



BRIAN SANDOVAL
Governor

STATE OF NEVADA

GAMING CONTROL BOARD

1919 College Parkway, P.O. Box 8003, Carson City, Nevada 89702
555 E. Washington Avenue, Suite 2600, Las Vegas, Nevada 89101
3650 S. Pointe Circle, Suite 203, P.O. Box 31109, Laughlin, Nevada 89028
557 W. Silver Street, Suite 207, Elko, Nevada 89801
9790 Gateway Drive, Suite 100, Reno, Nevada 89521
750 Pilot Road, Suite H, Las Vegas, Nevada 89119

MARK A. LIPPARELLI, *Chairman*
A.G. BURNETT, *Member*
SHAWN R. REID, *Member*


NOTICE TO LICENSEES

Notice # 2011-48

Issuing Division: Audit

DATE: July 28, 2011

TO: Race and Sports Book Licensees

FROM: Mark A. Lipparelli, Chairman 

SUBJECT: Regulation 22.120(2) Approvals

Regulation 22.120(2) allows a licensed race book or sports pool (“book”) to request approval to accept wagers on an event other than a horse race, greyhound race or an athletic sports event, provided that the book makes the request on such forms approved by the chairman, which shall include the information specified in Regulation 22.120(2)(a) through (d).

Upon chairman approval to accept wagers on a specified event pursuant to Regulation 22.120(2), books are to comply with the Race and Sports Minimum Internal Control Standards (MICS) as it relates to the event. For the purpose of the Race and Sports MICS, the term “sports” as used in these MICS will include approved Regulation 22.120(2) events. Additionally, in order to ensure that the audit procedures required by Race and Sports MICS #67 and #69 (V6) are specifically performed for each approved Regulation 22.120(2) event and that the wagering activity related to the event is not excluded from the audit sample, the following audit procedures must be performed for each approved event:

1. Daily, for all Regulation 22.120(2) approved events, winning tickets in excess of \$10,000 and for a random sample of five of all other winning Regulation 22.120(2) tickets:
 - a. The tickets are recalculated and regraded using the race and sports computer system record of event results.
 - b. The date and starting time of the event per the results report are compared to the date and time on the ticket and in the race and sports computer system transaction report.
 - c. The terms of the wagers (e.g., odds, money lines, etc.) per the race and sports computer system transaction report or other report indicating all odds and money lines at which wagers were written are reviewed and compared to an independent source for questionable activity (see Regulation 22.125).

2. Daily, the race and sports computer system's summary of events/results report is traced to an independent source for 5% of all approved Regulation 22.120(2) events to verify the accuracy of the wagering cut-off times and final results.

In performing step #2, the documentation used as the independent source is to be maintained for at least five years pursuant to the record retention requirements of Regulation 6.060.

Furthermore, any book intending to accept wagers on approved Regulation 22.120(2) events is to submit an amendment to the written system of internal control for race and sports indicating the aforementioned audit procedures to be performed for approved events.

If you have any questions, please contact Audit Manager Kelly Colvin at (702) 486-2060.