

# STATE OF NEVADA

## GAMING CONTROL BOARD



### MINIMUM INTERNAL CONTROL STANDARDS

**Note:** When adopted in 1997, these standards applied to both Group I and Group II licensees. In February 2000, the Nevada Gaming Commission amended the definition of “Group II licensee” and revised Regulation 6.090 to require that Group II licensees (i.e., redefined as those licensees with annual gross gaming revenues of less than \$3 million) follow Internal Control Procedures rather than the Minimum Internal Control Standards. Therefore, although these standards make numerous references to Group II licensees, these standards no longer apply to such licensees – they only apply to those licensees with annual gross gaming revenues of \$3 million or more. References to Group II licensees will be deleted with the next formal revision of the Minimum Internal Control Standards.

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## CURRENCY TRANSACTION REPORTING

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### ***Applicability and Purpose***

NGC Regulation 6A addresses the prohibition of certain transactions, the reporting of certain cash transactions and the reporting of suspicious transactions. Additionally, certain records are required to be prepared and maintained relative to Regulation 6A.

The purpose of these internal control standards is to provide 6A licensees with a framework for developing a system of internal control relative to Regulation 6A. Additionally, the Currency Transaction Reporting Minimum Internal Control Standards (6A MICS) are designed to supplement certain documentation and procedural requirements in Regulation 6A.

Pursuant to Regulation 6A.060, 6A licensees are required to prepare a system of internal control that includes detailed procedures the 6A licensee will use to comply with Regulation 6A and the 6A MICS. A 6A licensee's submitted system of internal control is considered the 6A licensee's compliance program that is required pursuant to Regulation 6A.060.

The 6A MICS apply to all Group I and II licensees that are designated, pursuant to Regulation 6A, as a "6A licensee".

For any Board-authorized computer applications, alternative documentation and/or procedures which provide at least the level of control described by these standards will be acceptable.

### ***Definitions***

The following terms have the same meaning in these standards as specified in Regulation 6A and, accordingly, are not repeated herein:

<u>Term</u>	<u>Where defined in Regulation 6A</u>
Branch office	6A.010(2)
Cash	6A.010(3)
CTRC-N	6A.030(9)
Designated 24-hour period	6A.010(5)
Patron	6A.010(8)
Known patron	6A.030(8)
Same type transactions	6A.040(5)(b)
Single visit	6A.040(5)(a)
6A licensee	6A.010(9)
Suspicious transaction	6A.100(1)(a)
SARC	6A.100(7)(b)

Other terms and their respective meanings as used in these standards are:

**"Dissimilar cash-in transaction"** means transactions that are aggregated pursuant to Regulation 6A.040(2)(b) and require reporting pursuant to Regulation 6A.040(3).

**"Dissimilar cash-out transaction"** means transactions that are aggregated pursuant to Regulation 6A.040(2)(c) and require reporting pursuant to Regulation 6A.040(3).

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**"Loggable transaction"** means a cash transaction of greater than \$3,000 that is required to be recorded on an MTL. If an officer, employee or agent of the licensee has knowledge of same type transactions, each \$3,000 or less, that aggregate to more than \$3,000, then the aggregate of such transactions is considered a loggable transaction (i.e., either the subtotal of the transactions or the individual transactions are recorded on an MTL).

**Note: A reportable transaction that consists of a single Regulation 6A.030(1) transaction is also considered a loggable transaction.**

**"Multiple transaction"** means transactions that are aggregated pursuant to Regulation 6A.040(2)(a) and require reporting pursuant to Regulation 6A.040(3).

**"Reportable transaction"** means a singular Regulation 6A.030(1) transaction, a multiple transaction, a dissimilar cash-in transaction or a dissimilar cash-out transaction that is required to be reported on a CTRC-N.

**"Supplemental transaction"** means a transaction that pursuant to Regulation 6A.040(4) is required to be reported on a CTRC-N.

### ***Document Descriptions and Requirements***

#### **CTRC-N**

1. CTRC-N forms are available to all departments which may encounter reportable transactions.
2. CTRC-N forms are completed in accordance with, and contain the information required in, Regulation 6A.030 for all reportable transactions.
3. A copy of each completed CTRC-N is retained in chronological order and is readily available for examination by appropriate regulatory and law enforcement agencies.

#### **Multiple Transaction Log**

4. A Multiple Transaction Log (MTL) is a log maintained in each monitoring area for purposes of recording information relative to cash transactions. Only one MTL, per monitoring area, is used at a time for each designated 24-hour period.
5. Each completed MTL is retained in chronological order for a minimum of five years and is readily available for examination by appropriate regulatory and law enforcement agencies.
6. An MTL contains the following information for each loggable transaction:
  - a. Description of the patron (or agent) which may include such identifiers as age, sex, race, eye color, hair, weight, height and attire.
  - b. Patron's name and agent's name, if known.

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- c. Table number, station number, window number or other identification of the location where the transaction occurred.
- d. Time and date of the transaction.
- e. Type of transaction as delineated in Regulation 6A.030(1).
- f. Dollar amount of the transaction or United States dollar equivalent, and the amount and type of foreign currency for foreign currency transactions.
- g. Signature of person recording each transaction.

### SARC

- 7. SARC forms are available to all departments which may encounter suspicious transactions.
- 8. SARC forms are completed in accordance with Regulation 6A.100 and contain all the relevant information requested on the form. Pursuant to Regulation 6A.100(6), a completed SARC is considered a confidential document and the patron is not to be informed that a report was completed.
- 9. A copy of a completed SARC is retained, along with all supporting documentation, in chronological order and is readily available for examination by appropriate regulatory and law enforcement agencies.

### Player Rating Records

- 10. Player rating records, when used as a source document for documenting cash activity and when used for the purposes of complying with Regulation 6A, are retained for a period of five years. Summary documents may be retained in lieu of original player rating records if:
  - a. The summary documents include, at a minimum, on a daily basis all the cash transaction information recorded on the original player rating records;
  - b. Original player rating records are retained for a minimum of seven days; and
  - c. Both original and summary player rating records are retained, if possible, when the records are used as support for a SARC.

### Regulation 6A.050(2)(f) Recordkeeping Requirements

- 11. All gaming, safekeeping, or front money deposits and withdrawals are recorded in accordance with the Cage and Credit Minimum Internal Control Standards and such records are retained.
- 12. Records to support all transactions regarding a patron's credit issuances, payments or settlements of gaming debts in accordance with the Cage and Credit Minimum Internal Control Standards are maintained.

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13. Records to detail the components of every deposit made to a financial institution are created and maintained. The records contain enough detail in order to reconcile and match the components of a total deposit with a bank with the detail contained in other required records.
14. Documentation of any checks accepted for the purchase of over \$3,000 worth of chips, tokens, gaming instrumentalities, or any other noncash item, is created and maintained.
15. A record of all checks and negotiable instruments accepted in an amount greater than \$3,000 is created and maintained. The record is in the form of either:
  - a. Photocopies of both sides of checks and negotiable instruments;
  - b. Optical scan of both sides of checks and negotiable instruments; or
  - c. Microfilm of both sides of checks and negotiable instruments.

**Note: If a check or a negotiable instrument is presented for the purpose of receiving cash and the presenter is someone other than the drawer of the instrument, then the patron's identification credential is obtained and the patron's name is included in the record. The patron's address and a description of the patron's identification credential is also included in the record unless the information is contained in other licensee documentation.**

16. Records to support all transactions regarding the issuance of a check or other negotiable instrument, or transfer of funds, for an amount greater than \$3,000, in exchange for a check, negotiable instrument or a transfer of funds are maintained. A patron's identification credential is obtained and the patron's name is included in the record. The patron's address and a description of the patron's identification credential is also included in the record unless the information is contained in other licensee documentation. The records include documentation of the purpose of the transaction and a photocopy, optical scan or microfilm copy of both sides of any check or negotiable instrument received .

### ***Gaming Department Procedures***

**Note: The standards in this section apply to all gaming departments, and other departments such as security, cage, and branch offices that are responsible for compliance with Regulation 6A.**

### **Job Duties and Responsibilities**

17. Job duties and responsibilities of officers, employees and agents who are able to conduct, record or approve loggable or reportable transactions, or who are able to conduct prohibited transactions include the following as applicable to their position:
  - a. Ensuring that prohibited transactions pursuant to Regulation 6A.020 do not occur;
  - b. Properly recording all transactions that fall under the criteria of Regulation 6A on the appropriate forms and logs and in the manner prescribed by the 6A MICS;

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- c. Making a diligent effort to prevent the circumvention of the prohibitions of Regulation 6A.020 or the reporting and recordkeeping requirements of Regulation 6A.030 by multiple transactions within a designated 24-hour period;
- d. Being familiar with what is considered a suspicious transaction, and making a diligent effort to identify and report suspicious transactions; and
- e. Having knowledge of Regulation 6A and the 6A MICS.

**Note: For Regulation 6A purposes, an independent agent pursuant to Regulation 25, or other person who is not an employee or officer of the licensee or a branch office, is considered an agent of the patron, rather than of the licensee, when party to a transaction for the benefit of another person. Employees or officers, when performing tasks in the performance of their duties on behalf of a patron, are considered the handler of the transaction rather than an agent of the patron. Employees or officers, when conducting a transaction not related to the performance of their duties but rather for their own benefit, are considered a patron for a transaction (or an agent if the transaction was for another person's benefit).**

### CTRC-N Procedures

18. When a patron attempts to complete a Regulation 6A.030 type transaction, or attempts to complete a Regulation 6A.030 type transaction that would cause the patron's transactions to exceed the \$10,000 threshold to determine reportability in a monitoring area, the individual handling the transaction :

- a. Initiates the procedures for the reporting requirements of Regulation 6A. If the patron decides to proceed with the transaction, then the procedures in part b of this standard are completed. If the patron decides not to proceed, a CTRC-N will not be prepared and the transaction is terminated.
- b. Prior to completing the transaction:
  - 1) Obtains the patron's name and identification credential;
  - 2) Obtains, or reasonably attempts to obtain, the patron's permanent address, social security (or EIN) number; and
  - 3) Examines the identification credential, including the expiration date, verifies the patron's identity and to the extent possible, the information obtained in (2) above.

**Note: Using a patron's driver's license is the preferred method for verification of appropriate information. If a driver's license cannot be obtained, a passport, non-resident alien identification card, other government issued identification credential or other picture identification credential normally acceptable as a means of identification when cashing checks is acceptable.**

**Note 1: Standard no. 18 also applies to an agent of the patron.**

**Note 2: In the pit, pit supervisory personnel are considered the individuals handling transactions.**

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19. As an option to requesting the necessary identification and other data from a known patron as required in standard no. 18, information on file may be used if:
- a. The handler of the transaction knows the patron;
  - b. The patron's name and appropriate identification credential were previously obtained from the patron;
  - c. The information is on file to properly complete a CTRC-N;
  - d. The patron information on file is periodically updated as follows:
    - 1) Original identification credentials are examined at least every three years;
    - 2) Documentation of the examinations is included in the information on file; and
    - 3) Expiration dates of identification credentials are included in the information on file; and
  - e. The transaction date is prior to the expiration date on file.

**Note: Standard no. 19 also applies to an agent of the patron.**

20. Subsequent to obtaining assurance that the reportable transaction or supplemental transaction can be properly recorded, all required information is entered on the CTRC-N. Use "NONE", "N/A" for not applicable, "REFUSED", and "U/A" for unavailable as appropriate to complete the report.

**Note 1: If a patron refuses to provide a social security number and the number is not available from the 6A licensee's records or the patron does not have a social security number, indicate "REFUSED" or "NONE," as applicable, in the social security number box on the report.**

**Note 2: If a patron refuses to provide a permanent address and the address is not available from the 6A licensee's records, a patron does not have a permanent address, or will only provide a post office box number for an address, indicate "REFUSED," "NONE" or the post office box number, as applicable, in the address box on the report.**

**Note 3: If an agent is involved in a transaction and the patron (other than an organization) was not identified or a credential was not available from the licensee's records, indicate "U/A" in the patron method box on the report.**

**Note 4: If, in error, a transaction is completed for a patron without first obtaining an appropriate identification credential from the patron or the patron is no longer available to ask for a credential, indicate "REFUSED" or "U/A," as applicable, in the patron method box on the report.**

21. Before completing the last transaction within a series of transactions where the total of a patron's transactions will exceed the \$10,000 threshold of a reportable transaction (i.e., the series of transactions will become a multiple transaction, a dissimilar cash-in transaction or a dissimilar cash-out transaction if the transaction is completed), the identification requirements in standard no. 18 or no. 19 apply. Once the last transaction is completed, a reportable transaction has occurred and the reporting requirements of Regulation 6A.030 apply.

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22. For a single cash table game wager of more than \$10,000, identification requirements in either standard no. 18 or no. 19 are complied with before accepting the wager. In the case of a series of transactions where a cash table game wager is the last transaction in the series that would cause the series to exceed \$10,000, identification requirements in either standard no. 18 or no. 19 are complied with before accepting the wager.
23. In any situation where the identification requirements in either standard no. 18 or no. 19 cannot be completed, the transaction is terminated. In the case of a dispute, the casino shift manager or another individual of authority will be notified.
24. In any situation where identification requirements are not complied with but the transaction was completed, the patron is barred from further gaming and a CTRC-N is prepared, all in accordance with Regulation 6A.030(7). For purposes of barring the patron, the description (and name, if known) of the patron is communicated to all personnel in security, gaming or gaming related areas, the accounting department and affiliates.
25. The handler of the transaction signs the CTRC-N prior to transmitting the CTRC-N to the accounting department. The forms are sent to the accounting department within 24 hours after the end of the designated 24-hour period.

### MTL Procedures

26. A period of time is set forth for which each department has designated an established cut-off point for the monitoring of transactions over a 24-hour period. Monitoring areas are established within each department for this purpose. Such areas are established at each single specific cage including race and sports book cages, for the table games and card games department at each single specific gaming pit or grouping of tables supervised by one individual, for the slot department at least at each high denomination (i.e.,  $\geq$  \$25) slot area and for keno, bingo and race and sports book departments at the entire writer/seller area. Such monitoring areas and cut-off times are delineated within the system of internal control submitted to the Board and establish the designated 24-hour period used in monitoring areas.
27. To make a diligent effort to prevent the circumvention of the prohibitions of Regulation 6A.020 or the reporting and recordkeeping requirements of Regulation 6A.030 by multiple transactions, dissimilar cash-in transactions or dissimilar cash-out transactions, officers, employees or agents in each monitoring area shall:
  - a. Maintain MTL's.
  - b. For transactions that they handle, record loggable transactions on MTL's and include the information described in standard no. 6 for the transaction. Loggable transactions are recorded immediately after their occurrence.
  - c. At the beginning of each shift, review the MTL for the applicable area of responsibility in order to become familiar with descriptions of individuals whose transactions are being monitored.
  - d. Notify other personnel in the same monitoring area that the monitoring process has been initiated for a particular patron.

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- e. During the designated 24-hour period, a patron's transactions are monitored for possible supplemental transactions and reportable transactions.
  - f. Record on MTL's any and each succeeding loggable transaction for individuals being monitored.
28. At the conclusion of the designated 24-hour period a new MTL is started, the recording of information on the previous MTL is ceased, and an indication as to the end of the designated 24-hour period is recorded on the MTL.
29. An MTL is completed for each designated 24-hour period for each monitoring area, regardless of whether any loggable transactions have occurred.
- Note: If no loggable transactions were observed for the designated 24-hour period, an indication such as "no action" is to be recorded on the MTL.**
30. On a routine basis, but not to be longer than 24 hours after the end of a designated 24-hour period, MTL's are submitted to the accounting department.

### SARC Procedures

31. An individual is designated to oversee the reporting of suspicious transactions and is referred to in these standards as the "suspicious activity analyst." The suspicious activity analyst may have other job duties and the compliance specialist may be designated as this analyst.
32. When an officer, employee or agent of the licensee determines that a possible suspicious transaction has occurred, the suspicious activity analyst is notified.
33. The suspicious activity analyst reviews each possible suspicious transaction and assists in determining whether a suspicious transaction has occurred.
34. For suspicious transactions, appropriate personnel complete a SARC within 24 hours once the transaction is considered suspicious. The SARC is forwarded to the accounting department within 24 hours of the completion of the form.

### Gaming, Safekeeping or Front Money Deposits

35. All gaming, front money or safekeeping deposit and withdrawal transactions greater than \$3,000 are recorded on a receipt form in accordance with Cage and Credit Minimum Internal Control Standards and in accordance with Regulation 6A.020(7). If funds are physically segregated, an indication of such is recorded on the receipt form.
- Note: The above standard also applies to any deposits made in foreign currency.**
36. The nature of any noncash deposit is documented on the receipt form.
37. The method or methods used to accommodate deposits (i.e., physically segregating or recording the denomination and number of bills) is described in the system of internal control submitted to the Board.

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38. When a patron's cash deposit is transferred to a licensee's affiliate, the denomination and the number of bills of each denomination of the cash deposited is communicated to the affiliate. The affiliate will, for all full and partial returns of each deposit, return to the patron only cash of the same denominations and no more than the same number of bills of each denomination as was deposited. For all full and partial returns of each delivery, the affiliate will record the denominations and the number of bills of each denomination of the cash returned and communicate to the transferring licensee this information.
39. If the cash deposit is verified gaming winnings, this fact is documented on the receipt form (e.g., slot jackpot, keno ticket, etc.). Additionally, for the cash deposit to be considered gaming winnings, the cash winnings remain within the sight of a casino employee between the time paid and the time deposited, and this employee's name is recorded on the receipt. Only a deposit that consists of verified winnings may be returned to a patron via a check, other negotiable instrument, wire or other electronic means of transfer and as long as the return does not violate any of the prohibitions of Regulation 6A.020 and, if applicable, transfer documentation pursuant to Regulation 6A.080 is maintained.

**Note: A cash deposit is not considered put at risk by the issuance of a marker and thus cannot be treated as verified gaming winnings.**

### Other Procedures

40. A patron may be issued a check or other negotiable instrument, or the licensee may initiate a transfer of funds for the patron's benefit in exchange for verified cash gaming winnings (e.g., slot jackpot, keno ticket, etc.) only if the cash winnings remain within the sight of a casino employee between the time paid and the time delivered to the cage (or other appropriate place) for the processing of the exchange and, if applicable, transfer documentation pursuant to Regulation 6A.080 is maintained.

**Note 1: For situations where a patron redeems chips for cash and then the patron requests a check, negotiable instrument or transfer of funds, the above standard applies.**

**Note 2: If the cash remains under the control or sight of the licensee, the payment of winnings (or redemption of chips) will be considered a noncash transaction; accordingly, the reporting and logging requirements are not applicable.**

41. A patron may be issued a check or other negotiable instrument, or the licensee may initiate a transfer of funds for the patron's benefit in exchange for a withdrawal of funds from a race/sports book account only if the withdrawal consists of amounts verified to have been substantially accumulated by the patron through winning wagers and where any cash deposits to the account have been substantially (i.e., at least 75%) placed at risk by the patron and, if applicable, transfer documentation pursuant to Regulation 6A.080 is maintained. A consistent cash flow inventory method (e.g., first in, first out) is used to determine if deposits have been placed at risk. The same method is used for all patrons.

**Note: If a patron's gaming account functions in the same manner as a race/sports book account whereby the account balance is reduced for wagers made, then standard no. 41 applies to that account.**

42. If the licensee issues a check or other negotiable instrument, or the licensee initiates a transfer of funds for the patron's benefit pursuant to standard no. 40 and no. 41, documentation as to how the verification was made is created and is maintained (e.g., the name of the employee representing that the cash had been won by the patron and the name of the employee who had the cash remain in their sight between the time the cash was paid and the time delivered to the cage for the issuance of a check; a printout of

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the patron's account activity and the name of the employee attesting that any deposits had been risked; etc.) in addition to routine supporting documentation for a disbursement.

**Note: If player rating records are used to support such a verification, those particular player rating records are retained.**

43. For games other than table games, card games, and slot machines, when a patron makes a noncash wager greater than \$3,000, documentation of the nature of each of these wagers is made and maintained.
44. For games other than table games, card games, and slot machines, when a patron is paid greater than \$3,000 for a winning wager in a form other than cash, documentation of the nature this payout is made and maintained.
45. For chip/token redemptions of more than \$3,000, if the patron's name is not known, the applicable gaming area is contacted to inquire if the patron's name is available.

### Transaction Type Clarifications

**Note: The following standards detail how certain cash transactions should be classified or treated for MTL and CTRC-N purposes.**

46. When a patron buys back with cash a check or other negotiable instrument previously tendered, the transaction is recorded on an MTL or a CTRC-N as "other cash in".
47. For patron gaming account cash withdrawals (including race/sports book account withdrawals) of deposits that were not made in cash, the transactions are recorded on an MTL or a CTRC-N with the transaction type associated with the nature of the deposit.
48. Patron gaming account cash withdrawals (including race/sports book account withdrawals) are recorded on an MTL or a CTRC-N as either a deposit withdrawal or a payment of winning wagers depending on the nature of the transaction.
49. Patron gaming account cash withdrawals (including race/sports book account withdrawals) that are a combination of a deposit withdrawal and a payment of winning wagers are recorded on an MTL or a CTRC-N as a dissimilar transaction.
50. Tournament or contest buy-ins and entry fees, or purchase of Regulation 12.090 nonnegotiable items, are recorded on an MTL or a CTRC-N as "other cash in".
51. Call bets, baccarat commissions or rim credit settled with cash are recorded as repayments of credit on an MTL or a CTRC-N.
52. For craps, all cash wagers won by the patron are recorded on an MTL or a CTRC-N as purchases of chips when the patron is paid in chips and does not receive back the cash wagered .
53. Multiple patrons and multiple agents may be recorded on a CTRC-N or an MTL for instances where more than one person is involved in the transaction such as a joint safekeeping account, a two-party check, or a junket representative conducting transactions for numerous patrons..

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54. If in a single visit an agent conducts transactions for more than one patron, then for reporting purposes patron information from all patrons is included on the CTRC-N. If more than one agent is associated with one patron, transactions are aggregated for the patron with agent information from all agents included on the CTRC-N.

### ***Accounting Department Procedures***

#### **Job Duties and Responsibilities**

55. Job duties and responsibilities of officers, employees and agents of the accounting department assigned to perform Regulation 6A related procedures include, as applicable to their position:
- a. Ensuring that prohibited transactions pursuant to Regulation 6A.020 do not occur;
  - b. Properly recording all transactions that fall under the criteria of Regulation 6A on the appropriate forms and logs and in the manner prescribed by the 6A MICS;
  - c. Making a diligent effort to prevent the circumvention of the prohibitions of Regulation 6A.020 or the reporting and recordkeeping requirements of Regulation 6A.030 by multiple transactions in a designated 24-hour period;
  - d. Being familiar with what is considered a suspicious transaction and with SARC reporting procedures; and
  - e. Having knowledge of Regulation 6A and the 6A MICS.

#### **Procedures**

56. The accounting department personnel:
- a. Receive CTRC-N's, SARC's and MTL's from the various departments and ensure that MTL's are received from all monitoring areas in accordance with established deadlines.
  - b. Review all documents for compliance with Regulation 6A and the 6A MICS. MTL's are reviewed to ensure that CTRC-N's were completed for all reportable transactions within a singular monitoring area.
  - c. Review CTRC-N's and SARC's for the recording of patron's social security number. All available patron records are reviewed to obtain the patron's social security number. If any Nevada affiliate or branch office has the information, the number will be recorded on the form prior to submission.
  - d. Document instances of noncompliance and attempts to obtain any missing information.
  - e. All exceptions discovered through this accounting review are forwarded to appropriate personnel.
  - f. Sign, where applicable, reports attesting to their review and remit CTRC-N's and SARC's in accordance with Regulations 6A.030 and 6A.100.

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- g. File a copy of each CTRC-N and SARC and the original MTL's in chronological order, and such documents shall be readily available for examination by appropriate regulatory and law enforcement agencies.
- h. Remit copies of completed SARC's to the suspicious activity analyst.

**Note: Accounting department personnel performing the accounting procedures noted in standard no. 56 are independent of the generation of the documents being examined. Employees from a department other than the accounting department may perform the procedures in this standard if those employees are independent of the generation of the documents being examined.**

57. On a routine basis, accounting personnel ensure that Regulation 6A documents and related documents, including those required by Regulation 6A and the 6A MICS, are properly maintained.

### ***Compliance Specialist Procedures***

58. The compliance specialist so designated pursuant to Regulation 6A.060(4):
- a. Ensures that Regulation 6A procedure manuals or other appropriate documentation are in place and available to employees for reference purposes when needed.
  - b. Ensures that a training program is established, maintained and effective.
  - c. Ensures that the system of internal control relative to Regulation 6A is established, maintained and effective.
  - d. Reviews and evaluates any and all Regulation 6A exceptions and areas of noncompliance including reviewing internal audit, independent accountant, and Gaming Control Board findings. Associated follow-up is documented and maintained for Board review.
  - e. Compliance specialists may have other job duties but may not be responsible for performing gaming department procedures except for those associated with SARC-N procedures as specified in these standards.

### ***Training Program***

59. A training program is established and maintained to instruct employees as to the requirements of Regulation 6A, the 6A MICS, and the licensee's system of internal control.
60. A training coordinator is established who oversees the training program. The training coordinator may have other job duties and the compliance specialist may function in this capacity.
61. Records are maintained to document when training was provided, which employees received the training and the content of the training session.
62. Employees receive at least limited training commensurate with job responsibilities before they are permitted to function in any capacity where the possibility exists that they will encounter a Regulation

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6A reporting or recordkeeping requirement or a prohibited transaction . Accounting department employees receive at least limited training before they are permitted to function in any capacity that entails performing Regulation 6A related procedures.

63. Training is ongoing, and is provided in accordance with standard no. 65 at least once a year for each employee that functions in any capacity where the possibility exists that they will encounter a Regulation 6A reporting or recordkeeping requirement or a prohibited transaction, and for each accounting department employee that functions in any capacity that entails performing Regulation 6A related procedures .
64. Internal audit department employees placed in new positions receive training before they are permitted to perform any internal audit procedures relative to Regulation 6A. Internal audit department employees performing procedures relative to Regulation 6A receive training at least once every business year.
65. Training is specific to an employee's job duties and responsibilities relative to Regulation 6A, and may include, but is not limited to:
  - a. Presenting materials such as a copy of Regulation 6A, the 6A MICS, a CTRC-N, a SARC, suspicious transaction guidelines, an MTL, and any appropriate procedure manuals.
  - b. Explanations as to the purpose of each Regulation 6A document and how each document is used.
  - c. Explanations of prohibited transactions (Regulation 6A.020), loggable transactions, reportable transactions and suspicious transactions, and reviewing the duties, responsibilities and procedures associated with each employee's position.
  - d. Review the use of MTL's.
  - e. Explanation of the procedures for gaming, safekeeping or front money deposits.
  - f. Review the definition of a patron.
  - g. Review the proper completion of a CTRC-N and a SARC.
  - h. Review the definition of "known patron" and when "known patron - information on file" may be used on a CTRC-N.
  - i. Review the documentation and the records that need to be created and maintained relative to Regulation 6A.
  - j. Explanations of the consequences of noncompliance with Regulation 6A.

### ***Internal Audit Procedures***

**Note: The Board may publish checklists, programs and guidelines as a supplement to the following internal audit standards.**

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66. Internal audit procedures are performed to determine compliance with the provisions of Regulation 6A and the provisions of the 6A MICS. Procedures, at a minimum, include:

- a. Quarterly reviews of established procedures in effect for all departments.
- b. An annual examination of all types of documents prepared pursuant to Regulation 6A and the 6A MICS.

**Note: Either business or calendar quarters/years may be used. The type of quarters/years used is delineated within the system of internal control submitted to the Board.**

67. Procedures for the quarterly reviews include:

- a. Compliance walk-throughs of those departments where Regulation 6A transactions may occur, including interviews with employees who handle cash transactions, and are performed for all three shifts (rotated throughout the year);
- b. Examination of available Regulation 6A documentation including CTRC-N's, SARC's, and MTL's;
- c. General observations; and
- d. Sufficient procedures to address the following areas:
  - 1) Prohibited transactions as described in Regulation 6A.020 for all monitoring areas;
  - 2) Regulation 6A.020 requirements for all casino departments that accept gaming, front money, or safekeeping deposits (including telephone accounts); and
  - 3) Identification and reporting procedures for reportable transactions that may occur as the result of single, multiple and/or dissimilar transactions.

**Note: If in the preceding business year a particular branch office had more than \$1,000,000 of cash transactions (both cash-in and cash-out transactions combined), then the internal audit department is required to perform a walk-through of that branch office only once (instead of quarterly) in either that business year or the following business year. No walk-throughs are required for those branch offices that had \$1,000,000 or less of cash transactions in the preceding business year.**

68. Annual examinations include:

- a. Examinations of Regulation 6A documentation including CTRC-N's, SARC's, and MTL's with testing done on a sample basis with the sample including documents from each quarter;
- b. Examinations of casino records other than Regulation 6A documentation (e.g., safekeeping/front money records, cage/vault documentation, bank deposit records, credit play records, slot payout tickets, keno tickets, race/sports tickets for write and payouts, cash receipts/disbursements, etc.) on a sample basis to determine whether :
  - 1) CTRC-N's were completed and filed for all reportable transactions;

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- 2) SARC's were completed and filed for all transactions that were classified as suspicious transactions;
  - 3) The information contained within the CTRC-N's and SARC's was complete; and
  - 4) Prohibited transactions (Regulation 6A.020) have occurred; and
- c. An evaluation of the established system of internal control and the procedures in effect.
69. The performance and the results of the above internal audit procedures is documented. All exceptions discovered are also documented and forwarded to management (i.e., owners, board of directors, etc.) of the organization and to the department heads of those departments responsible for the noncompliance. Personnel performing internal audit work are also responsible for determining the corrective action taken for exceptions noted and documenting such findings.
70. Internal audit procedures performed are completed by those employees (or employees from affiliates) designated to perform such duties and who are independent of the functions being examined.
- Note: An independent accountant may be engaged to perform all or part of the internal audit procedures.**