



KENNY C. GUINN  
Governor

STATE OF NEVADA  
**GAMING CONTROL BOARD**

1919 E. College Parkway, P.O. Box 8003, Carson City, Nevada 89702  
555 E. Washington Ave., Suite 2600, Las Vegas, Nevada 89101  
3650 South Pointe Cir., P.O. Box 31109, Laughlin, Nevada 89028  
557 W. Silver St., Suite 207, Elko, Nevada 89801  
495 Apple St., Reno, Nevada 89502

STEVE DuCHARME, *Chairman*  
DENNIS K. NEILANDER, *Member*  
BOBBY L. SILLER, *Member*

February 28, 2000

Carson City  
(775) 687-6500

**TO: ALL NONRESTRICTED LICENSEES, GAMING DEVICE MANUFACTURERS AND DISTRIBUTORS, SLOT ROUTE OPERATORS, OPERATORS OF INTER-CASINO LINKED SYSTEMS, ASSOCIATED EQUIPMENT MANUFACTURERS AND INTERESTED PARTIES**

**SUBJECT: GAMING ASSOCIATED EQUIPMENT AND CASHLESS WAGERING SYSTEMS POLICY MEMORANDUM**

This industry letter is a summary of all current Board policy regarding the associated equipment review and approval process, and supersedes former Board Chairman Bill Bible's industry letter of August 14, 1989. With the constant advancements in gaming technology, this letter will serve as an update of current Board requirements.

Classifications of Gaming Equipment

The four general categories of gaming equipment used in Nevada casinos that require approval are gaming devices, new games, cashless wagering systems, and associated equipment. The approval process for each type of equipment is as follows:

1. Gaming devices (defined in NRS 463.0155) are inspected and recommended for approval to the Nevada Gaming Commission by the Board's Electronic Services Division. Subsequent modifications to gaming devices are also submitted to the Electronic Services Division but are administratively approved by the Board. A manufacturer or distributor of a gaming device must be licensed pursuant to NRS 463.650.
2. New games are submitted to the Board's Enforcement Division for review. Depending on the game, the Audit and Electronic Services Divisions may also be involved in the review process. A manufacturer's license is not typically required for a developer of a new game. Regulation 14.230 requires Commission approval for all new games.

3. Cashless wagering systems are reviewed jointly by the Board's Electronic Services Division and Audit Division. The Board may administratively approve these systems or may recommend that these systems be approved by the Nevada Gaming Commission in lieu of administrative approval. A manufacturer or distributor of a cashless wagering system must also obtain a license pursuant to NRS 463.650. A cashless wagering system (see NRS 463.014) is defined as a method of wagering and accounting:

- “1. In which the validity and value of a wagering instrument or wagering credits are determined, monitored and retained by a computer operated and maintained by a licensee which maintains a record of each transaction involving the wagering instrument or wagering credits, exclusive of the game or gaming device on which wagers are being made. The term includes computerized systems which facilitate electronic transfers of money directly to or from a game or gaming device; or
2. Used in a race book or sports pool in which the validity and value of a wagering instrument are determined, monitored and retained on a computer that maintains a record of each transaction involving the wagering instrument and is operated and maintained by a licensee.”

4. Finally, associated equipment is submitted to the Board's Audit Division for review and administrative Board approval. Associated equipment (see NRS 463.0136) is defined as:

- “1. Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming, any game, race book or sports pool that would not otherwise be classified as a gaming device, including dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines and devices for weighing or counting money; or
2. A computerized system for recordation of sales for use in an area subject to the casino entertainment tax pursuant to NRS 463.401.”

Please note that paragraph 2 was added to the definition of associated equipment effective October 1, 1997. This amendment expands the definition of associated equipment to include computerized casino entertainment tax recording systems. Therefore, all associated equipment requirements apply to the manufacturers and users of these systems.

#### Associated Equipment Review and Approval Process

Licensing is generally not required for a manufacturer or distributor of associated equipment. However, upon a recommendation by the Board, an associated equipment manufacturer may be called forward for a finding of suitability by the Nevada Gaming Commission pursuant to NRS 463.665. Additionally, certain types of associated equipment (i.e., new technology, new concept, etc.) may require Board and Commission approval. Finally, depending on how the manufacturer of the equipment is compensated by the casino purchasers, licensing may be required pursuant to NRS 463.162.

NRS 463.670(4) allows the Board to inspect all associated equipment and cashless wagering systems. Attachment A is a list of the most common types of equipment in use today. This list also indicates the type of review and approval process, if any, required for each. The Board's Audit Division should be contacted for guidance regarding any computer-based equipment used in gaming areas which does not appear on this list, or which does not fit clearly within any category on the list. This list is provided for GUIDANCE ONLY - all manufacturers and licensees are responsible for compliance with applicable statutes and regulations.

Pursuant to the provisions of NRS 463.670(5), the Board charges manufacturers of associated equipment a fee for inspections of newly developed associated equipment as well as for modifications of previously approved associated equipment. This fee is not charged to gaming licensees that purchase and install previously approved associated equipment. However, a gaming licensee that develops associated equipment is considered a "manufacturer of associated equipment" pursuant to Regulation 14.010(7), and will be charged the inspection fee. Prior to the inception of an associated equipment review, a deposit is required based upon an estimate of the inspection time.

As of the date of this letter, associated equipment inspection fees are charged at the rate of \$45 per hour for inspection time and \$40 per hour for related travel time. Should assistance from the Board's Electronic Services Division be required, the rate is \$55 per hour. Please note that the associated equipment approval process may require an independent programmer review of the software/source code pursuant to Regulation 14.270. Manufacturers will be billed for the actual cost of this review, if determined to be required.

Associated equipment reviews are classified as either Manufacturer Reviews or Licensee (User) Reviews. Manufacturer reviews are undertaken to determine if the associated equipment performs as represented, meets the Board's standards for security, accuracy and auditability, and complies with applicable statutes and regulations. Licensee (User) Reviews are performed to confirm that the system installed is the same as that initially approved, and to determine the adequacy of the gaming licensee's internal control procedures over the use of the system. All gaming licensees, except for restricted locations who do not manufacture or distribute associated equipment but only use associated equipment, must file for manufacturer or user reviews. A brief overview of these two types of reviews is as follows:

#### Manufacturer Reviews

1. Unless the manufacturer or distributor is licensed, first-time filers must

register with the Board by submitting a brief Personal History Record (PHR) and a Request to Release Information Form to the Audit Division. Also, at its discretion, the Board may require an associated equipment manufacturer's suppliers or distributors to submit PHR's and information release forms.

Personal history records and information release forms must be completed for all owners or, if a corporation, for all officers and directors. These documents may be obtained from the Audit Division.

2. At least **ninety days** prior to intended installation the following must be submitted:
  - a. A Manufacturer's Request for Review of Associated Equipment form (Attachment B).
  - b. Complete system documentation in both technical and lay language (i.e., schematics, listing of hardware, intended usage of equipment, etc.).
  - c. An operator/user manual.
  - d. Details of all system tests performed and the standards under which the tests were performed.
  - e. A working model of the equipment, configured exactly as it will be used in a casino environment, for review pursuant to Regulation 14.270. At the Board's discretion, this review may be performed at either the Board's offices or at the manufacturer's place of business.
  - f. A deposit sufficient to cover the anticipated review charges.
  - g. The name of the casino field trial location.

Associated equipment will not be considered eligible for review until all of the above, where applicable, are received. The Board's best efforts will be made to review the equipment within the prescribed time frame; however, noted deficiencies in equipment requiring modification may result in the ninety-day approval process being extended.

3. Once the initial review has been completed and the casino field trial location has followed the filing procedures described in "Licensee (User) Reviews" below, written approval to commence the field trial will be given to the

manufacturer and the licensee.

4. Upon successful completion of the field trial, the manufacturer will be provided written Board approval to sell and install the system in Nevada. In some cases the final approval letter may contain certain conditions that must be complied with by the manufacturer or casino users.
5. Any modifications to previously approved equipment require submission of the information described in #2, above, at least ninety days prior to the intended implementation date.
6. Manufacturers must receive prior Board approval to distribute associated equipment or modifications to associated equipment in the state of Nevada pursuant to Regulation 14.260.

#### Licensee (User) Reviews

1. **Thirty days** prior to intended installation the licensee must file:
  - a. A User's Request for Installation of Associated Equipment form (Attachment C).
  - b. Internal control system amendments pursuant to Regulation 6.090, if applicable.
  - c. Any applicable requests for regulation waivers or variations from minimum internal control standards.
2. Once a complete filing has been made, the Audit Division will issue a trial period procedures letter to the licensee (Note: Some associated equipment does not require a trial period - see Attachment A). An average trial period is thirty days; however, trial periods can range anywhere from three to sixty days depending on the type of equipment. The trial letter describes specific procedures that must be performed during the trial period. All trial period procedures must be performed beginning on the date of installation until notified otherwise. The installation or use of associated equipment without prior written approval is a violation of Regulation 14.290.
3. Upon successful completion of all trial period procedures the licensee must contact the Audit Division to schedule a final review. If the final review detects no problems with the operation of the equipment and no regulation violations, a final Board approval letter will be sent to the licensee.

Noncompliance with the Manufacturer or Licensee requirements may result in one or more of the following:

1. Extension of trial period procedures.
2. Required removal of the equipment.
3. Recommendation for a finding of suitability of the manufacturer pursuant to NRS 463.665.
4. Disciplinary proceedings.

All associated equipment reporting forms should be submitted to the Board's Audit Division in Las Vegas. Each type of associated equipment requires a separate form - do not include more than one type of associated equipment on each form. Should you have any questions regarding the requirements explained in this letter, or require additional forms, please contact the Audit Division at (702) 486-2060.

Sincerely,

Dennis Neilander  
Member

DN/SS:lma

Attachments

cc: Steve DuCharme  
Bobby Siller

ATTACHMENT A

**ASSOCIATED EQUIPMENT REPORTING AND INSPECTION GUIDELINES**

(As of January 1, 2000)

TYPE OF EQUIPMENT	LICENSEE/USER REQUIREMENTS			MANUFACTURER OR IN-HOUSE DEVELOPED REQUIREMENTS			
	REPORTABLE	TRIAL PERIOD		REPORTABLE	REVIEWED BY AUDIT DIVISION	REVIEWED BY ELECTRONIC SERVICES DIVISION	REQUIRES LICENSING
Automatic Teller Machines (ATMs)	N	N		N	N	N	N
Automatic Card Shufflers (mechanical)	Y	N		Y	Y	Y	N
Automatic Card Shufflers (with a random number generator)	Y	N		Y	Y	Y	N
Ball Drawing Devices - Manual (e.g., keno and bingo ball blowers/cages)	N	N		N	N	N	N
Ball Drawing Devices - Automated Readers	Y	Y		Y	Y	N	N
Bill Validator (embedded in slot machine)	N	N		N	N	Y	N
Bill Validator (stand alone device) (See Note 1)	N	N		N	N	N	N
Bingo Systems and Electronic Bingo Cards	Y	Y		Y	Y	N	N
Bingo Systems with an Electronic Random Number Generator (defined as a gaming device pursuant to NRS 463.0155(4))	Y	Y		Y	Y	Y	Y
Bidirectional Communication with a Gaming Device (See Note 2)	Y	Y		Y	Y	Y	Y
Big 6 Wheel (Wheel of Fortune)	N	N		N	N	N	Y
Cage Systems	Y	Y		Y	Y	N	N
Cashless Wagering Systems	Y	Y		Y	Y	Y	Y
Casino Entertainment Tax Recordation Systems	Y	Y		Y	Y	N	N
Check Cashing and Guarantee Systems	Y	N		Y	Y	N	N
Coin Counters	N	N		N	N	N	N
Coin Wrapping Machines	N	N		N	N	N	N
Currency Counters - Desk Top Counters	Y	N		N	N	N	N
Currency Counters - Multi-function Currency Processing Machines	Y	N		Y	Y	N	N
Debit/Credit Card Terminals in the Pit	Y	Y		N	N	N	N
Dice	N	N		N	N	N	N
Fill and Credit Systems	Y	Y		Y	Y	N	N
Gaming Signage (except for progressive sign controllers)	N	N		N	N	N	N
Inter-casino Linked Systems (See Note 3)	Y	Y		Y	Y	N	N
Keno Display Boards	N	N		N	N	N	N

ATTACHMENT A

**ASSOCIATED EQUIPMENT REPORTING AND INSPECTION GUIDELINES**

(As of January 1, 2000)

TYPE OF EQUIPMENT	LICENSEE/USER REQUIREMENTS			MANUFACTURER OR IN-HOUSE DEVELOPED REQUIREMENTS			
	REPORTABLE	TRIAL PERIOD		REPORTABLE	REVIEWED BY AUDIT DIVISION	REVIEWED BY ELECTRONIC SERVICES DIVISION	REQUIRES LICENSING
Keno Systems	Y	Y		Y	Y	N	N
Keno Systems with an Electronic Random Number Generator (defined as a gaming device pursuant to NRS 463.0155 (4))	Y	Y		Y	Y	Y	Y
Marker Systems	Y	Y		Y	Y	N	N
Modems (remote dial-up to any associated equipment installed in a casino)	Y	N		Y	N	N	N
Off-Track Pari-Mutuel Systems	Y	Y		Y	Y	N	N
Optical Disk Storage Systems - Direct Storage (no reports printed) (See Note 4)	Y	Y		N	N	N	N
Optical Disk Storage Systems - Document Scanned (reports printed) (See Note 4)	Y	N		N	N	N	N
Pit Player Tracking Systems	Y	Y		Y	Y	N	N
Playing Cards	N	N		N	N	N	N
Playing Card Scanners ("no peek" devices)	Y	N		Y	Y	N	N
Progressive Sign Controllers	N	N		N	N	Y	N
Promotional Devices (contrivance that resembles a gaming device or slot machine pursuant to Regulation 14.210)	N	N		N	N	Y	N
Promotional Devices (paycheck wheels, etc.)	N	N		N	N	N	N
Race and/or Sports Betting Systems	Y	Y		Y	Y	N	N
Race Simulcast Decoders	N	N		Y	Y	N	N
Roulette Wheels	N	N		N	N	N	Y
Slot Information Systems (including but not limited to: on-line coin-in and currency-in meter readings, jackpots and fills, weigh scale interface, currency counter interface)	Y	Y		Y	Y	N	N
Slot Player Tracking Systems	Y	Y		Y	Y	N	N
Smart Cards (cashless wagering system)	Y	Y		Y	Y	Y	Y
Soft Count Systems	Y	Y		Y	Y	N	N
Table Games (layout changes, backlighting, etc.) (Contact Enforcement Division)	N	N		N	N	N	N
Table Games with Associated Equipment (progressive signs, chip/card readers, drop box currency counters, etc.)	Y	Y		Y	Y	Y	N



ATTACHMENT A

**ASSOCIATED EQUIPMENT REPORTING AND INSPECTION GUIDELINES**  
(As of January 1, 2000)

TYPE OF EQUIPMENT	LICENSEE/USER REQUIREMENTS			MANUFACTURER OR IN-HOUSE DEVELOPED REQUIREMENTS			
	REPORTABLE	TRIAL PERIOD		REPORTABLE	REVIEWED BY AUDIT DIVISION	REVIEWED BY ELECTRONIC SERVICES DIVISION	REQUIRES LICENSING
Table Games with Gaming Device Components	N	N		N	N	Y	Y
Wagering Communications Technology (automated) - Regulation 22.140	Y	Y		Y	Y	N	N
Wagering Communications (voice) (Contact Enforcement Division) - Regulation 22.140	N	N		N	N	N	N
Weigh Scales - Coin	Y	N		N	N	N	N
Weigh Scales - Currency	Y	N		Y	Y	N	N

## Notes to Attachment A

Note 1 - GCB approval is not necessary to sell a stand-alone bill validator. However, prior to use in a specific slot machine, approval must be obtained from the Electronic Services Division.

Note 2 - **Bidirectional Communication with a Gaming Device** - Any associated equipment that sends information to a gaming device and can be used by the gaming device to control win/loss, bonuses, payouts, etc.

Note 3 - **Inter-casino Linked Systems** - Definition per NRS 463.01643 - "**Inter-casino linked system**" means a network of electronically interfaced similar games which are located at two or more licensed gaming establishments that are linked to conduct gaming activities, contests or tournaments.

**An operator of an inter-casino linked system** must be licensed pursuant to NRS 463.160.

A license to operate an inter-casino linked system is not required if the system is operated by affiliated licensees or by an operator of a slot machine route who operates a slot inter-casino linked system.

Note 4 - Documents may be scanned or directly stored to WORM ("Write Once Read Many") optical disks. Reference the Electronic Data Processing Minimum Internal Control Standards Numbers 12 and 13.

ATTACHMENT B

STATE OF NEVADA  
GAMING CONTROL BOARD

MANUFACTURER’S REQUEST FOR REVIEW OF ASSOCIATED EQUIPMENT

- 1. Name of manufacturer (or licensee if in-house developed): \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_  

**(Name and Title)**
- 2. Please check one:  Initial Review  
 Modification (Attach description of modification)
- 3. Type of associated equipment: \_\_\_\_\_  
 Name/Model/Version number: \_\_\_\_\_

Any developer of associated equipment, whether a gaming licensee, a licensed manufacturer/distributor of gaming devices, or a manufacturer/distributor of associated equipment, must complete and submit this form before the review of the system will be considered. This form must be submitted at least **NINETY DAYS** prior to the intended implementation date.

Forms must be submitted to: State Gaming Control Board  
Audit Division  
555 East Washington Avenue, Suite 2500  
Las Vegas, Nevada 89101

Each type of associated equipment requires a separate form - do **NOT** include more than one type of associated equipment on each form (See the Associated Equipment Reporting and Inspection Guidelines for examples of associated equipment). In addition, a Personal History Record and Request to Release Information Form must be completed and submitted with this form for first-time applicants. Updates to the Personal History Record may be required at later dates. The Gaming Control Board charges for associated equipment reviews pursuant to NRS 463.670(5). Out-of-town travel expenses (lodging, meals, transportation, etc.) will be charged.

The undersigned, in compliance with NGC Regulation 14, understands the requirements outlined above and requests a review of associated equipment. Furthermore the undersigned hereby agrees to indemnify, hold harmless and defend, not excluding the State’s right to participate, the State of Nevada, the Nevada Gaming Commission, the State Gaming Control Board, the Nevada Attorney General, and each of their members, agents, and employees in their individual and representative capacities from any and all claims, suits, and actions, brought by anyone associated with this request, or by any third party, against the agencies or persons named in this paragraph, arising out of the submission, investigation and deliberation of this request, and against any and all liabilities, expenses, damages, charges and costs, including court costs and attorneys’ fees, which may be sustained by the persons and agencies named in this paragraph as a result of said claims, suits and actions.

\_\_\_\_\_  
Printed Name and Title of Company Official

\_\_\_\_\_  
Signature of Company Official

\_\_\_\_\_  
Date

ATTACHMENT C

STATE OF NEVADA  
GAMING CONTROL BOARD

USER'S REQUEST FOR INSTALLATION OF ASSOCIATED EQUIPMENT

1. Licensee: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
(Name and Title)
2. Type of associated equipment: \_\_\_\_\_  
Manufacturer: \_\_\_\_\_  
Name/Model/Version number: \_\_\_\_\_
3. Purpose for filing this report (check one):  
\_\_\_\_\_ New associated equipment review (Beta Site)  
\_\_\_\_\_ Installation of previously approved equipment  
\_\_\_\_\_ A modification of previously approved associated equipment (attach description of modification)
4. For new installation and modifications, requesting to install on/by (date): \_\_\_\_\_

Any licensee wishing to install associated equipment must complete and submit this form at least **THIRTY DAYS** prior to the intended installation date to the following address:

State Gaming Control Board  
Audit Division  
555 East Washington Avenue, Suite 2500  
Las Vegas, Nevada 89101

A separate form must be filed for each type of associated equipment. Additionally, all appropriate internal control system amendments and any requests for regulation waivers, or variations from minimum internal control standards, if applicable, must accompany this form.

Please keep in mind that the system may not be implemented until such time as written approval from the board has been received. The undersigned, in compliance with NGC Regulation 14, requests installation of the above associated equipment. Furthermore the undersigned hereby agrees to indemnify, hold harmless and defend, not excluding the State's right to participate, the State of Nevada, the Nevada Gaming Commission, the State Gaming Control Board, the Nevada Attorney General, and each of their members, agents, and employees in their individual and representative capacities from any and all claims, suits, and actions, brought by anyone associated with this request, or by any third party, against the agencies or persons named in this paragraph, arising out of the submission, investigation and deliberation of this request, and against any and all liabilities, expenses, damages, charges and costs, including court costs and attorneys' fees, which may be sustained by the persons and agencies named in this paragraph as a result of said claims, suits and actions.

\_\_\_\_\_  
Signature of Company Official

\_\_\_\_\_  
Date