Operator number;
 - (c) Validation number;
 - (d) Issue date;
 - (e) Paid date;
 - (f) Amount.
- (8) If invalid, the host computer shall notify the cashier that one of the following conditions exists:
- (a) Serial number cannot be found on file (stale date, forgery, etc.);
 - (b) Cashless ticket has already been paid;
 - (c) Amount of cashless ticket differs from amount on file.
- The cashier shall refuse payment to the customer and notify a supervisor of the invalid condition. The supervisor shall resolve the dispute. If the dispute is \$500.00 or greater, the Tribal Compliance Officer shall be immediately notified.
- (9) At the end of the cashier's shift, a "Validation Window Closer" report shall be printed. This information shall be compared to the sum of cashless tickets paid by the cashier during the cashier's sign-on period and be used to reconcile cash for the shift. The cashier and a supervisor shall sign the "Validation Window Closer" report.
- (10) In the event that the cashier is unable to communicate with the system for any reason, the cashless ticket is presented to an authorized supervisory or management personnel for payment. Authorized personnel will then scan the voucher at an alternative validation terminal that is located in the general proximity, but outside the change booth or cashier's cage. The ticket will be validated in the system and a validation receipt will print out. The receipt is then attached to the cashless ticket, and both are presented to the cashier for payment. All validation terminals shall be secured and password controlled.
- (11) If the on-line data system temporarily goes down, the cashiers may redeem cashless tickets after recording at a minimum the following in a log:
- (a) Serial number of the cashless ticket;
 - (b) Date;
 - (c) Dollar amount; and
 - (d) Machine number of issuing machine.
- (12) Cashless tickets shall be validated as expeditiously as possible when the on-line data system is restored.

- (13) If the on-line electronic game management system generates a jackpot slip when a jackpot occurs on a cashless gaming device, the jackpot receipt generated by the gaming device shall be stapled to either the cashier's copy of the jackpot ticket or the copy that is given to the attendant handling the payment of the jackpot. Jackpot payout internal controls shall be followed that are at least as stringent as the National Indian Gaming Commission's (NIGC) Minimum Internal Control Standards (MICS). A W-2G form shall be completed in accordance with the IRS regulations for single award payments of \$1,200.00 or more.
- (14) The following soft count procedures shall be performed:
- (a) At least once during each week prior to the commencement of each soft count, the count team shall test the accuracy of the Duplo ticket counter with a varying sample of cashless tickets. The test shall be documented and attested to by the signatures of at least two count team members.
 - (b) For each gaming device, foot the tickets removed from the bill validator drop box and agree to the system generated report that lists all of the dropped tickets for a given period.
 - (c) At the end of the soft count process, all cashless tickets shall be bundled, by machine, and forwarded to accounting (revenue audit) where they shall be treated as drop for the purpose of reconciliation.
- (15) The following reports at a minimum shall be generated by the accounting department and reconciled to all validated/redeemed tickets, as well as to the on-line data system on a daily basis:
- ticket liability report
 - ticket issuance report
 - ticket redemption report.
- (16) The gaming operation shall develop and implement procedures to control cashless ticket paper which shall include procedures which:
- (a) Mitigate the risk of counterfeiting of cashless ticket paper;
 - (b) Adequately control the inventory of the cashless ticket paper; and
 - (c) Provide for the destruction of all unused cashless ticket paper.
- (17) If the cashless on-line data system is down for more than four hours, the gaming operation shall promptly notify the Gaming Commission.

- (18) All applicable accounting and auditing procedures required by NIGC MICS shall be performed.
- (19) The on-line data system shall comply with all other standards (as applicable) in the NIGC MICS including, but not limited to:
- (a) Standards for currency acceptor drop and count;
 - (b) Standard for coin drop and count.
- (20) The on-line data system shall be secured and password controlled. Each user shall have his/her own password and passwords shall be changed and documented at least quarterly.


IT IS SO AGREED.

Date: May 6, 2002


Date: _____

STATE OF MINNESOTA

WHITE EARTH BAND OF CHIPPEWA



Charlie Weaver, Commissioner
Minnesota Department of Public Safety



Doyle Turner, Chairman
White Earth Band of Chippewa