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October 10, 2003

Carson City
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TO: ALL GROUP I NONRESTRICTED LICENSEES AND INTERESTED PERSONS

**RE: MINIMUM INTERNAL CONTROL STANDARDS EFFECTIVE
OCTOBER 1, 2003**

On August 18, 2003 the Gaming Control Board adopted revisions to the Minimum Internal Control Standards (MICS) dated August 8, 2003 pursuant to Regulation 6.090(5). As provided in Regulation 6.090(6), any Group I nonrestricted licensee was given thirty days from August 18, 2003 to file objections to any newly adopted or modified standards with the Nevada Gaming Commission. As of the date of this letter, no objections have been received. Accordingly, the revised Minimum Internal Control Standards dated August 8, 2003 became effective on October 1, 2003. All Group I nonrestricted licensees must be in compliance with the new standards by Wednesday, January 21, 2004. The revised Entertainment MICS have been adopted and are also effective on October 1, 2003; however, due to changes in law relating to live entertainment, the Entertainment MICS may require further revision in 2004. Additionally, no revisions have been made to the Currency Transaction Reporting MICS at this time.

The new versions of the MICS can be obtained from the Board's website at <http://gaming.state.nv.us/>, or may be obtained on floppy disk or hard copy at either the Reno or Las Vegas Audit Division offices beginning on October 17, 2003.

All written systems of internal control must be amended to bring them into compliance with the new versions of the MICS. It is suggested that entire internal control systems be submitted incorporating the necessary changes. Further, as required by Regulation 6.090(11), licensees must submit a statement with the system of internal control, signed by the licensee's chief financial officer, attesting that the revised system satisfies the requirements of the revised MICS. The amended system and the attest letter must be submitted to the Board's Audit Division by January 7, 2004.

Licensees who have received variations from previous versions of the standards should compare those variations to the revised versions of the MICS to determine if the standard number changed, or in some instances, the standard was eliminated. All variations previously granted are still in effect (if applicable), unless specifically notified by the Board. Additionally, all associated equipment approvals granted by the Board in the past that refer to procedures in specific versions of the Minimum Internal Control Standards should now be applied to the current versions.

The written system of internal control should be submitted in a loose-leaf format, and not permanently bound or included in a binder, which will facilitate future copying and insertion of

subsequent amendments. The written system of internal control should include the following as required by Regulation 6.090(2):

1. An organizational chart depicting segregation of functions and responsibilities.
2. A description of the duties and responsibilities of each position shown on the organizational chart.
3. A detailed, narrative description of the administrative and accounting procedures in effect that demonstrates compliance with the MICS. As applicable, the detailed, narrative description of procedures include the job titles of personnel involved, the procedure(s) performed by the individual(s), when the procedure is performed, how the procedure is performed, and where the procedure is performed. A written system of internal control that simply reiterates the MICS is not adequate and will be rejected.
4. A reference to the applicable MICS numbers. This reference will provide a method to ensure that internal control procedures have been included for all applicable MICS.
5. Each revenue section (e.g., slots, table games, etc.) should address the applicable "Information Technology" MICS.

In summary the written system of internal control not only addresses procedures demonstrating compliance with MICS but also other internal control procedures in effect that may be unique for the gaming operation. The written system of internal control should provide an accurate reflection of internal procedures in effect for the gaming operation.

Since licensees will be transitioning from the old versions of the MICS to the new versions between now and January 21, 2004, it will not be necessary to submit any further amendments to the existing written system of internal control currently on file with the Board until the new system has been filed. Any future amendments to the written system of internal control are to be made in accordance with Regulation 6.090 (10) and (11). Regulation 6.090(11) was amended on May 22, 2003 to allow licensees to annually report any amendments to the licensee's procedures and written system, which were not reported pursuant to Regulation 6.090(10).

If you have any questions on the issues included in this letter, please contact Internal Control Coordinator Shirley Springer at (702) 486-2060.

Sincerely,

Scott Scherer
Board Member

SS/SS

cc: Dennis K. Neilander, Board Chairman
Bobby L. Siller, Board Member
Records and Research Services