

**MINIMUM INTERNAL CONTROL STANDARDS
FREQUENTLY ASKED QUESTIONS (FAQs)
(MICS Effective 9/1/08)**

Introduction

This document contains answers to questions frequently asked by gaming licensees with regard to the Minimum Internal Control Standards (MICS) and it will be periodically updated. As of the initial posting, the questions generally appear in MICS # order, but new additions will be placed at the end of each section.

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Section A: Applicable to All Sections

- A1. Promotional payouts (e.g., Slots MICS #62) - \$5,000 is obtained from the cage, for example, and one employee signs the form for the disbursement from the cage and subsequently gives \$1,000 to five different patrons. The promotional payouts made to the patrons are not deducted from gross gaming revenue. Is the cage disbursement form for \$5,000 acceptable as documentation for the promotional payout? (Posted 7/27/09)**

No. All promotional payouts made to a patron for an amount greater than or equal to \$500 and not deducted from gross gaming revenue require proper documentation as stated in the MICS. The documentation with the required signatures is to be prepared at the point of payment to the patron.

- A2. Promotional payouts (e.g., Slots #62c) consisting of personal property - Do the same dollar values addressed in the MICS also pertain to personal property? (Posted 7/27/09)**

Yes, the same dollar values do also apply to personal property. The dollar amount of the promotional payout for personal property distributed is valued at the licensee's cost to obtain the personal property.

- A3. Various MICS require an employee's signature. Explain what constitutes a "signature". If a transaction is authorized by an individual via a unique password or other method through a computerized system, does that individual also need to manually sign a document? (Posted 7/27/09)**

A "signature" on a document provides evidence of the person's involvement and/or authorization of the intentions reflected in the document. It is typically in the form of a stylized script associated with a person. The stylized script "signature" may include the first letter of the person's first name along with the person's full last name. The "initials" of the person would not meet the requirement of a "signature".

Certain MICS require the "signature" of the individual approving a transaction. Additionally, a computerized credit system may also require authorization of a transaction via input of the individual's unique password. For example, Cage and Credit MICS #1(e) requires the "signature" of the individual approving the credit limit. However, the individual may be required to enter a unique password to authorize the credit limit amount in the computerized system. For this MICS, a system password is acceptable as the "signature" for this transaction. This is a secure "electronic signature" that is unique to the person making the "signature", and the technology or process used to make the "signature" is under the sole control of the individual. Additionally, the "electronic signature" is linked with an electronic document which identifies the individual entering the "signature".

An "electronic signature" may also be attached to some biometric measurement. For instance, fingerprints or iris patterns are common biometric measurement. Since each is unique to physical characteristics of an individual, it is acceptable as a "signature" method.

An "electronic signature" is allowed only where indicated as an acceptable method in the MICS and only when being used as part of a Board-authorized computer application. In all other cases, a manual signature, as described in the first paragraph, is required.

- A4. The term "wagering account" is used in the Cage and Credit MICS and more frequently in the Slots MICS. If a patron establishes a "wagering account" for use in other gaming areas (e.g., bingo, keno, poker, etc.), what MICS apply? Additionally, how is the computation of gross gaming revenue impacted in these other gaming areas when a patron uses the funds from a wagering account? (Posted 7/27/09)**

As indicated in “Note 1” preceding Cage and Credit MICS #34, a wagering account is established when a patron places funds on deposit for the purpose of using the funds for wagering activity in a gaming area other than slots through electronic wagering account transfers initiated by a patron.

Cage and Credit MICS #34 through #43 apply to a “wagering account” established by a patron for use in other gaming areas.

Regulation 6.110, “Gross revenue computations” still applies when a patron uses funds from a “wagering account” for wagering activity in a gaming area other than slots. For example in bingo, gross revenue equals the amount of wagering account funds received from the patron to purchase bingo cards less the amount of winnings paid to the patron.

A5. The phrase “unalterable numeric” or “unalterable method” is used in several MICS [e.g., Slots #174(c)]. Explain the meaning of this phrase. (Posted 7/27/09)

Generally, a MICS may require the transaction amount to be recorded on a document. For manually prepared documents, the MICS may require the dollar amount to be recorded in alpha since it is possible for an individual to alter the dollar amount manually-recorded in numeric.

The transaction dollar amount is to be “unalterable” once recorded, meaning that the recorded amount in numeric and/or alpha is not capable of being altered, changed, or modified by an individual without being detected. The most common “unalterable” method involves the transaction dollar amount being electronically printed in numeric and/or alpha on a document and/or electronically recorded in a file by a computerized system. An individual is not able to edit the final transaction amount recorded by the computerized system without being detected (e.g., exception report records alteration and/or manually alter printed amount on report, etc.).

A6. Provide an example of a player rating system (as opposed to a computerized player tracking system) to which the requirements of MICS for computerized player tracking systems (e.g., Keno MICS #38 through #43) do not apply. (Posted 7/27/09)

The general criteria for a system being defined as a “player rating system” are as follows:

- 1. The points (a generic term and refers to a representative of value awarded to patron based on criteria established by management) assigned to a patron are only used as a complimentary award guide for management to evaluate the complimentary award level for patrons. Management may choose to issue a complimentary award based on*

the points' dollar value, issue an amount in excess of the points' dollar value, or not issue a complimentary award.

2. *Patrons do not have knowledge of the points balance in their account and would not be able to dispute the denial of a complimentary award or the issuance of a complimentary award below a level that the patron believes he should get, since there is no advertising or material given to the patron describing how to earn points. Therefore, the patron does not have a choice on how to redeem his points and would not be able to dispute the dollar value of the points.*
3. *There is no liability associated with points given to patrons, as they are ultimately awarded to track the level of a patron's play. Management provides complimentary awards at its discretion by reviewing the points associated with the patron's level of play.*

Section B: Slots

- B1. Slots MICS#2(b) – Can an employee guarding the cart (as required by Slots MICS #2c) also be the second employee monitoring the drop team? (Posted 7/27/09)**

*Yes, but only if the employee can guard the cart and still see what each drop team member is doing at **all** times.*

- B2. Slots MICS #2(b), #2(c), #32(b), and #32(c), and Table Games MICS #78 – Is it acceptable for surveillance personnel to monitor the removal of drop via camera rather than, for example, security personnel monitoring while physically on the casino floor? (Posted 7/27/09)**

No, surveillance personnel may not have adequate camera coverage to view all areas of the casino floor to uncover the possible occurrence of theft activity by drop team members.

- B3. Slots MICS #12 and #37, and Table Games MICS #87 – When three count team members are performing the count process and one count team member leaves the count room temporarily, can a security officer perform as a count team member while the count team member is absent? (Posted 7/27/09)**

Yes. The security officer utilized as a stand-in during the absence of a count team member is considered to be a count team member participating in the count. Since the security officer is considered a count team member, the intent of this MICS is met. As such, the security officer will need to sign documentation evidencing his involvement in the count process in compliance with Slots MICS #17 and #53 and Table Games MICS #107, as applicable. Additionally, the security officer is to be reported as a count team member pursuant to Regulation 6.130(1)(b).

B4. Slots MICS #30 and #39 – Can count team members record coin drop and currency drop slot machine meter amounts? (Posted 7/27/09)

Yes, as long as the count team members do not have access to the previous coin drop and currency drop slot machine meter amounts to calculate the actual coin drop and currency drop amounts. However, count team members cannot record the slot machine drop meters if the slot machine meter provides the actual drop amount without requiring any type of calculation and the count team members would have knowledge of the meter drop amount during the count process. Additionally, refer to Slots MICS #111 for further requirements.

B5. Slots MICS #32 and #33 – For an unscheduled (emergency) currency acceptor drop, is the normal drop team required to participate in the drop? (Posted 7/27/09)

Any currency acceptor drop is to be performed with three employees in compliance with these MICS. However, the normal drop team is not required to participate in an unscheduled currency acceptor drop.

B6. Slots MICS #37 – Must a minimum of three employees be involved in the count of the wagering instruments removed from the currency acceptor drop box? (Posted 7/27/09)

Yes, the currency acceptor count includes both currency and wagering instruments removed from the currency acceptor drop box. Wagering instruments are reported as slot drop when reporting drop on the NGC tax return.

B7. Slots MICS #41 and Table Games MICS #92 – Is it acceptable to perform the unannounced currency counter and currency counter interface tests at a time when a count is not being performed? (Posted 7/27/09)

The intent of these MICS is to perform the currency counter and currency counter interface tests sometime during the count process in the presence of the count members. When performed during the count process, the results of the test will potentially identify whether a count team member manipulated the currency counter and/or the currency counter interface in the recording of the currency count amount. The test can be conducted at the conclusion of the count, but no later than immediately after the final totals are generated.

- B8. Slots MICS #42, Note 1 and Table Games MICS #90, Note 1 – Can the currency counter test be completed by using a second separate currency counter even though “Note 1” indicates test currency must be used to perform the test? (Posted 7/27/09)**

Yes, a currency counter separate from the currency counter being tested can be used to initially count currency to determine the dollar amount, provided that each denomination is tested. This procedure meets the intent of the MICS to ensure the accuracy of the currency counter with previously counted currency.

- B9. Slots MICS #42 – Should test wagering instruments be obtained and used for the currency counter test, or can tickets from a live slot currency drop box be manually counted and used to test the accuracy of the currency counter? (Posted 7/27/09)**

A wagering instrument from the first box that is opened may be used to test the accuracy of the currency counter. The number of wagering instruments (or dollar amount, if applicable) from the first box is compared to the amount recorded by the currency counter.

- B10. Slots MICS #44 and #45 – Do promotional coupons in the currency acceptor drop box need to be recorded as drop for revenue reporting purposes? (Posted 7/27/09)**

Promotional coupons that represent nontaxable free play are not recorded as drop for revenue reporting purposes.

- B11. Slots MICS #45 – Does the count team member need to record the wagering instruments by box as removed from the currency acceptor drop box, or can wagering instruments be commingled with other wagering instruments prior to recording the count? (Posted 7/27/09)**

Wagering instruments can be commingled with other wagering instruments from different currency acceptor boxes. As the wagering instruments are validated by a count team member through the cashless wagering system in the count room, the cashless wagering system will record the wagering instruments counted by machine number since the system has a record of wagering instruments accepted by each slot machine. The cashless wagering system is confirming that the wagering instrument placed into the currency acceptor box at the slot machine has been received in the count room.

- B12. Slots MICS #49 and Table Games MICS #103 – Can a form with three boxes to check indicating the type of funds being transferred (i.e., currency acceptor, table games or bar) be used? (Posted 7/27/09)**

No, the MICS is explicit in stating the form is to be used "solely" for currency acceptor count transfers. This form represents drop funds transferred out of the count room prior to the final count process. It is a pertinent count document that needs to be reviewed by accounting/audit personnel, internal auditors, CPAs and GCB auditors to determine whether slots currency drop has been properly calculated and reported. A form requiring boxes to be checked could be completed incorrectly by checking the wrong box or failing to check a box.

- B13. Slots MICS #51(b) – Is compliance with this standard required if the error is corrected prior to generation of the final count document? (Posted 7/27/09)**

No. This MICS applies only to revisions made to the final count document.

- B14. Slots MICS #58(e) Note – Does this note apply to a fill transaction? (Posted 7/27/09)**

No, the computerized jackpot/fill system does not always send a reliable fill signal from the slot machine. Due to a hopper jam, the slot machine may send a false fill signal to the computerized jackpot/fill system. This could provide an opportunity for slot personnel to complete a fraudulent fill and misappropriate the funds. Accordingly, two employees must verify and witness the fill transaction.

- B15. Slots MICS #58(e) Note – Does this note apply to a cash out of accumulated (cancelled) credits? (Posted 7/27/09)**

Yes.

- B16. Slots MICS #59 – Would any employee listed on the Regulation 3.100 Employee Report qualify as a "supervisory or management employee" as referred to in this MICS and elsewhere throughout the MICS? (Posted 7/27/09)**

No. An example of this would be an employee that is listed on the report solely because of the salary made by that employee. The employee may not necessarily be in a management or supervisory capacity.

- B17. Slots MICS #65 – Does this MICS apply to both manual and computer-generated payout forms? (Posted 7/27/09)**

No, it only applies to manual payout forms.

- B18. Slots MICS #65 and #66 – A patron hits Max Bet on a Blackjack game which has a 100 credit max. The patron thinks the Max Bet is five units. The patron refuses to play the hand and demands his money back. If payment is made to the patron, what type of payout is made and how is it recorded? (Posted 7/27/09)**

This is an appeasement payout (miscellaneous paid out from the cage) since the wager has been recorded on the “coin-in” meter of the slot machine. As a reminder, appeasement payouts are not deductible from reported slot revenue.

- B19. Slots MICS #65 and #66 – A patron claims that a bill has been placed into the bill validator, but no credits have registered on the slot machine. If payment is made to the patron, what type of payout is made and how is it recorded? (Posted 7/27/09)**

This is an appeasement payout (miscellaneous paid out from the cage) when the currency accepted by the bill validator has been recorded on the “bill in” meter of the slot machine.

- B20. Slots MICS #65 and #66 – A patron erroneously discards a winning hand or there is a sticking button situation. If payment is made to the patron, what type of payout is made and how is it recorded? (Posted 7/27/09)**

This is an appeasement payout (miscellaneous paid out from the cage) since the wager has been recorded on the “coin-in” meter of the slot machine.

- B21. Slots MICS #72 – What documentation and authorization is required for issuance of wagering instruments for promotional purposes (e.g., coupons given to patrons for play at a slot machine) via a coupon printer device? For this situation, does management need to be involved when a promotional coupon is given to a patron? (Posted 7/27/09)**

As employees (e.g., player club representatives) may be allowed to print and issue promotional coupons (cashable or non-cashable) to patrons, the issuance should be performed in accordance with the distribution policy established by management. For example, a letter is sent to patrons instructing the patron to present the letter to receive a promotional coupon. Upon receipt of the letter, a promotional coupon is printed and given to the patron. The issuance (printing) of the promotional coupon is sufficiently documented (recorded) by the cashless wagering system; and the amount of coupons issued can be reconciled to the letters presented by the patrons.

For this specific scenario, to comply with MICS #72, management must establish the policies and programs for authorizing issuance of promotional

coupons to patrons; however, it does not require management involvement to generate an on-demand promotional coupon via a coupon printer device for issuance to the patron.

- B22. Slots MICS #74 – With regard to the payment of lost, stolen, mutilated or expired wagering instruments in excess of \$100 that must be initialed by a supervisor, can the ticket be validated in the system by the accounting department the next business day? (Posted 7/27/09)**

No. The supervisor must validate the wagering instrument at the time payment is made. It may be necessary for the supervisor to examine a slot machine's play transaction history or other CWS records to verify the validity of the wagering instrument. All slot machines approved on or after February 1, 2004 will have a 35-event history, by type of event. Some slot machines currently have this capability. So, in this instance, the supervisor could go to the slot machine and examine a record of the last 35 tickets issued.

- B23. Slots MICS #75 – What is meant by the parenthetical phrase “(not to exceed \$500)”? (Posted 7/27/09)**

A threshold is to be established whereby amounts exceeding this threshold require supervisory approval for the payment of wagering instruments when the cashless wagering system is inoperative. Below this threshold, the payment may be made by a cashier without supervisory approval. This threshold cannot be set at an amount greater than \$500, but may be set lower (e.g., the licensee can set a policy that all wagering instruments in the amount of \$300 and above require supervisory approval for redemption).

- B24. Slots MICS #77 – A patron claims that a slot wagering instrument has been lost or stolen and provides sufficient information for payment to the patron. However, a complete validation number of the slot wagering instrument is not available to redeem it in the cashless wagering system pursuant to MICS #74. For this situation, is it acceptable for a slot department employee to “void” the wagering instrument in the cashless wagering system? (Posted 7/27/09)**

As a complete validation number may be required by the cashless wagering system for redeeming a slot wagering instrument, the slot wagering instrument may only be voided in the cashless wagering system pursuant to MICS #77. A complete validation number may not be available from a cashless wagering system report. It is only printed on a physical slot wagering instrument, which the patron claims has been lost or stolen.

To prevent a patron from being paid twice for a slot wagering instrument, it is necessary to immediately “void” the initial slot wagering instrument issuance

transaction in the cashless wagering system, even if it needs to be performed by a slot department employee.

For payment to the patron, an override "payout of cancelled credits" form is prepared and payment is completed in compliance with Slots MICS #58 and #66. The "type of payout" required pursuant to #58(g) should indicate payment on a lost or stolen slot wagering instrument to correspond with the "void" ticket transaction recorded in the cashless wagering system.

- B25. Slots MICS #77 – On occasion, as a result of a patron cashing out, a slot wagering instrument is not printed at the slot machine even though the cashless wagering system records a system transaction as if it had been printed. A supervisor queries the cashless wagering system to confirm that a slot wagering instrument was processed as though it was printed. A complete validation number of the slot wagering instrument is not available to redeem it in the cashless wagering system pursuant to MICS #74. For this situation, is it acceptable for a slot department employee to "void" the wagering instrument in the cashless wagering system? (Posted 7/27/09)**

The same response as to previous question applies to this scenario, except that the "type of payout" required pursuant to #58(g) should indicate payment on a no-print slot wagering instrument to correspond with the "void" ticket transaction recorded in the cashless wagering system.

- B26. Slots MICS #84 and #88 – Do these MICS apply to the main cage for a smaller gaming operation that does not have separate slot booths or carousels? (Posted 7/27/09)**

Yes. The main cage would also be functioning as a slot booth or carousel in which the cashiers would be cashing coin for patrons. Additionally, for MICS #88, bagged coin may be used for slot machine hopper fills.

- B27. Slots MICS #85 – Define "active wagering instruments". (Posted 7/27/09)**

*Active wagering instruments are wagering instruments that are created by the licensee to be accepted by the slot machine and cashless wagering system for wagering purposes. This does **not** include the wagering instruments created by the slot machine as the result of wagering credit cash out. This term is also used in Cage and Credit MICS #72.*

- B28. Slots MICS #88 – When a slot machine needs a fill, does the coin from the previously-prepared fill bag need to be counted again before the fill can be completed? (Posted 7/27/09)**

All bagged coin created by slot booth and carousel attendants must be verified if being used as a slot machine hopper fill. The bagged coin could be

verified for amount accuracy then sealed to ensure the bagged coin cannot be accessed until used as a slot machine hopper fill. The objective of the standard is to detect any potential cashier theft and to ensure the correct amount is placed into the slot machine hopper.

B29. Slots MICS #88 – Can a weigh scale be used as a second verification for fill bags going out of the slot booth? (Posted 7/27/09)

Yes.

B30. Slots MICS #88 – Does this MICS apply to coin redemption machines (e.g., Perconta devices) when coin from these machines is used for fill bags? (Posted 7/27/09)

Yes.

B31. Slots MICS #89 and #90 – Do these standards also apply to change machines? (Posted 7/27/09)

No. However, Cage and Credit MICS #69 does require a reconciliation of change machine funds be performed twice per year.

B32. Slots MICS #91 – Does a Kobetron need to be used to test the EPROMS for slot machines which have an “audit” function available to be used? (Posted 7/27/09)

The slot machine’s “audit” function does not satisfy the requirement of this MICS. This method relies on the game itself to tell you if it contained approved software or not. The intent of this MICS is to externally verify the programs using a device or mechanism independent of the slot machine. This can be done by removing the EPROM or other game storage media and comparing the signature of the image contained on that device to the known image signature approved by the Board.

The Technology Division has developed a program that operators can use to assist with satisfying the MICS requirement. This program is freely available on the Board’s website (http://gaming.nv.gov/hash_verifier.htm). This can be used in conjunction with an EPROM reader to determine the approval status of the program.

B33. Slots MICS #91(a) – For game programs stored on media other than an EPROM (e.g., FLASH ROMs, DVD, CD-ROM or compact flash), what equipment or method can be used for testing? (Posted 7/27/09)

The Technology Division has developed a program that operators can use to assist with satisfying the MICS requirement. This program is freely available on the Board’s website (http://gaming.nv.gov/hash_verifier.htm). For non-

EPROM based devices, the hash verifier has a lookup function that can be used to search based on criteria such as program number, approval number, and hash value. The verifier also has the ability to generate a hash signature for an image. The user is required to place the image in a location the verifier can access it through.

- B34. Slots MICS #92 – Does this standard apply to progressive payouts handled by an operator of an inter-casino linked system (e.g., Megabucks)? (Posted 7/27/09)**

Generally this standard does not apply to this situation, unless otherwise required by license condition or associated equipment approval conditions.

- B35. Slots MICS #104(e) Note 2 and #120 Note 1 – Is the same slot machine number to be used when changing the paytables, within a library of paytables, available for patrons to play? (Posted 7/27/09)**

Yes. For multi-game and/or multi-denomination slot machines, the slot machine number is changed only when the entire library of paytables is replaced with a new library of paytables. However, pursuant to MICS #120, a new slot machine number is assigned when adding and/or removing a progressive percentage contribution to one or more paytables of a multi-game and/or multi-denomination slot machine.

- B36. Slots MICS #104 and #105 – If a licensee is not required to install a TS3 OSMS pursuant to Regulation 6.045, does that licensee need to read and record coin-in meter readings by payable for multi-game and/or multi-denomination slot machines and calculate a weighted average theoretical hold? (Posted 7/27/09)**

No. A simple average of the theoretical hold percentage may be calculated for multi-game and/or multi-denomination slot machines. These MICS require a record with certain information to be maintained for multi-game and/or multi-denomination slot machines. This record will support the calculation of the simple average of the theoretical hold percentage for the multi-game and/or multi-denomination slot machines.

- B37. Slots MICS #104 and #105 – Do these MICS apply to single-game slot machines with differences in theoretical payback percentage exceeding a 4% spread between the minimum and maximum theoretical payback? (Posted 7/27/09)**

No. These standards only apply to multi-game and/or multi-denomination slot machines.

MICS #106 will apply to single-game slot machines that have a difference in theoretical hold percentage which exceeds 4% for a single-coin play versus maximum-coin bet play.

- B38. Slots MICS #104 and #105 – If a licensee is not required to install a TS3 OSMS pursuant to Regulation 6.045, may a licensee opt to have an employee physically read and record coin-in meter readings by payable for multi-game and/or multi-denomination slot machines in order to calculate a weighted average theoretical hold rather than use a simple average theoretical hold? (Posted 7/27/09)**

Yes. However, a MICS variation is required to use the weighted average theoretical hold percentage. Licensees must request a variation in writing.

- B39. Slots MICS #104 through #106 – If only one game in a multi-game slot machine is activated, should that slot machine be considered a multi-game slot machine for these MICS? (Posted 7/27/09)**

Yes, a record for the multi-game slot machine will have already been prepared in the event more than one game is activated for play in the future.

- B40. Slots MICS #106 and #107 – Does an employee need to physically read and record the coin-in meters by payable for multi-game and/or multi-denomination slot machines? (Posted 7/27/09)**

No. An employee is not required to physically go to the slot machine to read and record coin-in meters by payable for multi-game and/or multi-denomination slot machines to use in calculating a weighted average theoretical hold percentage.

To comply with Slots MICS #106 and #107, a TS3 OSMS is to be used in reading and recording the coin-in meters by payable, and the system will use these coin-in amounts to calculate a weighted average theoretical hold percentage for the multi-game and/or multi-denomination slot machine. Regulation 6.045 requires certain licensees to install a TS3 OSMS approved by the Board pursuant to Regulation 14 Technical Standard 3.

- B41. Slots MICS #106 - What theoretical hold percentage is recorded in the slot analysis report for multi-game and/or multi-denomination slot machines when initially placed on the floor? (Posted 7/27/09)**

A simple average of the theoretical hold percentage for the activated paytables of the multi-game and/or multi-denomination slot machine may be used in the slot analysis report. The simple average of the theoretical hold percentage will be replaced with the weighted average theoretical hold percentage as required by MICS #106(c) at the end of the fiscal year.

For a new multi-game and/or multi-denomination slot machine placed on the floor with the same payable mix as a pre-existing slot machine type that has already been adjusted to a weighted average hold percentage, it is acceptable to use a simple average or a weighted average theoretical hold percentage. Adequate documentation must be maintained to support the percentage used in the slot analysis report.

B42. Slots MICS #106 – Is it acceptable for slot machines approved prior to 8/1/04 to transmit coin-in amounts by payable to a TS3 OSMS for the calculation of a weighted theoretical hold percentage? (Posted 7/27/09)

Slots MICS #126(a) requires the TS3 OSMS to be connected, functioning and communicating with slot machines equipped with meters described by the Regulation 14 Technical Standards, approved on or after 8/1/04. Slot machines with SAS version 6.01 and after fall into this category. As such, slot machines with an earlier SAS version are only required to communicate the coin-in, coin drop and bill-in meter information to the TS3 OSMS as required by MICS #126(b).

For multi-game and/or multi-denomination slot machines that are prior to SAS version 6.01, a weighted theoretical hold percentage is not to be calculated and used in the slot analysis report. A simple average of the theoretical hold percentages of the activated paytables is to be used for these slot machines in the slot analysis report. For these older slot machines, the coin-in meter amounts by payable may be erroneous, unreliable data amounts resulting in an inaccurate calculation of a weighted theoretical hold percentage.

B43. Slots MICS #106(b), #186 and #188 – If the TS3 OSMS being used is not capable of obtaining the coin-in amount by wager type for a 4% spread payable, does an employee need to physically read and record the coin-in meters by wager type within a single-game slot machine or within a multi-game slot machine? (Posted 7/27/09)

No. An employee is not required to physically go to the slot machine to read and record coin-in meters by wager type for 4% spread paytables.

However, depending on the TS3 OSMS being used, rather than the TS3 OSMS obtaining the coin-in amount by wager type to use in calculating a weighted theoretical hold percentage it will instead obtain the weighted theoretical hold percentage for this payable from the software of the game within the slot machine. The game software of the slot machine will calculate a weighted theoretical hold percentage for the 4% spread paytables. As such, it is acceptable for the TS3 OSMS to obtain this percentage from the slot machine's game software rather than having the TS3 OSMS calculate a weighted theoretical hold percentage. The TS3 OSMS report will appropriately indicate the total coin in amount and the weighted theoretical

hold percentage (obtained from the game software of the slot machine) for the 4% spread payable.

It is vital to confirm with the manufacturer of the TS3 OSMS the capability of the system as it relates to the information obtained from the slot machine for 4% spread paytables.

- B44. Slots MICS #113 and #184 – How can these MICS be complied with when the computerized payout receipt system does not produce a system report indicating the actual payout receipts issued and/or the slot machine does not have a voucher out meter? (Posted 7/27/09)**

Various versions of the computerized payout receipt system are being utilized, and it is possible the version of the system being utilized at a gaming establishment does not meet the requirements of this MICS since the system was approved several years ago. Where this is the case, a MICS variation is required to establish compensating procedures to meet the objectives of these MICS.

- B45. Slots MICS #116 – Are separate slot analysis reports required for those slot machines connected to the TS3 OSMS and for those not connected? (Posted 7/27/09)**

No. All slot machines will be included in the same slot analysis report. Of course, only slot machines that are connected to the TS3 OSMS will be able to generate the meter information for the special reports required in Slots MICS #134.

- B46. Slots MICS #116 Note 1 – Is accrual drop (metered drop) required to be recorded in the slot analysis report? (Posted 7/27/09)**

No. The drop activity recorded in the slot analysis report should be the same as the drop activity reported on the NGC tax return. Accordingly, the accrual drop (metered drop) can be recorded in the slot analysis report when reporting the slot accrual drop on the NGC tax return. MICS #192 addresses the procedures performed when reporting on a modified accrual basis.

- B47. Slots MICS #116 Note 2 – Life-to-date data is defined as data that is at least a previous two-year accumulation of information. Is it correct to assume that when the conversion is made to an OSMS that complies with Technical Standard 3 that it is acceptable to transfer only information for the twenty-four most recent months? (Posted 7/27/09)**

Yes.

B48. Slots MICS #116 Note 5 – Is it acceptable to include multi-game, single-denomination slot machines in the “multi-denomination” category of the slot analysis report? (Posted 7/27/09)

No. As indicated in the note, when a TS3 OSMS is utilized, the slot analysis report provides a separate category for multi-denomination slot machines. A single-denomination slot machine, even if multi-game, is included in the appropriate denomination category of the slot analysis report.

B49. Slots MICS #120 Note 1 – Define “library of paytables”. (Posted 7/27/09)

*A library refers to all of the games available to be activated in a multi-game and/or multi-denomination slot machine. If an entire library is changed, then a new machine number is required. A change in the mix of games offered for patron play within the same library does **not** require that a new machine number be established.*

B50. Slots MICS #123 and #124 – What period variance in the slot analysis report is expected to be reviewed? (Posted 7/27/09)

Licensees should investigate year-to-date variances for individual machines and for each denomination total. In some instances it may be necessary to examine the life-to-date variance when a sufficient amount of coin in has not been played.

B51. Slots MICS #123 – A computerized slot system may provide two different types of slot analysis reports. One type of report (cash basis) will indicate the drop amount (currency, coin, and wagering instruments, if applicable) actually counted by the count team, whereas the other report (meter basis) will indicate the drop amount as recorded by the slot machine meters (coin drop, bill-in and voucher in, if applicable). Which type of slot analysis report is to be reviewed by both slot department management and management employees independent of the slot department on at least a monthly basis? (Posted 7/27/09)

The type of slot analysis report reviewed to be in compliance with this MICS depends on whether the drop amount reported on the NGC tax return is based on the drop amount actually counted by the count team (cash basis) or is reported based on the drop amount recorded by the slot machine meter (meter basis). For example, if the drop amount reported on the NGC tax return is the drop amount actually counted by the count team members, the slot analysis report (cash basis) should be reviewed since it reflects the same drop amount as reported on the NGC tax return. The slot statistical report (meter basis) may be secondarily reviewed for investigating large variances between the two reports.

B52. Slots MICS #126 through #138 – What is a TS3 OSMS approved by the Board pursuant to Regulation 14 Technical Standard 3? (Posted 7/27/09)

The Nevada Gaming Commission adopted Regulation 14 Technical Standard 3 on May 22, 2003. This technical standard provides a framework for the system manufacturers to develop on-line slot metering systems and cashless wagering systems that process data and provide casino operators with appropriate reports. This standard also sets engineering guidelines for the systems that should provide for secure and accurate reporting of transactions. This regulatory framework provides guidance and consistency to manufacturers and operators alike. Technical Standard 3 became effective on August 22, 2004. Accordingly, any on-line slot metering system and cashless wagering system submitted to the Board for approval on or after August 22, 2004 must meet the requirements of Technical Standard 3.

B53. Slots MICS #126 – If a manufacturer develops an upgrade to a slot machine that was approved before August 1, 2004 that will allow the machine to read all 23 meters, must that upgrade be installed? (Posted 7/27/09)

No, but it would be to a licensee's benefit to install such an upgrade.

B54. Slots MICS #126 – Must all slot machines be connected, functioning and communicating with the TS3 OSMS? (Posted 7/27/09)

*No, only the slot machines that are capable of communicating with the TS3 OSMS. For any slot machine approved prior to 8/1/04 that is **not** equipped with meters described by Regulation 14 Technical Standards, a minimum of the coin-in, coin drop, bill-in and cashless wagering meters, if applicable, must be transmitted to the system. For slot machines approved after 8/1/04 equipped with meters described by Regulation 14 Technical Standards all applicable meter information must be transmitted to the system.*

Note: Upon installation of the TS3 OSMS, licensees have a six-month grace period (from date of installation) to ensure that slot machines are properly communicating with the TS3 OSMS.

B55. Slots MICS #126(a) – What SAS version of slot machines is capable of functioning and communicating meter information to a TS3 OSMS? (Posted 7/27/09)

Slots MICS #126(a) requires the TS3 OSMS to be connected, functioning and communicating with slot machines equipped with meters described by the Regulation 14 Technical Standards, approved on or after 8/1/04. Slot machines with SAS version 6.01 and after fall into this category. As such, slot machines with an earlier SAS version are only required to communicate the

coin-in, coin drop and bill-in meter information to the TS3 OSMS as required by MICS #126(b).

- B56. Slots MICS #128 – Does this standard apply to an on-line slot metering system that maintains its own coin-in meter (e.g., delta system)? (Posted 7/27/09)**

No, this standard applies only to on-line slot metering systems that read and record the value indicated on the slot machine meters (e.g., specific value system).

- B57. Slots MICS #143 – Are two employees in total required to accompany these keys, or are three employees in total required to accompany these keys (two employees to accompany and one to maintain custody of the keys) while they are checked out? (Posted 7/27/09)**

Two employees are required to accompany the slot machine coin drop cabinet keys while they are checked out. The employee(s) who is the key custodian cannot be the employee accompanying the slot machine drop cabinet keys while they are checked out. For example, if the coin drop cabinet keys are maintained by the main cage, employees of the main cage are considered to be the key custodian and could not accompany these keys when checked out.

- B58. Slots MICS #145 – This MICS indicates that the currency acceptor drop box contents key and currency acceptor drop box release key cannot be obtained simultaneously. Does this policy also apply to unscheduled drops resulting from a customer dispute as to the dollar amount placed into the currency acceptor (e.g., \$100 bill vs. \$10 bill)? (Posted 7/27/09)**

This MICS only applies to the drop team employees during scheduled drops. Slots MICS #148 and #149 apply to emergency/unscheduled drops and/or access to the contents of the currency acceptor drop box at the slot machine.

- B59. Slots MICS #149 – What employees can obtain the keys necessary to perform maintenance on the inside of a currency acceptor drop box? (Posted 7/27/09)**

This MICS requires three employees from separate departments, one of which is management, must be involved in obtaining the currency acceptor drop box contents key.

- B60. Slots MICS #165 through #172 – What is the definition of “promotional account” and “promotion and external bonusing” system as used in these MICS? (Posted 7/27/09)**

A “promotional account” is an electronic ledger used in a cashless wagering system (e.g., player tracking account) to record transactions involving a patron that are not otherwise recorded in a wagering account.

A “promotion and external bonusing” system is an independent computerized system that communicates external bonus payouts to a slot machine. The computerized system will instruct the slot machine as to the amount of electronic cashable or electronic non-cashable credits to be placed on the credit meter of the slot machine. The amount placed on the credit meter of the slot machine (from the external bonusing system) may not result from a wager made by a patron.

- B61. Slots MICS #173, #174, #175, #177, #196(l), #196(m) and #201 – These MICS all pertain to contest/tournament entry fees. Are there different requirements for free tournaments vs. buy in tournaments? (Posted 7/27/09)**

No. The Slots MICS apply to both free and buy-in tournaments with the exception there are no entry fees to account for in the free tournaments. Additionally, refer to the “Note” following Slots MICS #177 regarding the information required to be recorded for free tournaments.

- B62. Slots MICS #180(a) – Provide some examples/best practices or more specific review procedures for testing “propriety”. (Posted 7/27/09)**

Slots MICS #165 requires that “the addition/deletion of points to player tracking accounts other than through an automated process related to actual slot play must be sufficiently documented (including substantiation of reasons for increases) and authorized/performed by supervisory personnel of the player tracking, promotions, or slot department”. For MICS #180(a), the review of documentation should include, at a minimum, an examination of the documented reason for adding points to ensure that it is legitimate. Also, the document is to be examined to determine that the addition/deletion of points was authorized or performed by a supervisor. This could be done by reviewing a signature or user ID to ensure that the person is a supervisor in the appropriate department.

- B63. Slots MICS #186 – What are the required procedures to verify that the on-line slot metering system is transmitting, receiving, and recording data from the slot machines? (Posted 7/27/09)**

Licensees with on-line slot metering systems are required to perform procedures to verify that the on-line slot metering system is transmitting, receiving, and recording data from the slot machines. MICS #186 indicates the slot machine meters to review, the frequency of the review, the procedures to perform and the number of slot machines to review.

The on-line slot metering system is reviewed only for the meters that are transmitted, received, and recorded from the slot machine. Accordingly, if the system only has the capability to record the slot machine's coin-in meter then MICS #186 procedures are applicable to only the coin-in meter.

*A **minimum** sample of 3% of the slot machines connected to the on-line slot metering system is reviewed each month. During a two-year calendar period, each slot machine connected to the on-line slot metering system must be reviewed at least once. As such, a sample of more than 3% will need to be selected in certain months in order to achieve a 100% review during a two-year calendar period.*

B64. Slots MICS #186 – How does a person verify that the on-line slot metering system (OSMS) is transmitting, receiving, and recording data from the slot machines? (Posted 7/27/09)

An OSMS may read and record meter data in one of two ways. The OSMS may either read and record the actual meter reading values from the slot machine, or the OSMS has its own meter values in which the change is calculated since the prior reading and only the change is recorded (a delta system). Testing communications for a delta system requires that you take two meter readings. The first type of OSMS mentioned above would only require that one meter reading be taken, ensuring that the meter value in the machine is the same value recorded in the system.

B65. Slots MICS #186 – When verifying meter information for multi-game and/or multi-denomination slot machines, is it necessary to review all active paytables to ensure coin-in by payable meter data is accurately being transmitted, received and recorded by the TS3 OSMS? (Posted 7/27/09)

No. A sample of the active paytables of a multi-game and/or multi-denomination slot machine is sufficient for this review. The number of paytables to include in the sample is at the discretion of the licensee.

The accuracy of the coin-in amount by payable for multi-game and/or multi-denomination slot machines is also reviewed when performing the required quarterly reconciliation to the total coin-in meter amount pursuant to MICS #188.

B66. Slots MICS #186 – If machines are removed from the floor during the two-year period that were not sample tested, must they be tested prior to removal? (Posted 7/27/09)

No. The intent of the standard is to ensure that the slot machines currently on the floor are properly communicating meter information.

B67. Slots MICS #186 – What documentation is to be maintained for this procedure? (Posted 7/27/09)

A log documenting the information required by the MICS would be satisfactory.

B68. Slots MICS #188 – Is the procedure described in this MICS to be performed once per quarter for one day, or is this to be performed at the end of each quarter for the quarterly totals? (Posted 7/27/09)

To meet the intent of this MICS, the procedure is to be performed at least quarterly for one day.

B69. Slots MICS #190 – Explain the intent of this MICS in establishing procedures to verify the integrity of the cashless wagering system. (Posted 7/27/09)

The Board is not dictating any specific procedures to comply with this MICS. The intent is to develop procedures that best fit the slot operation especially in the area of cashless wagering to prevent and/or detect the issuance of fraudulent vouchers.

The main reason for this MICS is due to the occurrence of a theft which involved a slot technician with an accomplice who were placing slot machines “out of service” on the floor and then hooking up another live slot machine in a back office with the same machine number as the one on the floor that was “out of service” to issue fraudulent vouchers. An example for possible detection of such activity is to walk the casino floor looking for slot machines that are “out of service”. A determination is then to be made whether the slot machine is legitimately “out of service” and that no vouchers were issued from that slot machine during the time period it was “out of service”.

Preventive controls to have in place may include having all of the critical components of the system maintained in a secure area with restricted access. Additionally, controls and restrictions over the issuance of key chips (used to change the denomination of the slot machine) is another possible deterrent.

Awareness is a key factor in the use of the cashless wagering system to prevent and detect fraudulent activity.

B70. Slots MICS #192(b) – Can the modified accrual amount reported on the NGC tax return be based upon a percentage of the next drop rather than by meters? (Posted 7/27/09)

No. Meters must be used. Estimating a percentage of the drop is not an acceptable method for recording modified accrual drop as required by this standard.

B71. Slots MICS #199 – Is it acceptable to use an alternative device other than a calculator (e.g., IVS Ticket Tally) to foot the wagering instruments redeemed? (Posted 7/27/09)

Yes. An alternative method to meet the intent of this MICS is to import or scan the redeemed wagering instruments through a device, such as the IVS Tally Ticket device, which provides a batch total amount. This amount is then compared to the total indicated by the cashless wagering system and the related accountability document.

B72. Slots MICS #202 and #203 pertaining to drawings – What information is required to be printed on the drawing tickets? (Posted 7/27/09)

The Slots MICS do not require specific information to be printed on the drawing ticket.

B73. Slots MICS #205 – Why have slot machine door keys and slot fill cabinet keys become sensitive keys? In the event that door and fill cabinet keys were not previously inventoried, is it expected that these locks be rekeyed and a verifiable baseline be created? (Posted 7/27/09)

The slot machine door keys and slot fill cabinet keys have always been considered sensitive. For clarification in the Version 6 MICS, these keys are now specifically addressed. It is not necessary to rekey locks to establish a verifiable baseline. However, a starting baseline should be established for these keys by conducting a current inventory of keys maintained by employees.

B74. Slots MICS #206 – Does a different denomination need to be reviewed for each year? (Posted 7/27/09)

No. It does not matter which denomination is used for this recalculation. The objective is to ensure the system is accurately calculating the floor par.

B75. Slots MICS #206 – Does the recalculation of the floor par for a sample denomination include inactive machines? (Posted 7/27/09)

Yes. The slot analysis report includes all slot machines performance (active and inactive) for the business year. The total coin-in amount used in calculating the floor par includes coin-in from the inactive slot machines. Floor pars are the sum of the theoretical hold percentages of all machines within a denomination weighted by coin-in contribution.

B76. Slots MICS #213 through #217 – Must licensees comply with these standards if they choose not to pay mailed-in wagering instruments? (Posted 7/27/09)

No. These standards only apply if the licensee chooses to pay mailed-in wagering instruments.

- B77. Slots MICS #218 Note 4 – Does the Regulation 6.130(1)(a) count time filing need to indicate the exact percentage of machines to be dropped and counted? (Posted 7/27/09)**

No. It does not even need to be stated in a percentage. The report could simply indicate that 1/7 of the slot machines on the floor will be dropped and counted. The objective of this note is to provide the Board with an approximate number of slot machines to be dropped and counted. This information is important when drop and count observations are being scheduled by the Board.

- B78. Slots MICS #218 Note 5 – When one of the count team members takes a break, does this count member’s break need to be recorded on the Regulation 6.130(1)(a) report submitted to the Board? (Posted 7/27/09)**

No. The Regulation 6.130(1)(a) report only needs to disclose when the entire count team takes a routine break longer than 15 minutes (e.g., meal break, change of shift, or breaks by the entire count team to perform other functions). In other words, when the entire count process has ceased due to a scheduled routine break longer than 15 minutes, this should be indicated on the submitted report.

Section C: Table Games

- C1. Can a “name credit system” that allows for the issuance of credit without using a marker continue to be used for table games? (Posted 7/27/09)**

*Yes. Any form used to evidence the patron has been issued credit against an established credit limit is considered a marker in the table games MICS. This form must meet the requirements of Table Games MICS #5. However, Table Games MICS #5b (the requirement for a payment slip) is inapplicable when, upon issuance, the marker is transferred to the cage department immediately and the table games department does **not** accept payments on the marker. The written system of internal control will indicate the reason why MICS referring to marker payments is not applicable to the table games department.*

- C2. Table Games MICS Note 3 and Card Games Note 2 – As “shift” can be defined as 8 hours, 24 hours or other division of a 24-hour day; can the flexibility in the definition of a shift for the table games operation also apply to the counting of the cage and vault inventories? (Posted 7/27/09)**

No, the count of the cage and vault inventories is to be performed at the end of each shift (typically every 8 hours) pursuant to Cage and Credit MICS #52.

C3. Table Games MICS #15 – Do all parts of the marker, including marker stubs, need to be voided? (Posted 7/27/09)

No. The marker stubs do not need to indicate, “void”. However, the original marker, issue slip (if available at the time of void) and payment slip need the void designation written on them.

C4. Table Games MICS #15 and #16 – Does the reason for voiding markers need to be indicated on the marker? (Posted 7/27/09)

No. If the marker is voided, the reason can be documented on the marker or on a separate document. The documentation may be a log that includes information sufficient to identify the marker voided (e.g., marker number, patron name, etc.). A log can also be used for indicating the reason a marker was voided later than thirty minutes after the issuance of the marker (MICS #16).

C5. Table Games MICS #21 – Can licensees still refer to instruments (markers) transferred to the cage as “Name Credits”? (Posted 7/27/09)

Yes. If patrons are not allowed to make a payment in the pit on an instrument, that instrument can be considered a name credit instrument. However, in the table games MICS it is referred to as a “marker”.

C6. Table Games MICS #66 through #69 – A computerized pit marker system is used to process all marker transfers from the pit to the cage. The system produces a form which includes the required MICS #66 information and the system records the same information in the system’s database which cannot be altered after the marker transfer has been initiated. Is it acceptable to use this type of computerized pit marker system, for individual marker transfers, to comply with the requirements of a mass marker transfer which provides the same level of control described in the MICS? (Posted 7/27/09)

Note 2 on the first page of the Table Games MICS does address the use of Board-authorized computer applications. A Board-authorized computerized pit marker system may be used to transfer individual markers to the cage at any time during the shift pursuant to the requirements of MICS #66-#69.

C7. Table Games MICS #74 – If a pit clerk is not utilized to enter pit transactions into the computerized pit system, is it acceptable for the incoming pit supervisor to enter the table inventory amount into the system? (Posted 7/27/09)

Yes; however, a pit clerk is preferred. Additionally, the incoming pit supervisor should be independent of the shift transactions involving the table inventory and he/she verifies the table inventory count amount being entered into the system. Additionally, the incoming pit supervisor should not have access to change or delete the initial table inventory amount entered into the system.

- C8. Table Games MICS #78 and Slots MICS #2(b), #2(c), #32(b) and #32(c) – Is it acceptable for surveillance personnel to monitor the removal of drop via camera rather than, for example, security personnel monitoring while physically on the casino floor? (Posted 7/27/09)**

No, surveillance personnel may not have adequate camera coverage to view all areas of the casino floor to uncover the possible occurrence of theft activity by drop team members.

- C9. Table Games MICS #87 and Slots MICS #12 and #37 – When three count team members are performing the count process and one count team member leaves the count room temporarily, can a security officer perform as a count team member while the count team member is absent? (Posted 7/27/09)**

Yes. The security officer utilized as a stand-in during the absence of a count team member is considered to be a count team member participating in the count. Since the security officer is considered a count team member, the intent of this MICS is met. As such, the security officer will need to sign documentation evidencing his involvement in the count process in compliance with Slots MICS #17, #53 and Table Games #107, as applicable. Additionally, the security officer is to be reported as a count team member pursuant to Regulation 6.130(1)(b).

- C10. Table Games MICS #87 – What is the minimum number of count team members required for a card games count followed by a table games count (or vice versa) and both counts are recorded on the same master games summary? (Posted 7/27/09)**

A minimum of three count team members is required. The card games count is considered a separate count (not simultaneous) from the table games count when the counts are separately performed (one count followed by the other count) and both counts' proceeds are recorded on the same master games summary (see Table Games MICS #94). The master game summary and drop proceeds remain with the count members (at least three members) during the count process of the card games and table games count. At the conclusion of the card games and table games count, the count members will sign the master games summary (includes card games and table games) evidencing their involvement in the count (Table Games MICS #107). Cage/vault personnel will perform a count and reconcile the proceeds (for

card games and table games) to the amount recorded on the master games summary (Table Games #108).

- C11. Table Games MICS #90 Note 1 and Slots #42 Note 1 – Can the currency counter test be completed by using a second separate currency counter even though “Note 1” indicates test currency must be used to perform the test? (Posted 7/27/09)**

Yes, a currency counter, separate from the currency counter being tested, can be used to initially count currency to determine the dollar amount on condition that each denomination is tested. This procedure meets the intent of the MICS to ensure the accuracy of the currency counter with previously counted currency.

- C12. Table Games MICS #92 and Slots #41 – Is it acceptable to perform the unannounced currency counter and currency counter interface tests at a time when a count is not being performed? (Posted 7/27/09)**

The intent of this MICS is to perform the currency counter test and currency counter interface tests sometime during the count process in the presence of the count members. When performed during the count process, the results of the test will potentially identify whether a count team member manipulated the currency counter and/or the currency counter interface in the recording of the currency count amount. The test can be conducted at the conclusion of the count, but no later than immediately after the final totals are generated.

- C13. Table Games MICS #94 – Is it acceptable for accounting to shred coupons after the daily audit has been performed of the document prepared by the count team indicating the amount of coupons removed from the table game drop boxes? (Posted 7/27/09)**

This MICS requires the recording of the amount of coupons removed from the table game drop boxes either on a master games summary or a supplemental document. The type of document is dependent upon whether the coupon impacts reported table games gross revenue. As the coupon amount dropped has been recorded on a document which is required to be maintained pursuant to Regulation 6.060 and the document has been reviewed by audit, it is acceptable for accounting to shred them to prevent recirculation of the coupons.

- C14. Table Games MICS #125 – What type of investigation is necessary for statistical fluctuations in table games performance for the gaming salon area? (Posted 7/27/09)**

Since the table games performance related to the gaming salon area is reflected in the table games statistical analysis report for the casino as a whole, this table games statistical analysis report is reviewed monthly by

management pursuant to the requirements of MICS #146 through MICS #149.

If during this review, a statistical analysis fluctuation is noted in table games performance in the gaming salon area, then the investigation shall include a review of wagering activity of patrons in the gaming salon area.

As indicated in this MICS, patrons whose wagering activity had a material negative impact on the results of the salon gaming area are the focus of the investigation. The "Note" to this MICS provides a definition for "material negative impact". Patron wagering activity as included in the monthly gaming salon patron report required in MICS #124 may be used to identify such patrons.

C15. Table Games MICS #145 – Can promotional activity (e.g., lucky bucks, match play coupons) be included in the table games statistical analysis report? (Posted 7/27/09)

Yes, promotional activity related to table games wagering activity and the treatment of various promotional coupons at the table game may be included but it must be separately disclosed on the table games statistical analysis report. Statistical drop recorded in the table games statistical analysis report would include two separate drop and win amounts. The first drop amount is the drop per Regulation 1.095 and the second drop amount is the drop per Regulation 1.095 plus promotional activity used for table games wagering purposes. The win amount would also need to be appropriately adjusted for the promotional activity relative to the drop amount. These drop amounts adjusted for promotional activity can be used when investigating statistical fluctuations by game type in compliance with MICS #147(c). The table games statistical report should indicate the actual hold percentage, which does not include promotional activity.

C16. Table Games MICS #145 – Are all promotions to be included in this report under a separate heading? (Posted 7/27/09)

Promotions that can be tracked, such as lucky bucks and match play coupons, should be disclosed in the statistical report under a separate heading. However, it may not be possible to track the play of a promotion such as an "Ace in the Hole" where no documentation is prepared tracking the use of promotional items.

C17. Table Games MICS #154(b) – Does this standard apply to unissued slips maintained in the cage, accounting department, etc.? (Posted 7/27/09)

No. This standard applies to manual fill/credit slips and manual marker credit slips issued (transaction has occurred) for the selected test date.

- C18. Table Games MICS #157(a) through (f) – If soft count team members are employees of the “finance/accounting department”, can the soft count team members perform these accounting/audit procedures during the soft count process? (Posted 7/27/09)**

No, soft count team members cannot properly perform these audit procedures during the soft count process. However, a soft count member can perform these procedures at a time other than during the soft count process.

- C19. Table Games MICS #169 – As “independent” is used in this MICS, does it simply mean that the system administrator cannot perform the required procedures? (Posted 7/27/09)**

The minimum requirement is to have an individual from the audit/accounting department, other than the system administrator, perform the required procedures. It is acceptable to have a casino auditor perform the procedures even though the system administrator (i.e., casino controller) may supervise the audit/accounting department.

Section D: Card Games

- D1. Card Games MICS Note 2 and Table Games MICS Note 3 – As “shift” can be defined as 8 hours, 24 hours or other division of a 24-hour day; can the flexibility in the definition of a shift for the card games operation also apply to the counting of the main card room bank? (Posted 7/27/09)**

No, the count of the main card room bank is to be performed once every 8 hours pursuant to MICS #9.

- D2. Card Games MICS #26 through #33 - Must daily and weekly tournaments comply with the standards addressing contests/tournaments? (Posted 7/27/09)**

Yes.

Section E: Keno

- E1. Keno MICS #26(e)(2) – What is a “late pay” which requires documentation on an exception report? (Posted 7/27/09)**

As required by MICS #15, procedures are to be established to preclude payment on unclaimed winning tickets (late pays) after a certain number of games have occurred, as specified by management. The computerized keno system is to be configured to not allow payment on winning tickets after a certain number of keno games has occurred, unless authorized by management. The exception report will indicate relevant information on the payment of “late pay” tickets.

- E2. Keno MICS #63 – Does this MICS apply to the Nevada Numbers game which is not completed within 14 days of the wager being placed? (Posted 7/27/09)**

No, the Nevada Numbers game was approved prior to the effective date of this MICS (9/1/08). Therefore the multi-race ticket for the Nevada Numbers Game does not need to be completed within 14 days.

Section F: Bingo

- F1. Bingo MICS #3 – May paper bingo cards be sold after the start of the session (i.e., after the first numbers of the first game have been called)? (Posted 7/27/09)**

Yes.

- F2. Bingo MICS #3 and #15 – May paper bingo cards sold during a session be used in a subsequent session if for some reason the patron was unable to play the session for which the paper was originally purchased? (Posted 7/27/09)**

Yes. However, a licensee must apply for and receive a MICS variation before doing so. Such applications must demonstrate how licensee personnel will confirm that winning paper bingo cards were sold during a previous session.

- F3. Bingo MICS #4 – This standard requires a computerized bingo system to record all card sales (paper and electronic) on a restricted transaction log or computer storage media. How does a licensee comply with this standard for paper bingo card sales? (Posted 7/27/09)**

This standard only applies to paper bingo card sales in those cases when the licensee has a computerized point-of-sale system. If a licensee has no computerized point-of-sale system, no restricted transaction log or computer storage media is required. However, if a licensee does have a computerized point-of-sale system, the paper bingo card sales must be entered into the system.

Section G: Race and Sports Book

- G1. Race and Sports MICS #38 – “Note 1” to this standard states that contests and tournaments that do not require an entry fee need not be computerized. If entry into a “free” contest or tournament requires a patron to place a nominal wager (e.g., \$5.00), must the contest or tournament be computerized? (Posted 7/27/09)**

Yes, the contest or tournament must be computerized. In order for a contest or tournament to be considered “free” there must be absolutely no prerequisites involved.

G2. Race and Sports MICS #48 – Can licensees employ dual-rated employees (e.g., a person performs administrative functions for 2 days and only writes/cashiers on the other 3 days)? (Posted 7/27/09)

*No. If an employee performs administrative functions at any time, he **cannot** write or cash tickets. However, a supervisor who does **not** have access to the administrative terminal and does **not** perform administrative functions can write tickets pursuant to compliance with the requirements of Race and Sports Book MICS #47. As the “Note” above Race and Sports Book MICS #47 indicates, the administrative functions include setting up events, changing event data, and inputting results at any time.*

G3. Race and Sports MICS #67c – Does this standard require a licensed sports information service to be used as an independent source when performing the required accounting/audit procedure? (Posted 7/27/09)

No. NRS 463.160(1)(b) requires the licensure of an information service if that service will be providing information to a book in exchange for anything of value. Information services that had registered with the Board and then filed an application for licensure at the time of the statute’s revision in 1997 were “grandfathered in” and were allowed to continue to act as an information service. The grandfathering provisions were in effect until the service was licensed, the service was denied a license, the service was sold, or the service withdrew the application for licensure. A book may only contract with an information service if the service is grandfathered in or if the service is licensed.

It is important to note that while race books must use race results provided by a licensed disseminator pursuant to Regulation 22.080(4), there is no current requirement for a sports book to use an information service. Some have interpreted Race & Sports MICS #67c to require the use of an information service. This is not true. Although the Board encourages sports books to obtain odds/lines and results of sporting events from reputable sources, at this point in time it is not mandatory that an information service be used. Also, NRS 463.01642 specifically exempts from the definition of information service, “a newspaper or magazine of general circulation or a television or radio service or broadcast if the primary purpose of the newspaper, magazine or television or radio service or broadcast is other than to aid the placing of wagers on events of any kind.” By extension, information obtained from the Internet would be acceptable provided the website’s primary purpose is other than to aid in the placing of wagers on events of any kind. Accordingly, it is acceptable for these sources to be used but, again, extreme caution should be used to ensure the information is accurate and the source is reputable.

An industry notice dated August 5, 2003 with regard to information services can be found on the Board's website under Gaming Links/Notices, Press Releases, etc./Industry Notices.

G4. Race and Sports MICS #69 and #71 – Do these MICS also apply to race and sports tournament/contest events? (Posted 7/27/09)

Yes.

G5. Race and Sports MICS #84 – This standard requires accounting/audit personnel to review the NGC-32 form to determine that all nonpari-mutuel race wagers have been properly reported. This review includes a single wager accepted involving more than one track. If the computerized system does not properly break out the single wager accepted involving more than one track apportioned on a pro rata basis to each track, does it need to be done manually? (Posted 7/27/09)

Yes. The computerized race and sports book system may not properly apportion a single wager involving more than track on a pro rata basis to each track. Accordingly, it may be necessary to perform the appropriate calculation to report the correct amount on the NGC-32.

Section H: Cage and Credit

H1. What are the procedures for markers issued in race and sports, slots, keno and bingo? (Posted 7/27/09)

Note 3 at the beginning of the Cage and Credit section describes the standards that apply to markers issued in these areas.

H2. Cage and Credit MICS #4 – For a “Category A” licensee, if the casino is known to occasionally issue more than \$10,000 per day in markers to individual patrons, do they need to totally segregate the credit approval and credit issuance job functions for all employees, regardless of the dollar amount of the transactions (i.e., if they can approve credit lines then they can't issue any markers); or do they only need to segregate the credit approval and credit issuance job functions for credit approvals of over \$10,000? (Posted 7/27/09)

The job functions of credit approval and credit issuance are to be segregated for issuances to single patrons with transactions of \$10,000 or more per day. These job functions do not have to be segregated for transactions of less than \$10,000 per day. For example, it is acceptable for a cage supervisor to approve a credit limit under \$10,000 for a patron and also be allowed to issue a marker to this same patron for under \$10,000.

H3. Cage and Credit MICS #11 and #12 – Does the reason for voiding cage markers need to be indicated on the marker? (Posted 7/27/09)

No. If the marker is voided, the reason can be documented on the marker or on a separate document. The documentation may be a log that includes information sufficient to identify the marker voided (i.e., marker number, patron name, etc.). A log can also be used for indicating the reason a marker was voided later than thirty minutes after the issuance of the marker (MICS #12).

H4. Cage and Credit MICS #16 – Does a “Western Union” check presented for payment at the cage fall under the category of a “cashier’s check”? (Posted 7/27/09)

Yes, a “Western Union” check or any other check issued by a money service business falls under the requirements of a cashier’s check. Cashier’s checks are issued by financial institutions. “Financial institutions” include money service businesses. The cashier would be required to examine and record at least one item of patron identification (#16a) and for cashier’s checks in amounts over \$1,000 the cashier would need to make a reasonable effort to verify the authenticity of the check (#16d).

H5. Cage and Credit MICS #23 and #67(d) – Do these MICS apply to partial payments received on returned checks? (Posted 7/27/09)

A credit account is not required to be established, pursuant to MICS #1, for a patron cashing a personal check. For cashing personal checks, the procedures pursuant to MICS #16 are required to be performed. A returned personal check becomes a casino accounts receivable when returned from the bank as not paid and a credit adjustment is made to the NGC tax return. For MICS #23, a receipt is required for a partial payment received on a returned check (even for mail pays). The balance of outstanding debt is supported by the amount of the returned check less any payments received as evidenced by receipts. As such, a partial payment receipt on a returned check may be selected for review to comply with the requirements of MICS #67(d).

H6. Cage and Credit MICS #45(g) – Is it necessary to also print the employee’s name on the receipt? (Posted 7/27/09)

Yes, the employee’s name is also to be printed on the document along with the employee’s signature.

H7. Cage and Credit MICS #50 and #81 – What constitutes an increase and decrease to the cage inventory? (Posted 7/27/09)

These MICS relate to increases and decreases to the total cage inventory amount. When the total cage inventory amount is changed permanently, possibly due to funds being transferred to a new accountability area (e.g., the slot department adds a new change booth and slot department booths/banks are a separate account in the general ledger), documentation is to be prepared. In this situation the cage inventory may be permanently decreased by \$50,000 to establish a new change booth.

H8. Cage and Credit MICS #55 through #57 – Do these standards apply to non-negotiable chips given to the patron by the cage department for wagering purposes at the gaming tables? (Posted 7/27/09)

Yes, non-negotiable chips given to patrons are promotional payouts to encourage patrons to participate in gaming activity even though the chips have no monetary value outside of the gaming establishment. Patron's use of these chips can result in patron winnings that impact reported table games revenue on the NGC tax returns.

H9. Cage and Credit MICS #67(e) – When referring to, “At least 3 days per month during each review”, what is the intent – 3 days in the month in which the procedure is being performed or 3 days per month since the last time this standard was performed? (Posted 7/27/09)

The intent is for the required procedure to be performed for 3 days (randomly chosen) in the month selected for testing.

H10. Cage and Credit MICS #69 – Must a count of the entire location be done simultaneously? (Posted 7/27/09)

Yes, the count must be completed for the entire location within the same day and cannot be accomplished with counts of various accountability areas spread over several days.

H11. Cage and Credit MICS #72 – Define “active wagering instruments”. (Posted 7/27/09)

*Active wagering instruments are wagering instruments that are created by the licensee to be accepted by the slot machine and cashless wagering system for wagering purposes. This does **not** include the wagering instruments created by the slot machine as the result of wagering credit cash out. This term is also used in Slots MICS #85.*

H12. Cage and Credit MICS #74 – Explain the procedures to be performed when cage markers do not have an issue slip, only the original cage marker and cage payment slip are used. (Posted 7/27/09)

When an issue slip does not exist, the “payment slip” can be used in place of an “issue slip” to perform the required audit procedures. The “payment slip” will also contain the relevant information for the cage marker issuance.

- H13. Cage and Credit MICS #84 – Are year-to-date inter-company wire transfers from a branch office account to a corporate account, transacted as “non-cash withdrawals”, included in the amounts recorded on the applicable branch office’s report? (Posted 7/27/09)**

Year-to-date inter-company wire transfers between a branch office and a corporate office account do not need to be included in the amounts recorded in the “Branch Office Report”. The amounts included in this report should only reflect the dollar amount of transactions occurring between the patron and the branch office.

- H14. Cage and Credit MICS #87 and Note 1 above #83 – This MICS requires each branch office to maintain a separate monthly log to record deposit, withdrawal and credit payment activity. Does this mean that independent agents, whom the licensee has not authorized to receive deposits and/or payments on credit instruments on the licensee’s behalf, are required to prepare a separate monthly log? (Posted 7/27/09)**

If an independent agent operates a physical office, but the agent is not authorized by the licensee to receive deposits and/or payments on credit instruments from patrons on the licensee’s behalf, then this is not a “branch office” and the branch office logging and reporting requirements of this MICS and MICS #83, #84, and #86 are not applicable.

Section I: Entertainment

- I1. Entertainment MICS #25 – If the audit/accounting department is informed on December 31st about a normally non-entertainment venue providing entertainment on New Year’s Eve, is it acceptable to perform the procedure for the special event venue in January, outside of the defined annual period? (Posted 7/27/09)**

As this MICS requires the procedure to be performed annually, the annual period is defined by the audit/accounting department (e.g., January 1st through December 31st) and the audit procedure is required to be performed within this annual period. For a one-time special event occurring on New Year’s Eve, it is acceptable to perform in the following annual period. The auditor has no documentation available to perform the required procedure until after December 31st. However, if this same venue area had taxable entertainment prior to the New Year’s Eve event then the procedure should be performed prior to December 31st.

Section J: Information Technology

- J1. Information Technology Note 2 – Do the IT MICS apply to a box office system used for recording live entertainment taxable admission sales when the licensee does not perform the administrative function (including maintenance of the system)? (Posted 9/3/09)**

For the IT MICS not to apply:

- 1. The licensee must have installed **only** the user terminals to record live entertainment taxable admission sales and print the related reports for recorded sales;*
- 2. The licensee must not perform the administrative function, which would include maintenance of the system; and*
- 3. The administrative functions for the box office system must be performed by a person or entity other than the licensee.*

- J2. Information Technology MICS #2 and #3 – What does the “periodic monitoring” requirement entail for non-information technology (non-IT) personnel? (Posted 9/3/09)**

Non-IT personnel are largely precluded from having unmonitored access to areas containing back-office gaming/entertainment servers and equipment. The “periodic monitoring” requirement is determined primarily by what a reasonable person would deem appropriate based on the type of system, nature of work being performed, and the level of risk associated with the system.

IT MICS #2 addresses gaming and entertainment personnel, including the manufacturers of the gaming and entertainment equipment, who are not members of the IT department. Information Technology personnel must periodically and physically check on these individuals to ensure they are working on the appropriate systems in the appropriate locations.

IT MICS #3 addresses vendor personnel who are not members of the IT department. These individuals must be “periodically monitored” by either Information Technology personnel or by licensee personnel who are independent of the department using the application for which work is being performed.

- J3. Information Technology MICS #6(a) through (d) – Does the standard apply only to applications, or does it apply to operating systems and databases as well? What if the system cannot provide the level of event logging required by the standard? (Posted 9/3/09)**

MICS #6(a) through (d) apply to all levels of the system – meaning the application, database(s), and operating system(s) housing the gaming or entertainment system. The system of internal control must include all

systems and whether they can be configured to comply with the requirements of the standard. The system of internal control should contain sufficient specificity to indicate to the reviewer the level at which each system is capable and currently configured to comply with the requirements of the standard.

The Board recognizes that many existing systems have been approved for use by Nevada licensees, and approval for these systems predates the effective date of IT MICS version 6. The phrase “if configurable” was included in the standard specifically to cover these previously approved systems. New systems that are reviewed by the Board will be required to comply with the requirements of version 6 of the MICS when submitted for review, unless otherwise determined by the Board. Licensees wishing to install a system that does not provide the level of event logging required by the MICS will need to apply for a MICS variation. All systems should be configured to comply with the standard according to their respective levels of capability.

J4. Information Technology MICS #7(b) – What does “outside normal program and operating system execution” mean? (Posted 9/3/09)

During normal application program operations, data files are continually updated as a result of background operating system and application system functions. As application programs normally operate, database tables are also updated continually to reflect new and changed data.

This standard requires that databases and operating systems be configured to monitor data files and database tables that belong to gaming and/or entertainment systems to identify and log manual edits and modifications made by normal users and not by the programs or operating systems.

J5. Information Technology MICS #7(c) – What changes to system policies and parameters should be logged by applications, operating systems, databases and networks? (Posted 9/3/09)

System policies and parameters include items such as:

- 1. Audit settings (types of events that are monitored and logged)*
- 2. Password complexity settings (minimum length, maximum age, etc.)*
- 3. System security levels (AS/400, QSecurity)*
- 4. Point structures in players club systems*

J6. Information Technology MICS #7(d) – What information changed by administrative accounts must be logged? (Posted 9/3/09)

The information defined as “usage of administrative accounts” includes:

1. Adding, changing, or deleting user accounts and any associated user access provisioning
2. Modification of operating system, database, and application security and policy parameters
3. Adding, changing, or deleting system exception logs
4. Adding, changing, or deleting permission to data files and folders housing gaming and entertainment systems

J7. Information Technology MICS #8 – Reviewing audit logs on all gaming servers can be an extremely time consuming task for larger gaming operations. What is the purpose of requiring a review of event logs in their entirety at least once every seven days (once a week)? (Posted 9/3/09)

MICS #7 requires that operating systems, databases, networks and applications for gaming and entertainment related systems be configured to log specific events. MICS #8 requires that these logs are examined by IT personnel other than the system administrator. This is specifically because MICS #7(d) requires that usage of administrative accounts be logged and that these logs be reviewed by someone who can understand the logs, but who is also independent of the system administration function.

The event logs must be reviewed for the following reasons:

1. *Accountability – Log data can identify what accounts are associated with certain events.*
2. *Reconstruction – Log data can be reviewed chronologically to determine what occurred before, during, and after a specific event or set of events.*
3. *Intrusion Detection – Unusual or unauthorized events can be detected through the review of log data, assuming that the correct data is being logged and reviewed.*
4. *Problem Detection – In the same way that log data can be used to identify security events; it can be used to identify problems that need to be addressed.*

The standard permits the usage of digital tools that will “poll” event logs from multiple servers and report the details of the specific types of events required by MICS #7. Additionally, an outside entity (knowledgeable of the log data and purpose of the review) may perform this review and report their findings to IT personnel. The logs themselves, however, must be maintained by the licensee for the required period of time (7 days for normal event logs and 30 days, as required by MICS #23, for administrative access logs).

J8. Information Technology MICS #11 – Does an employee’s old access need to be disabled prior to assuming a new role when an employee is promoted or changes roles within the same department or area? (Posted 9/3/09)

Generally an employee should have only enough access to perform required job functions and nothing more. In some instances, it may be appropriate for an employee being promoted within the same department to retain access from the previous position. As such, access is not required to be disabled prior to assuming a new role within a department or area.

The MICS does, however, require that absolutely all previous access be removed from the user's account prior to assuming a new role in a new department or property.

J9. Information Technology MICS #10, #11, #22, and #23 – Can you explain the differences in the requirements of the MICS in determining which employees are allowed to perform administrative access functions relating to user account provisioning, as addressed in MICS #10 and in MICS #22? (Posted 9/3/09)

The "Note" preceding MICS #22 defines "administrative access" as it applies to MICS #22. According to this note, the definition of administrative access includes adding, changing or deleting user accounts and any associated user provisioning. MICS #22 requires that administrative access be limited to only IT department personnel. As a general rule, administrative access should be limited to as few individuals as possible. MICS #22 does permit management personnel independent of the department to perform the user provisioning function if the licensee does not have an IT department.

MICS #10 and #11 allow management personnel within the department, or personnel independent of the department using the system, to perform user provisioning functions. Department management personnel may perform the user account provisioning function pursuant to MICS #10 and #11 **only when** all other administrative access functions are performed by personnel allowed in MICS #22 **and** department management personnel do not have system access allowing them to perform these other administrative access functions. If the other administrative access functions cannot be separated from the user account provisioning function, then only the employees defined in MICS #22 should perform the user account provisioning. If department management personnel are allowed to perform the user provisioning function, then the licensee must ensure that adequate segregation of duties exists and that compensating monitoring controls are in place.

MICS #23 requires the system log usage of administrative accounts. Logs must be maintained for at least 30 days, and the logs must be reviewed at least weekly by IT personnel independent of the system administrator in accordance with IT MICS #8.

J10. Information Technology MICS #12 – What if the gaming systems cannot produce all the information required to be reported on a User Access Listing? (Posted 9/3/09)

MICS #12 requires additional fields to be included on a user access listing beyond what the previous version of the MICS required. The new fields to be included on the user access listing are: Date/Time of account creation; Date/Time of last login for the account; Date of last password change; and Date/Time the account was disabled or deactivated. The fields must be contained on a single report that also contains the employee name, title, and login name. Information relating to menu functions that a specific user or group can perform, as required by #12(c), may be contained on a separate report. A list of all groups a user account is a member of [required by #12(h)] may also be contained in a separate report provided that the user account is clearly identified, and the report can be easily cross-referenced with all other user account reports.

The system of internal control should clearly identify any information that cannot currently be reported by the system on a set of user access listing reports.

J11. Information Technology MICS #12 – Date and time information relating to account creation, deactivation, login and password changes appear on the application event/transaction logs. Would these logs be sufficient to meet the requirements of MICS #12(d) through (g)? (Posted 9/3/09)

No. The purpose of having this information on the user access listing is that it readily identifies these events to the person reviewing the report as the most recent date that this activity occurred for the listed user accounts. Although the information is also reported on an event log or transaction report, it would be very difficult to sort through these logs/reports looking for a specific event relating to a specific user. Additionally, it is very difficult to ensure that the event noted in the log is the most recent one for any specific user account. These fields must be reported on the main user access listing report provided by any gaming system.

J12. Information Technology MICS #13 – Dual rated employees sometimes fill different roles within the same department. Does this mean that only one account can be active at a time? (Posted 9/3/09)

MICS #13 requires that employees with multiple user accounts only be able to use one account at a time when a possible segregation of duties deficiency may be created. Such a situation may exist in the slots department; a slot floorperson (employee performing a jackpot payout) may occasionally function as a supervisor (employee authorizing a jackpot payout). Two user accounts may be established for an employee performing two different roles.

To comply with this MICS, the employee's account (as a slot floorperson) used to perform a jackpot payout is disabled when the employee is functioning as a supervisor to keep the supervisor from performing both functions (pay and authorize a jackpot payout).

As a reminder, when a race/sports writer occasionally functions as a supervisor, only one account can be established for this employee which complies with the requirements of Race and Sports MICS #47. Additionally, as addressed in Race and Sports MICS #48 (and note), a writer and/or cashier is prohibited from accessing the administrative terminal or performing administrative functions.

J13. Information Technology MICS #14 and #15 – What does “reasonable period of time” mean for disabling an account belonging to a terminated employee? (Posted 9/3/09)

The 72-hour requirement is no longer a requirement of the new version of the IT MICS. Instead, the Board has instituted a more flexible time period policy. The standard requires a time period that would appear reasonable to an independent person reviewing the event. In determining what a “reasonable period of time” may be to disable such an account, licensees must evaluate other compensating controls that preclude the terminated employee from gaining access to the user account between the time of termination and time of account deactivation. If user accounts have the ability to access the production network remotely, then such access may necessitate a shorter “reasonable period of time” due to the lack of ability to monitor and record details of a remote access session. The time period elapsed and compensating controls should be identified and documented in detail in the system of internal control.

J14. Information Technology MICS #16 – Does the audit process have to be performed in the quarter in which the data was obtained? In other words, must the audit process be performed by the end of the quarter? (Posted 9/3/09)

The user access listing selected for review is to be one of the listings actually retained during each quarter (see MICS #32 for required retention of listing). As a reminder of the requirement of MICS #32, user access listings for each gaming related application (with the exception of entertainment and pari-mutuel systems) are retained, as such only gaming related user access listings are to be reviewed.

The user access listings review should be performed by the end of each quarter.

J15. Information Technology MICS #16 – When performing the required quarterly review for a system which incorporates integrated Slots, Table

Games, Players Club and Cage functions, is this viewed as one gaming application for purposes of sampling? (Posted 9/3/09)

As indicated in Note 3, MICS #1 through #28 are to be addressed in each applicable section of the written system of internal control. Even though the system is integrated, the various modules of the system (Slots, Table Games, Cage and Credit, etc.) are to be considered separately when complying with MICS #16.

J16. Information Technology MICS #16(d) – How is a password change reviewed for a system that performs automated password changes and the user access listing does not indicate when a user’s password was last changed? (Posted 9/3/09)

When the system is not capable of providing a user access listing indicating the date of the last password change, the system is considered to be “grandfathered in” and compliance with MICS #16(d) is not required. However, the written system of internal control is to delineate the reason for not performing the review.

J17. Information Technology MICS #24 – Technical standard 1.084(4) and 1.086(4) require the involvement of two individuals for administrative logins to system based gaming systems (SBG) and system supported gaming systems (SSG). Why does the MICS require a split password? (Posted 9/3/09)

The technical standards governing administrative access to servers housing system based gaming (SBG) and system supported gaming (SSG) systems only require that licensees ensure that at least two individuals are involved in such access. The standard does not specifically identify any particular method. Using a split or dual password is one suggested method by which this may be accomplished. The primary purpose of IT MICS #24 is to require that someone independent of the slot department review the controls on a daily basis to determine that at least two people were involved in every administrative login event.

In most cases, these systems will log the login event for the administrative account and log specific usage of the administrative account. The system log does not usually identify which individuals were involved in the login of the administrative account. One possible method to determine who was involved would be to maintain a manual log for administrative logins. The individuals involved must sign off on the log and record the reason(s) for the administrative login. The reviewer can examine the manual log and cross reference it against the SBG or SSG event log to determine usage of the administrative account was appropriate and matches the manual log. The individual reviewing the events should have sufficient competency to

understand the contents of the SSG or SBG event logs. The method(s) used by the licensee should be documented in the system of internal control.

Most systems do not require two users to supply their login names and passwords to gain administrative access to the system. In this case, the administrative account password can be “split” by requiring that one person supply the first few characters of the password, and that a second person provide the remaining characters.

J18. Information Technology MICS #30 and #31 – Is it permissible for the list of enabled generic, system, and default accounts to be updated only when it is reviewed? What systems should be included on this list? (Posted 9/3/09)

*The list required in MICS #30 should include any **enabled** generic, default, or system account. Any disabled or deleted accounts should not be included on the list. The systems that should be covered by this list include gaming and entertainment applications along with their underlying databases and operating systems. If the operating system and/or database system supports more than just a single gaming or entertainment application, then the list should include **all** system, generic or default accounts enabled on that operating system or database, regardless of what system to which they pertain.*

*The list should be reviewed once every six months by IT management personnel **and** by the system administrator(s). The list is required to be maintained on a real-time basis and should be updated as system moves, adds, or changes occur to reflect all currently enabled generic, system, and default accounts.*

J19. Information Technology MICS #35 - For keno, the floppy diskette is permitted to be used as storage. Is it permissible to download the keno diskette information to a network drive on a daily basis at the same time the download is performed for the information to the Xpertz terminal to perform the audit, even though the network file is alterable? (Posted 9/3/09)

The network file can be used as the storage media. However, keno audit personnel are required to perform their audit procedures using the information from the restricted floppy disk prior to storing on the network file. As required by this MICS, the original documents and summary reports must be retained since the network file, if these documents are stored in this file, is alterable.

J20. Information Technology MICS #36 through #39 - What is a “wagering instrument database”? (Posted 9/3/09)

Typically, wagering instruments are issued from the slot machine upon the patron cashing out wagering credits obtained from winnings or inserting currency into the bill validator. These MICS do not apply to wagering instruments that are created as a result of slot machine play. These MICS apply to licensees that create wagering instruments to distribute to patrons for play at slot machines. Active wagering instruments are also addressed at Slots MICS #85 and Cage and Credit MICS #72.

J21. Information Technology MICS #52 – Are IT personnel precluded access to blank stock used to print wagering instruments or already created wagering instruments? (Posted 9/3/09)

MICS #52 does not apply to the blank stock used for printing wagering instruments. It applies to wagering instruments which have been created and printed by the cashless wagering system.