

RESOLUTION OF THE  
NAABIK'ÍYÁTI' STANDING COMMITTEE  
24<sup>th</sup> NAVAJO NATION COUNCIL -- Third Year, 2021

AN ACTION RELATING TO THE NAABIK'ÍYÁTI' COMMITTEE; APPROVING  
AMENDED AND NEW APPENDICES TO THE 2021 ARIZONA GAMING COMPACT

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Naabik'íyáti' Committee is a standing committee of the Navajo Nation Council with the enumerated power to review and continually monitor the programs and activities of federal and state departments and to assist development of such programs designed to serve the Navajo People and the Navajo Nation through intergovernmental relationships between the Navajo Nation and such departments. 2 N.N.C. § 701(A)(7).
- B. Navajo Nation Council approved The Navajo Nation - State of Arizona Amended and Restated Gaming Compact (the "2021 Arizona Gaming Compact"), including certain regulatory appendices, and delegated authority to "the Naabik'íyáti' Committee, upon recommendation of the Naabik'íyáti' Gaming Subcommittee to approve other modified or new appendices to the 2021 Arizona Gaming Compact, provided such modified or new appendices are agreed to by the Arizona Department of Gaming and the Navajo Nation Gaming Regulatory Office." CAP-19-21 § 3(C).

SECTION TWO. FINDINGS

- A. On July 31, 2021, following a report and recommendation by counsel for the Navajo Nation Gaming Regulatory Office, the Naabik'íyáti' Gaming Subcommittee approved, and recommended to the Naabik'íyáti' Committee to approve the following modified and new appendices: Appendix A (Technical and Operational Standards, Specifications, and Regulations Governing Gaming Devices), attached as **Exhibit A**; Appendix C (Surveillance, Security, and Reporting Requirements), attached as **Exhibit B**; Appendix H (Minimum Internal Control Standards), attached as **Exhibit C**; Appendix I (Computation and Auditing of Tribal Contributions), attached as **Exhibit D**; and Appendix M (Standards for Self-Exclusion and Responsible Gaming), attached as **Exhibit E** (collectively, the "Modified and New Appendices"). The Naabik'íyáti' Gaming Subcommittee resolution is attached as **Exhibit F**.

B. The Arizona Department of Gaming also has agreed to the Modified and New Appendices, which have been publicly posted on the Arizona Department of Gaming website at <https://gaming.az.gov/tribal-gaming/gaming-compact-statutes>.

### SECTION THREE. APPROVAL AND ADOPTION


The Navajo Nation hereby approves and adopts the Modified and New Appendices attached as **Exhibits A** through **E**.

### SECTION FOUR. EFFECTIVE DATE

This Action shall become effective upon certification by the Chairperson of the Naabik'íyáti' Committee.

### CERTIFICATION

I, hereby certify that the foregoing resolution was duly considered by the Naabik'íyáti' Committee of the 24<sup>th</sup> Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 17 in Favor, and 02 Opposed, on this 26<sup>th</sup> day of August 2021.

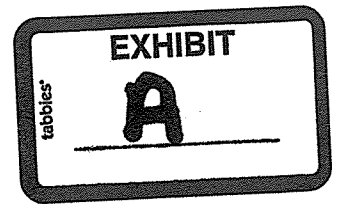
  
Honorable Seth Damon, Chairman  
Naabik'íyáti' Committee

Aug 27, 2021  
Date

Motion: Honorable Rickie Nez

Second: Honorable Elmer P. Begay

Chairman Seth Damon not voting



## **APPENDIX A**

### **Technical and Operational Standards, Specifications, And Regulations Governing Gaming Devices**

Arizona Tribal-State Gaming Compact

## TECHNICAL STANDARDS

Applicable technical standards are the following, accepting and including all recommended standards referenced therein and all amendments and updates thereto, as published by Gaming Laboratories International, Inc. ("GLI"):

Equipment	Standard
Gaming Devices	GLI-11
Progressive Gaming Devices	GLI-12
Online Monitoring Systems	GLI-13
Bonus Systems	GLI-17
Promotional Systems	GLI-18
Redemption Kiosks	GLI-20

These standards are incorporated into this Appendix and compliance with them is required, just as if they were fully set forth herein.

# **OPERATIONAL STANDARDS, SPECIFICATIONS AND REGULATIONS**

## **PART I**

### **DEFINITIONS AND CONVENTIONS**

#### **CHAPTER 1**

#### **DEFINITIONS**

1. "Award" means a jackpot, a win and/or a prize.
2. "Base amount" means the amount of a progressive jackpot initially offered before increases.
3. "Bill acceptor box" means the secured compartment of a gaming device that contains currency, tickets, and/or coupons.
4. "Bonusing transaction" means an award that is not described in the pay table of a gaming device, that is based upon predetermined events or criteria established by the Gaming Facility Operator, and that results in the electronic transfer of credits to a gaming device. Bonusing transactions are made to patrons through predefined gaming devices.
5. "Control program" means software that operates a gaming device's functions.
6. "Coupon" means a printed wagering instrument that is used primarily for promotional purposes and which can be redeemed for restricted or unrestricted credits.
7. "Credit" means the unit of value that is used to play a game on a gaming device or that may be redeemed for other value.
8. "Critical files" are those files which affect a gaming device's play, operation, or outcome.
9. "Distributor" means a person who obtains a gaming device, gaming device software, host system software, or kiosk from a manufacturer or other distributor and intends to furnish it to the Tribe for a gaming purpose.
10. "Gaming device" means an electronic or electro-mechanical device that at a minimum will utilize an element of chance, skill, or strategy, or some combination of these elements in the determination of prizes, contain some form of activation to initiate the selection process, and makes use of a suitable methodology for delivery of the determined outcome.
11. "Gaming device file" means a database of every gaming device in operation, including at least the following information for each gaming device:

- (a) unique interface element/gaming device identification number;
- (b) gaming device identification number as assigned by the gaming facility;
- (c) denomination of the gaming device;
- (d) theoretical hold of the gaming device; and
- (e) control programs within the gaming device.

12. "Gaming device tournament" means an organized event that permits a patron to either purchase or be awarded the opportunity to engage in competitive play against other patrons.

13. "Host system" means the Gaming Facility Operator's MCS and, if used, an incentive system and/or validation system.

14. "Incentive system" means the components of the host system (whether hardware, software, or both and whether integral to the MCS or integrated with the MCS) that control incentive transactions. Gaming devices involved in incentive transactions are also part of the incentive system. Gaming devices not involved in incentive transactions are not part of the incentive system.

15. "Incentive transaction" means the electronic transfer of credits to or from a gaming device or kiosk in a promotional transaction or to a gaming device in a bonusing transaction. An incentive transaction is either a promotional transaction or a bonusing transaction. The following are not incentive transactions:

- (a) a patron receiving credits on a gaming device by inserting cash or coins into the gaming device;
- (b) a patron receiving credits on a gaming device by redeeming a ticket other than a coupon at the gaming device;
- (c) a patron obtaining or redeeming a ticket other than a coupon at a kiosk or cashier; and
- (d) a patron receiving credits on a gaming device by winning a prize described in the payable of a gaming device during a game cycle, including a prize awarded during a bonus round.

16. "Incremental amount" means the difference between the amount of a progressive jackpot and its base amount.

17. "Jackpot" means a win of cash or its equivalent that results in a handpay.

18. "Kiosk" means a device that interfaces with the MCS and/or the host system and may be used by, or on behalf of, a patron to perform the following tasks:

- (a) ticket/coupon/jackpot redemption;
- (b) ticket issuance; and/or
- (c) bill breaking.

19. "Laboratory" means a gaming test laboratory independent of the Tribe and the State which is licensed by the Tribal Gaming Office and certified by the State Gaming Agency.

20. "Logic area" means a separately locked area of a gaming device which houses electronic components that have the potential to influence the outcome or integrity of the device. This area contains the main processor board and other critical components. It is a sealed,

secured box or enclosure within the gaming device that houses the critical control program(s) for the device.

21. "Manufacturer" means a person who manufactures, produces or assembles a gaming device, gaming device software, host system software, or kiosk and who intends to furnish it to a distributor or the Tribe.

22. "MCS" means an online monitoring and control system (also known as a game management system) that regularly monitors each gaming device via a real time defined communication protocol.

23. "MCS critical files" means those files in the MCS that affect the collection, storage and comparison of gaming device play and operation.

24. "Modify" or "modification" means:

- (a) with respect to a gaming device, a change or alteration in an approved gaming device that affects the manner or mode of play or the percentage paid by the gaming device, including a change in or update to a control program or critical file, but not a:
  - (1) Replacement of one gaming device component with another preapproved gaming device component; or
  - (2) Rebuilding of a previously approved gaming device with preapproved gaming device components.
- (b) With respect to a host system, the terms "modify" and "modification":
  - (1) Mean installing new MCS software, incentive system software, or validation system software (e.g., converting from Bally's MCS software to Aristocrat MCS software or adding Aristocrat validation software to Aristocrat MCS software);
  - (2) Mean installing a new release of MCS software, incentive system software, or validation system software
  - (3) Mean enabling modules of the host system that were installed previously (e.g., enabling the Personal Banker® module of Aristocrat's Oasis Slot Accounting System for the first time, but not using features of the Personal Banker® module for the first time after the Personal Banker® module has been enabled).

The terms "modify" and "modification" do not mean applying service releases, service packs, or patches to host system software, except where the releases, packs, or patches require prior testing and approval by a laboratory.

25. "Multi-site progressive gaming devices" means progressive gaming devices that are interconnected to more than one gaming facility.

26. "Multi-station device" means a multi-player gaming device that incorporates more than one player station, and has only one random number generator, which is controlled by a master terminal. The master terminal shall contain the game's Central Processing Unit (CPU) and the Random Number Generator (RNG). The master terminal shall control the common game display, which is shared among the player stations.

27. "Mystery award" means a prize paid or awarded by a gaming device that is not associated with a specific payable combination.
28. "Par sheet" means a document that depicts the possible outcomes from the play of a gaming device, the probability of occurrences of each, the contribution of each winning outcome to the payback of a gaming device, theoretical hold, and other data applicable to a gaming device.
29. "Prize" means a win of merchandise or other items of value other than cash or its equivalent.
30. "Progressive controller" means hardware and software that controls communications among the devices that calculate the values of the progressive jackpots and displays the information within a progressive gaming device link and on the associated progressive meter. If applicable, progressive controllers may be internally controlled by the game's control program. A progressive controller may consist of more than one discrete component and includes but is not limited to PC-based computers, wiring, interface boards and collection nodes, etc. The progressive controller is considered to be associated equipment to a gaming device.
31. "Progressive gaming device" means a gaming device that has an increasing jackpot, based on a function of credits that are bet. This includes games that award progressive jackpots or a "pool" based on criteria other than obtaining winning symbols on the gaming device, such as a mystery award. However, this does not include games that incorporate a bonus feature as part of the game theme, which offers jackpots that increase as the game is played and, as well, is not configurable.
32. "Progressive jackpot" means a payoff that increases automatically as gaming devices are played.
33. "Promotional transaction" means an electronic transfer of credits (not described in the payable of a gaming device) to or from a gaming device or kiosk based upon predetermined events or criteria established by the Gaming Facility Operator. The term promotional transaction does not include an electronic transfer of credits resulting from a bonusing transaction or other award. A promotional transaction may be a static enticement requiring no patron or gaming device activity before redemption or may be based upon patron play.
34. "Restricted credits" refer to credits obtained in an incentive transaction that may be used only for play on a gaming device (i.e., the credits may not be redeemed for cash).
35. "Ticket" (also known as Voucher) means a printed ticket issued by a gaming device which can be redeemed for cash or used to subsequently establish credits on a device.
36. "Unrestricted credits" refer to credits obtained in an incentive transaction that are capable of being either used for play on a gaming device or redeemed for cash at the discretion of the player.
37. "Validation system" means a component or components of the host system (whether hardware, software, or both and whether integral to the MCS or integrated with the MCS) that controls the issuance, acceptance, and validation of tickets and coupons.
38. "Virtual coupon" is RESERVED.



39. "Virtual ticket" (also known as Virtual voucher) means an electronic token exchanged between a player's mobile device and the gaming device which is used for credit insertion and redemption.

## **CHAPTER 2 CONVENTIONS**

1. Time shall be expressed in local 24-hour format.
2. The Host System and all of its modules must utilize the same 24-hour cutoff when generating reports.
3. Dates shall be expressed in local month, day, and year format.
4. Deadlines shall be calculated consistent with Compact Section 21.
5. All user access passwords shall be changed at least quarterly with the changes documented.
6. Unless the context clearly dictates otherwise, the effect of words written in the singular is the same as if they had been written in the plural and the effect of words written in the plural is the same as if they had been written in the singular.
7. The Tribal Gaming Office and the State Gaming Agency may agree to an alternate procedure for any requirement of this Appendix.
8. All slot department employees shall be licensed by the Tribal Gaming Office and certified by the State Gaming Agency in accordance with the provisions of the Compact.
9. All gaming devices, kiosks, host systems, software, hardware, and associated equipment, as applicable, shall be purchased, leased, or acquired only from manufacturers, distributors, or suppliers certified by the State Gaming Agency and licensed by the Tribal Gaming Office in accordance with the Compact.
10. The State Gaming Agency shall have access to all records of gaming device activity, pursuant to the provisions of the Compact, including, but not limited to:
  - (a) Daily activity and accounting records;
  - (b) Security reports;
  - (c) Surveillance activities and reports; and
  - (d) Investigative reports.
11. The Gaming Facility Operator shall establish minimum and maximum wagers permitted at gaming devices in the Gaming Facility, provided that the maximum wager shall not exceed \$10,000. The maximum wager limit shall apply to any single wager that a player can make based on the approved game rules.

**PART II**  
**GAMING DEVICE REQUIREMENTS**

- A. **Shipping Software.** All gaming device software, kiosk software, and host system software shall be directly shipped to and controlled by the Tribal Gaming Office, unless otherwise designated by the Tribal Gaming Office.
- B. **Shipping Hardware.** All hardware that affects game play or game outcome shall be directly shipped to and controlled by the Tribal Gaming Office unless otherwise designated by the Tribal Gaming Office.
- C. **Alternate Shipping and Delivery.** The Tribal Gaming Office shall notify the State Gaming Agency of all software and/or hardware shipped or delivered to any place other than the Tribal Gaming Office.
- D. **Downloading Software.** It is permissible to download software to gaming devices and kiosks so long as done in compliance with Part II(E). This Appendix does not authorize server-based or server-supported gaming devices, although they may be authorized in an amendment to this Appendix or a separate Appendix.
- E. **Requirements for Downloading Gaming Device Software.** All information concerning downloading gaming device or kiosk software shall be forwarded to the Tribal Gaming Office which shall forward the information to the State Gaming Agency prior to the downloading process. The method of downloading gaming device or kiosk software shall be consistent with the manufacturer guidelines. All downloading of gaming device or kiosk software shall take place in the presence of Tribal Gaming Office personnel. The Tribal Gaming Office and State Gaming Agency shall approve the method of downloading software. The State Gaming Agency shall not unreasonably withhold approval.
- F. **Software Requirements for Percentage Payout.** During the expected lifetime of the game, including bonus games, each game shall theoretically pay out a minimum of 80% for games requiring no skill and 83% for games of skill. During the expected lifetime of the game, including bonus games, the video game of keno shall theoretically pay out a minimum of 75%. The required return percentage does not include contributions from any award derived externally to the gaming device (i.e., progressive, promotional systems, bonus systems, merchandise, etc.).
- G. **Par Sheet.** A copy of the manufacturer's par sheet for the current configuration shall be maintained inside each gaming device or at a location mutually agreed upon by the Tribal Gaming Office and the State Gaming Agency. The par sheet provided by the manufacturer shall list all the possible pay combinations (including bonus wheel stops), and accurately reflect the current configurations and symbols for the gaming device in play. The theoretical hold percentage for each gaming device recorded in the MCS gaming device file shall be the same as that configured at the gaming device (allowing for rounding, as applicable), and shall be within the performance standards on the manufacturer's par sheet, except as provided in the minimum internal control standards to the Compact.

**H. Prizes in Lieu of Jackpots.**

1. The return to the patron over the complete game cycle shall conform to the theoretical pay-out percentage. No prize shall be included in determining whether a gaming device meets the established minimum payout requirement unless the patron is given an option to claim a jackpot. In that case, the jackpot will be used to compute the payout percentage.
2. The value of a prize and how the Gaming Facility Operator determined the value shall be clearly displayed in close proximity to all gaming devices that offer prizes.
3. Gaming devices which are linked to offer the same prize shall have the same probability of hitting the combination that will award that prize (adjusted for denomination of play and number of coins bet).

**I. Game Rules.** The rules of the game shall not be written in a manner that confuses a reasonable patron. The payglass artwork shall display sufficient information to the patron to indicate all available options and instructions. The game shall always follow the predefined set of rules. Each gaming device that offers a jackpot paid over time shall display notice of the following to all patrons:

1. That the displayed jackpot will be paid over time and not in one lump sum; and
2. The period of time over which the payments will be made.

**J. Pay Tables and Reel Strip Test.** For gaming devices with mechanical reels it shall be possible to test and verify gaming device pay tables and reel strips at the gaming facility during the initial gaming device certification and during any periodic inspection by the Tribal Gaming Office or State Gaming Agency such field testing shall not be required for video based gaming device. Testing and verification of gaming device pay tables for video based gaming devices shall be conducted by the independent testing laboratory as part of the certification process.

**K. Bonus Wheel Testing.** For gaming devices with associated physical wheels, or similar, that are utilized during the game cycle, the gaming device shall provide a means for the Tribal Gaming Office and the State Gaming Agency to verify the wheel stops at the gaming facility during the initial gaming device inspection and during any periodic testing by the Tribal Gaming Office or State Gaming Agency.

**L. Logic Area.**

1. Each logic area shall be locked and keyed differently than any other gaming device compartment.
2. The keys to the logic door and logic area shall be controlled and maintained by the Tribal Gaming Office. With respect to multi-site progressive gaming devices, the door to the logic area shall have two locks which are keyed differently, and the Tribal Gaming Office shall control and maintain the keys to at least one of the locks.

**M. Currency Compartment.**

1. Access to the currency storage area shall be through two levels of locks: one on the relevant outer door plus one other door or lock, before the bill acceptor box can be removed.
2. Access to the currency storage area shall be secured and fitted with separate sensors that indicate that a door has opened or closed and that a bill acceptor box has been removed, provided power is supplied to the gaming device.

**N. Gaming Device Access Logs.**

1. A gaming device entry access log shall be completed for each gaming device. Written access logs shall be stored inside each gaming device and shall be completed by the person opening the gaming device.
2. Upon agreement of the Tribal Gaming Office and the State Gaming Agency, an access log may be in written or electronic form. Regardless of whether it is in written or electronic form, the log shall contain the following:
  - (a) the date of access;
  - (b) the time of access;
  - (c) the name or employee identification number of the person accessing the gaming device;
  - (d) the reason for access;
  - (e) the signature or initials of the person accessing the gaming device; and
  - (e) where the access log is in electronic form, each person accessing the gaming device must have an assigned, unique access card or PIN and must use that card or PIN when accessing the gaming device.
3. No entry in the access log is required when removing the bill acceptor box from a gaming device during normal drop procedures.

**O. Unrecoverable Critical Memory.** An unrecoverable corruption of RAM shall result in a RAM error. Clearing the unrecoverable RAM error shall require a full RAM clear performed by a representative of the Gaming Facility Operator and require the presence of a Tribal Gaming Office representative. Electro-mechanical and electronic meter readings shall be recorded prior to clearing RAM on each gaming device. Documentation shall be forwarded to the Tribal Gaming Office and the accounting department.

**P. Lost communication.** A gaming device shall be turned off no later than twenty-four (24) hours after communication between the gaming device and the MCS has been lost unless otherwise agreed to in writing between the Tribal Gaming Office and the State Gaming Agency. The gaming device may only be turned back on when communication to the MCS has been restored and verified. All verification results shall be forwarded to the Tribal Gaming Office and the State Gaming Agency.

### **PART III**

#### **MULTI-STATION DEVICES**

A. **Number of Multi-Station Devices.** A multi-station device shall constitute a single gaming device for purposes of determining the number of gaming devices at a gaming facility provided that the total number of multi-station devices in a gaming facility does not exceed 2.5% of the gaming devices permitted in that gaming facility and the total number of multi-station device player stations in a gaming facility does not exceed twelve (12) times the number of multi-station devices allowed in that gaming facility – otherwise the individual player stations will each be deemed to be a gaming device. A multi-station device can share player stations with other multi-station devices.

B. **Player Stations.** Each player station through which players play simultaneously with other players at other player stations of a multi-station device shall not:

1. Have a means to individually determine game outcomes;
2. Be disconnected from the central processing unit of the multi-station device that determines the game outcomes for all player stations without rendering that player station inoperable; and
3. Separately contain a random number generator or other means to individually determine the game outcome.

C. **Visual Appearance.** The player stations may not have the visual appearance of a traditional slot machine. Solely for purposes of this standard, a player station has the visual appearance of a traditional slot machine if it includes, as an element of the display of game play, a display of spinning reels or a visual representation of reels, or a display of winning symbol combinations upon pay lines or other similar indicators.

D. **Multi-Station Device Wager Limitations.** The wagering limitations, pursuant to the provisions of the Compact, shall apply separately to each player station. With respect to a multi-station device that depicts the play of craps, the wagering limitation shall be applied to permit a player to place up to the maximum wager on any combination of betting opportunities offered before each roll of the dice with the opportunity to continue to place up to the maximum wager before each subsequent roll of the dice, whether or not the player wins or loses, until the player decides to discontinue play or the game cycle is ended. Players will be permitted to build up their wagers on subsequent rolls of the dice similar to the way that live game of craps is played. With respect to a multi-station device that depicts the play of blackjack, double-down, splitting and insurance bets during game play are considered to be an integral part of the actual game and are considered to be multiple wagers. With respect to a multi-station device that depicts the play of roulette, the wagering limitation shall be applied to permit a player to place up to the maximum wager on any combination of betting opportunities offered within the play of a single game cycle.

E. **Dealer Controlled Electronic Table Games.**

1. If there is a game, device, or equipment that would otherwise qualify as a multi-station device, but which adds the ability for players to wager on live, on-going dealer controlled games in a DCETG, it shall still be treated as a multi-station device.

2. If there is a game, device, or equipment that incorporates elements of a Dealer Controlled Electronic Table Game but adds the ability for players to wager on games at player stations each utilizing a random number generator, and which does not otherwise qualify as a multi-station device, then each player station shall be treated as a gaming device.
3. In addition to the requirements of this Appendix, the Minimum Internal Control Standards in Part VIII of the DCETG Appendix shall apply to DCETG multi-station devices and/or gaming devices.

#### **PART IV** **GAMING DEVICE TOURNAMENTS**

A. **Gaming Device Tournaments.** The Gaming Facility Operator may conduct gaming device tournaments. At such tournaments only gaming devices approved by the Tribal Gaming Office and State Gaming Agency may be utilized. Each gaming device utilized in a gaming device tournament shall meet the applicable technical standards of the Compact.

B. **Gaming Device Tournament Software.** If tournament mode is an option on a gaming device, it shall be enabled by a TGO approved and controlled method. All gaming device tournament software shall meet the regulatory requirements of this Appendix.

C. **Number of Gaming Devices During Gaming Device Tournaments.** The number of gaming devices used specifically for gaming device tournaments will be counted toward the amount of devices per facility as provided for in the Compact. If the facility is at the maximum number of authorized gaming devices, the same amount of gaming devices that are to be used in the gaming device tournament will be turned off on the gaming floor until such time that the tournament is completed. The correct number of gaming devices will be verified by the Tribal Gaming Office to ensure compliance with the Compact.

D. **Credits.** Gaming devices enabled for gaming device tournament play shall not accept credits from any source, nor pay out credits in any way, but shall utilize credit points only. Gaming device tournament credits shall have no cash value.

E. **Tournament Software Logic Area.**

1. Each gaming device tournament software logic area shall be locked and keyed differently than any other gaming device compartment.
2. The keys to the gaming device tournament software logic door and logic area shall be controlled and maintained by the Tribal Gaming Office.

F. **Gaming Device Tournament Notice.**

1. The Gaming Facility Operator shall submit for approval to the Tribal Gaming Office a list of gaming devices to be used in the tournament as well as the operational standards, rules, and procedures to govern the conduct and play of any gaming device tournament. The Tribal Gaming Office shall review and

issue a written approval or disapproval of the operational standards, rules and procedures prior to the beginning of tournament play.

2. Copies of the list of gaming devices to be utilized, tournament standards, rules, and procedures shall be provided to the State Gaming Agency prior to tournament play for review and approval. Within seven (7) days of receipt, the State Gaming Agency shall submit to the Tribal Gaming Office written comments and objections to the proposed standards, rules and procedures. If the State Gaming Agency does not object within seven (7) days, then the standards, rules and procedures are deemed approved. If the State Gaming Agency does object, the Tribal Gaming Office and the State Gaming Agency shall meet and confer within fourteen (14) days in a good faith effort to resolve the objections. Unresolved objections to any proposed standards, rules and procedures shall be resolved expeditiously pursuant to the provisions of the Compact prior to implementation.
3. The operational standards, rules and procedures for the conduct of tournament play shall be:
  - (a) Available to all tournament players prior to the beginning of the tournament.
  - (b) Posted in a conspicuous location.
4. The operational standards, rules and procedures shall include but are not limited to:
  - (a) Qualification or selection criteria which limit the eligibility of tournament patrons.
  - (b) Regulations of the tournament (i.e., beginning and ending times, number of rounds, lapse of rounds, entry fee, elimination factors, cash handling procedures, etc.)
  - (c) Procedures for handling gaming device malfunctions during play.
  - (d) Procedures for handling a tie at the conclusion of tournament play.
  - (e) Prizes to be awarded and a description of each prize.
  - (f) Procedures for the use of stand-by tournament gaming devices in the event of a machine malfunction.
  - (g) A requirement that any patron dispute involving the Gaming Facility Operator's refusal to pay alleged winnings shall be subject to the provisions of the Compact.

G. **Entry Fee and Player Buy-In.** Gaming device tournament entry fees and buy-ins shall be documented on a tournament entry fee and buy-in log. The following information, at a minimum, shall be recorded on the log at the time the entry fee or buy-in is conducted: name of patron and amount of the entry fee or buy-in.

H. **Return to Use.** The Tribal Gaming Office shall inspect and approve all modified or converted gaming devices used in slot tournament play for compliance with the standards set forth in this Appendix and the Compact prior to being returned to use for normal non-tournament play.

I. **Surveillance.** Surveillance coverage of tournament activity shall include unobstructed views of all tournament gaming devices and participants during tournament play.

## **PART V** **VALIDATION SYSTEMS**

A. **Ticket Validation and Retention.** A system shall be used to validate the ticket, and the MCS shall retain ticket information at least as long as the ticket is valid at that gaming facility.

B. **Payment By Ticket Printers.** Each gaming device that has a printer used to make payments may pay the patron by issuing a printed ticket. If the taxation threshold is reached on any single play when using a ticket printer, then the ticket shall not be able to be redeemed at any place other than through human interaction (not on another machine or at a self-service kiosk).

C. **Voiding Procedures.** The Gaming Facility Operator shall have and follow procedures to track and void tickets that are not generated by customer play (i.e., test tickets).

D. **Reporting Requirements.** At a minimum, the validation system and/or MCS shall generate the following detailed reports, or their equivalent, at the end of each gaming day:

1. Tickets issued report;
2. Tickets redeemed report;
3. Tickets outstanding (liability) report;
4. Tickets dropped report;
5. Jackpot tickets issued report;
6. Transaction detail report showing all tickets generated by a gaming device and all tickets redeemed by a ticket validation terminal or a gaming device;
7. Cashier report detailing the sum of tickets paid by a cashier or validation unit;
8. Tickets expired report;
9. Tickets voided report;
10. Ticket exception report; and
11. Ticket drop variance report.

E. **Reconciliation.** The Gaming Facility Operator shall reconcile the reports referenced above within five (5) business days after each gaming day.

## **PART VI** **PROGRESSIVES**

A. **Base Amount.**

1. The base amount of each progressive jackpot offered at the gaming facility shall be documented and maintained by the Tribal Gaming Office and the accounting department.
2. Whenever a progressive jackpot is offered as part of a gaming device payout, the base amount shall be included in the theoretical payout percentage for purposes of determining whether the minimum percentage requirements are met. The



laboratory shall provide the base amount in the certification letter as the lowest configuration.

B. **Setting the Jackpot Amounts.** The method by which system jackpot parameter values are modified or entered shall be secure and monitored by the Tribal Gaming Office.

C. **Progressive Display.** A meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the gaming device to which the jackpot applies.

D. **Progressive Jackpot Limits.** If the Gaming Facility Operator has established a progressive jackpot limit, a notice shall be posted at or near the gaming device or gaming devices to which the limit applies.

E. **Changes to the Jackpot Amount.** The Gaming Facility Operator shall not reduce the amount displayed on a progressive jackpot meter or otherwise reduce or eliminate a progressive jackpot unless:

1. A patron wins the progressive jackpot;
2. The gaming facility adjusts the progressive jackpot meter to correct a malfunction and the gaming facility documents the adjustment and the reasons for it; or
3. Upon presentation of circumstances to the State Gaming Agency, and by mutual agreement with the Tribal Gaming Office, the gaming facility may reduce, eliminate, transfer, distribute, or follow a procedure not otherwise described in this subsection provided that the Tribal Gaming Office has approved procedures specific to the transfer of progressive amounts in excess of the base amount to other gaming devices.

F. **Transfers.** Progressive controllers may transfer a progressive jackpot and/or prize to another controller or other approved progressive system component only through the use of a secure means.

G. **Progressive Area.**

1. The progressive controller compartment shall be locked and keyed differently than any other gaming device compartment.
2. The keys to the progressive controller compartment shall be controlled and maintained by the Tribal Gaming Office.
3. Each gaming device with an associated progressive controller shall communicate to the MCS the number of times the progressive controller compartment has been opened. The progressive controller compartment door metering shall not be shared with any other meter on a gaming device.
4. A progressive controller access log shall be maintained for each progressive controller. Upon agreement of the Tribal Gaming Office and the State Gaming Agency, the progressive controller access log may be in written or electronic form. Regardless of whether it is in written or electronic form, the log shall be maintained pursuant to Compact Section 7(c) and shall contain the following:
  - (a) the date of access;

- (b) the time of access;
- (c) the name or employee identification number of the person accessing the progressive controller;
- (d) the reason for access;
- (e) the signature or initials of the person accessing the controller, if a written access log is maintained; and
- (f) Where the progressive controller access log is in electronic form, each person accessing the progressive controller must have an assigned, unique access card and must use that card when accessing the progressive controller.

## **PART VII**

### **HOST SYSTEM**

- A. **Verification of System Software.** The Gaming Facility Operator when requested shall provide to the Tribal Gaming Office and/or the State Gaming Agency the Program ID and Version of host system software components/modules and the size of any host system software component/module files identified by the Tribal Gaming Office or State Gaming Agency. System software components/modules shall be verifiable by a secure means at the system level. The system shall have the ability to allow for an independent integrity check of the components/modules from an outside source and is required for all control programs that may affect the integrity of the system. This can be accomplished by being authenticated by a third-party device, which may be embedded within the system software or having an interface port for a third-party device to authenticate the media. The integrity check shall provide a means for field verification of the system components/modules to identify and validate the programs/files. The integrity check methodology must be approved by the independent test laboratory.
- B. **Configuration Access Requirements.** The interface element setup/configuration menu shall only be available via a secure access method as authorized by the Tribal Gaming Office.
- C. **Database Access.** The Gaming Facility Operator shall maintain secure access control to the host system databases at all times.

## **PART VIII**

### **INCENTIVE SYSTEM REQUIREMENTS**

- A. **Incentive System.** If the Gaming Facility Operator operates an incentive system, the incentive system shall comply with the requirements of this Appendix.
- B. **Submission of Rules.**
1. Appendix G will not apply to incentive transactions; however, the Gaming Facility Operator must submit the rules for the incentive transactions it conducts to the Tribal Gaming Office prior to conducting those transactions. The Tribal Gaming Office shall promptly provide copies of the rules for incentive system transactions to the State Gaming Agency.

2. The rules shall contain a general description of the incentive transactions, including their frequency, the range of credits which will be electronically transferred, whether the involved credits will be restricted or unrestricted, under what circumstances credits are issued and transferred (e.g., through an Nth coin, prize multiplier, coupon or otherwise, when a prize will be awarded, and which patrons will be awarded a prize), and patron eligibility requirements.
3. The Tribal Gaming Office need not provide the State Gaming Agency prior notice of changes to incentive transaction parameters, such as the date or time for an incentive transaction or the amount of credits to be transferred.

**C. Modification of Parameters.**

1. The Gaming Facility Operator shall submit to the Tribal Gaming Office the parameters for the configuration of incentive transactions as well as any changes to those parameters prior to implementing those parameters or changes. This information shall be available to the State Gaming Agency upon request.
2. It shall not be possible to change a gaming device configuration setting relating to the incentive system that causes an obstruction to the electronic accounting meters without a RAM clear. Any such changes shall be performed via a secure method that is approved and controlled by the Tribal Gaming Office. Electro-mechanical and electronic meter readings shall be manually recorded prior to clearing RAM on each gaming device. Documentation shall be forwarded to the Tribal Gaming Office and the accounting department.

**D. Posting.** The Gaming Facility Operator shall conspicuously post in the gaming device and/or players club area of the Gaming Facility a notice of the availability of the rules for all incentive transactions. The Gaming Facility Operator shall make those rules available to all patrons upon request.

**E. Participating Gaming Devices.** The Gaming Facility Operator shall provide a means for patrons to identify those gaming devices that participate in incentive transactions, with the means being approved by the Tribal Gaming Office, with notice to the State Gaming Agency.

**F. Tribal Contribution Reports and Computation.**

1. A host system shall distinguish incentive transactions from all other transactions in the reports it produces that provide an audit trail for Class III Net Win reported to the State Gaming Agency, except as provided below. Credits transferred to a gaming device as part of an incentive transaction may be restricted or unrestricted credits.
2. Restricted credits transferred to a gaming device as part of an incentive transaction, including through the use of coupons, shall not be fully or partially cashed out at a gaming device. The credits shall be used for play on a gaming device or be electronically transferred to a player's promotional account. However, credits transferred to a player's promotional account shall remain restricted and shall only be used for play on a gaming device. Restricted credits transferred to a gaming device as part of an incentive transaction shall be treated as Free Play Instrumentalities for purposes of Appendix I and shall not be

included in the calculation of Class III Net Win. Jackpots or credits, which are described in the payable of the gaming device, won through the use of restricted credits are included in the calculation of Class III Net Win.

3. Unrestricted credits transferred to a gaming device as part of an incentive transaction, including through the use of coupons, which can be fully or partially cashed out at a gaming device shall be included in the calculation of Class III Net Win if the host system reports cannot distinguish the cashing out of these credits from other credits on the gaming device. If the host system reports can clearly distinguish the cashing out of these credits from all other credits cashed out on the gaming device then these credits shall not be included in the calculation of Class III Net Win. Jackpots or credits, which are described in the payable of the gaming device, won through the use of unrestricted credits are included in the calculation of Class III Net Win.

G. **Access to the Incentive System.** The incentive system shall provide for the following controls for access to the system:

1. Generate daily monitoring logs of user access, security incidents and unusual transactions, and immediately alert the Gaming Facility Operator of critical security incidents and unusual transactions. The Gaming Facility Operator shall then immediately alert the Tribal Gaming Office of the critical security incidents and unusual transactions.
2. Assignment of rights and privileges to each user, including:
  - (a) Allowance for the secure administration of user accounts to provide an adequate separation of duties; and
  - (b) Contain adequate password parameters such as lockout, minimum length, and expiration interval;
3. Use appropriate access permissions to restrict unauthorized users from viewing, changing or deleting critical files and directories; and
4. Utilize encryption or password protection or equivalent security for files and directories containing critical or sensitive data. If encryption is not used, the Gaming Facility Operator shall restrict users from viewing the contents of such files and directories, which at a minimum shall provide for the following:
  - (a) The effective segregation of duties and responsibilities with regard to the incentive system; and
  - (b) The automatic monitoring and recording by the incentive system of access by any person to such files and directories.

H. **Incentive System Operation.** The incentive system shall provide for the following controls for system operations:

1. Validate the identity of those components of an incentive system from which a transmission is received;

2. Ensure that all data sent through a transmission is completely and accurately received; and
3. Detect the presence of corrupt or lost data packets and, as necessary, rejects the transmission.

**I. Integrity of Data.**

1. If coupons are used, they each shall have a unique validation number. The number may be assigned by a unique algorithm or by another method tested and approved by a laboratory, which method shall prevent the ability to predict the composition of any other validation number generated by the host system.
2. The host system shall validate the data type and format of all inputs for critical fields and reject any corrupt data.
3. The host system shall automatically and independently record critical data upon the completion of each incentive transaction.

**J. Database and Validation Component Security.** Once validation information is stored in the database, the data shall not be altered in any way. The validation system database shall be encrypted or password-protected to prevent unauthorized access and shall provide a non-alterable user audit trail. The normal operation of any device that holds incentive transaction information shall not have any options or method that can compromise incentive transaction information. Any device that holds incentive transaction information in its memory shall not allow removal of the information unless it has first transferred that information to the database or other secured component(s) of the validation system.

**K. Incentive System Standards.** The Tribal Gaming Office, or the Gaming Facility Operator, as approved by the Tribal Gaming Office, shall establish internal control standards, procedures, and/or rules deemed appropriate to ensure the integrity, accountability and security of the incentive system, incentive transactions and patron account information.

**L. Incentive System Failure.** If the incentive system temporarily ceases to function and validation information cannot be sent to the validation system, an alternate method of payment must be provided either by the validation system possessing unique features (validity checking of coupons or similar items through a redundant system) to identify duplicate coupons or similar items and prevent fraud, or use of an alternative method approved by the Tribal Gaming Office.

**M. Printing, Validating, Processing, and Voiding of Coupons.**

1. The Gaming Facility Operator shall set forth in its internal controls the procedures to be used to print or create coupons or any similar items which are used as part of a promotional transaction, including security and control over inventory, issuance, redemption and destruction.
2. Coupons used in promotional transactions shall contain at least the following printed information:
  - (a) the gaming facility(ies) or site(s) at which the coupon is valid;
  - (b) coupon sequence number;

- (c) coupon validation number;
  - (d) bar code or any machine readable code representing the coupon validation number;
  - (e) type of transaction or other method for differentiating coupon types including whether the coupon is restricted and any restrictions on the redemption of the coupon;
  - (f) indication of an expiration period; and
  - (g) the coupon validation number printed a second time on the leading edge of the coupon.
3. Cashier/change booths and kiosks may issue coupons if supported by the validation system. All issued coupons shall be tracked and verified by a validation system.
  4. When a patron seeks to obtain credits on a gaming device by inserting a coupon, no credits may be issued to the gaming device until coupon validation has occurred. A patron may also redeem an unrestricted coupon at a cashier/change booth, kiosk or other approved validation terminal.
  5. The validation system or MCS shall have the ability to identify and notify the cashier of the following occurrences:
    - (a) a coupon validation number or coupon sequence number cannot be found on file;
    - (b) a coupon has already been paid;
    - (c) the amount of a coupon differs from the amount on file; or
    - (d) any other error condition.
  6. The Gaming Facility Operator shall establish procedures in its internal controls for situations where a coupon or similar item for which validation information cannot be accessed from the incentive system or for which no validation information exists is presented for payment. Procedures shall include:
    - (a) Manual override or redemption procedures for valid transactions;
    - (b) Procedures for the physical cancellation, segregation and security of coupons or similar items, for valid transactions;
    - (c) Provisions for the electronic verification and cancellation of coupons or similar devices when the incentive system is restored following manual override procedures; and
    - (d) Preparation of a report for each cashier's shift of the total number and value of all such coupons or similar items redeemed.
  7. The Gaming Facility Operator shall have and follow procedures to track and void coupons.

N. **Forwarded to Accounting.** All coupons or similar items redeemed through the bill/ticket acceptor devices on participating gaming devices shall be forwarded to the accounting department upon conclusion of the count process. All coupons or similar items redeemed at locations other than gaming devices shall be forwarded to the accounting department on a daily basis.

O. **Coupon Retention.** All coupons or similar items forwarded to the accounting department shall be retained by the Gaming Facility Operator in compliance with the provisions of the Compact. Any agreement the Tribe and the State have reached for the retention of tickets and/or vouchers under the Compact shall also apply to the retention of coupons.

P. **Reporting Requirements.** At a minimum, the host system shall generate the following detailed reports, or their equivalent, at the end of each gaming day:

1. Coupons issued report and promotional transactions (other than those involving coupons) issued report;
2. Coupons redeemed report and promotional transactions (other than those involving coupons) redeemed report;
3. Coupons outstanding (liability) report and promotional transactions (other than those involving coupons) outstanding (liability) report;
4. Coupons dropped report and promotional transactions (other than those involving coupons) dropped report;
5. Cashier report detailing the sum of coupons paid by the cashier or validation unit and cashier report detailing the sum of promotional transactions (other than those involving coupons) paid by the cashier or validation unit;
6. Transaction detail report detailing the sum of coupons redeemed at each validation terminal or gaming device and transaction detail report detailing the sum of promotional transactions (other than those involving coupons) redeemed at each validation terminal or gaming device;
7. Coupons expired report and promotional transactions (other than those involving coupons) expired report;
8. Coupons voided report and promotional transactions (other than those involving coupons) voided report;
9. Coupons exception report and promotional transactions (other than those involving coupons) exception report;
10. Coupons drop variance report and promotional transactions (other than those involving coupons) drop variance report;
11. Bonusing transactions issued report;
12. Gaming device paid bonus payouts and attendant paid bonus payouts; and
13. Bonusing transaction exceptions.

Q. **Reconciliation.** The Gaming Facility Operator shall reconcile the above reports at the end of each gaming day with all validated/redeemed coupons or similar items. With respect to coupons not issued by a gaming device, the coupons issued report and the coupons

outstanding (liability) report referenced in subsections (a) and (c) above shall include only redeemed coupons.

R. **Notification to Tribal Gaming Office.** The Gaming Facility Operator shall make immediate notification to the Tribal Gaming Office of any:

1. Evidence that a coupon has been counterfeited or tampered with in any way that would affect the integrity of the coupon;
2. Evidence that approved rules and parameters for incentive transactions are not being followed; or
3. Evidence of fraud with respect to an incentive transaction.

## **PART IX** **KIOSKS**

A. **Kiosks.** Kiosks shall be regulated pursuant to these specific requirements even if they include marketing and ATM features; however, while those marketing or ATM features may be subject to regulation under other provisions of the Compact or its appendices, those features shall not be regulated by the provisions of this Appendix. Likewise, a device that may be used by a patron that performs only marketing or ATM functions and does not perform ticket/coupon redemption, ticket issuance or bill breaking shall not be subject to regulation under this Appendix.

B. **Cabinet Wiring.** Each gaming device, kiosk, or host system shall be designed and installed so that power, security, and data cables are not accessible to the general public.

## **PART X** **LABORATORY CERTIFICATION, MANUFACTURER REQUIREMENTS, NON-** **COMPLIANCE, AND REMEDIES**

A. **Tribal Gaming Office Approval of Receipt.**

1. The Gaming Facility Operator shall obtain approval from the Tribal Gaming Office before receiving any gaming device, gaming device software, kiosk, kiosk software, or host system software. Approval shall not be given until a laboratory has determined that a production sample of the gaming device, gaming device software, kiosk, kiosk software and/or host system software complies with all applicable technical standards in the Compact and this Appendix.
2. The Gaming Facility Operator shall obtain approval from the Tribal Gaming Office before receiving any host system software including any service releases, service packs, or patches. Approval shall not be given until a laboratory determines that the host system software, or any service release, service pack, or patch, complies with all applicable technical standards in the Compact and this Appendix.



B. **Laboratory Certification.** The Tribal Gaming Office and the State Gaming Agency shall have secure access to the laboratory certification report that contains findings, conclusions and an opinion whether a gaming device, gaming device software, kiosk, kiosk software, host system software, or any service release, service pack, or patch, complies with all applicable technical standards in the Compact and this Appendix. Neither the State nor the Tribe shall be required to pay the cost of laboratory testing, and the manufacturer and/or distributor shall provide the laboratory all information necessary for the laboratory to render its opinion, including the full manufacturer's engineering change order documentation. The State Gaming Agency reserves the right to require additional testing and to invoke the provisions of this Appendix if any gaming device, kiosk, and/or host system software is determined to be non-complying with the applicable technical standards in the Compact and this Appendix.

C. **Modifications.**

1. The Gaming Facility Operator shall not modify any previously certified gaming device, gaming device software, kiosk, kiosk software, or host system software until a laboratory has certified that the modification complies with all applicable technical standards in the Compact and this Appendix.
2. The Gaming Facility Operator shall not modify previously certified host system software, nor install any service release, service pack, or patch that affects MCS critical files, until a laboratory has certified that the modification, or service release, service pack, or patch, complies with all applicable technical standards in the Compact and this Appendix.

D. **Manufacturer's Notifications.** A manufacturer or distributor shall provide the State Gaming Agency twenty-four (24) hour advanced notice of any shipment or delivery for any gaming facility in the State of a gaming device, gaming device software, kiosk, kiosk software, or host system software (Tribal Gaming Office notification requirements may differ). The State Gaming Agency may sanction a vendor or deny or revoke vendor certification if a manufacturer or distributor:

1. Fails to provide the State Gaming Agency twenty-four (24) hour advanced notice of any shipment for any gaming facility in the State of a gaming device, gaming device software, kiosk, kiosk software, or host system software (Tribal Gaming Office notification requirements may differ);
2. Sells, or provides for play or any other gaming purpose, gaming devices, gaming device software, kiosk, kiosk software or host system software to a Gaming Facility Operator:
  - (a) prior to laboratory certification; or
  - (b) that it knows, or reasonably should know, will malfunction in any manner that affects game play, the accuracy of meters, or the accuracy of host system reports; or
3. Fails to immediately notify the State Gaming Agency in writing of the discovery of any probable malfunction that affects game play, the accuracy of meters, gaming device software, host system software, the accuracy of host system reports, kiosk functionality, or kiosk software.

**E. Non-Complying Gaming Devices and Kiosks.** The following are declared to be non-complying gaming devices or kiosks unless remedied pursuant to Part X(F)(1):

1. All gaming devices or kiosks operated in violation of the Compact or its appendices;
2. All gaming devices or kiosks to which the State Gaming Agency has been denied access for inspection purposes;
3. All gaming devices or kiosks in operation that do not report to the host system as required by this Appendix;
4. All gaming devices or kiosks shown by history or operation or notice from a laboratory or manufacturer to be susceptible to cheating;
5. A gaming device or kiosk that remains in operation without a software upgrade or replacement for a period of more than ninety (90) days after the manufacturer has notified the Tribe of a problem with the gaming device's or kiosk's software, where the problem is such that the software does not comply with this Appendix; or
6. A gaming device or kiosk that remains in operation without a software upgrade or replacement, after notice to the Tribe, for a period longer than recommended by a laboratory after the laboratory has revoked its certification of the gaming device's or kiosk's software.

**F. Remedies for Non-Complying Gaming Devices and Kiosks.**

1. If the State Gaming Agency contends that any gaming device or kiosk fails to comply with the applicable technical standards in the Compact or this Appendix, the State Gaming Agency shall provide written notice to the Tribal Gaming Office setting forth the basis for its contention. If the Tribal Gaming Office agrees with the allegation of non-compliance, then, within twenty-four (24) hours after receiving such a written notice, the Tribal Gaming Office shall require the Gaming Facility Operator to remove the gaming device from play or the kiosk from use and to take appropriate action to ensure that the manufacturer, distributor or other responsible person cures the problem.
2. If the Tribal Gaming Office disagrees with the allegation of non-compliance, then, within twenty-four (24) hours after receiving such a written notice, the Tribal Gaming Office shall require the Gaming Facility Operator to remove the contested gaming device(s) from play or kiosk(s) from use and shall arrange for the prompt inspection of the gaming device(s) or kiosk(s) (or a single example thereof) by a laboratory.
3. If the laboratory finds that the gaming device(s) or kiosk(s) do not comply with the applicable technical standards in the Compact or this Appendix, the non-compliant gaming device(s) shall not be returned to play, and the non-compliant kiosk(s) shall not be returned to use, until they have been modified to comply with the applicable technical standards in the Compact and this Appendix.

4. If the laboratory finds that the gaming device(s) or kiosk(s) comply with the applicable technical standards in the Compact and this Appendix, the Tribal Gaming Office and State Gaming Agency will conduct any inspections and testing they deem necessary and confer regarding the gaming device(s) or kiosk(s) within forty-eight (48) hours of receiving the laboratory's findings or as otherwise agreed upon by the Tribal Gaming Office and State Gaming Agency. Gaming devices removed from play under this section may be returned to play, and kiosks removed from use under this section may be returned to use, once the Tribal Gaming Office and the State Gaming Agency agree that they meet the applicable technical standards in the Compact and this Appendix.
5. If a gaming device or kiosk is determined to be non-complying, the Tribe shall authorize the Tribal Gaming Office to:
  - (a) Disable, or require to be removed from use, any gaming device or kiosk shown by history or operation or notice from a laboratory or manufacturer to be susceptible to cheating or otherwise out of compliance with the Compact or this Appendix; and
  - (b) Require the manufacturers and Gaming Facility Operator to take whatever actions are necessary to ensure that gaming devices and kiosks are not susceptible to cheating methods and comply with all applicable technical standards in the Compact and its appendices.

**G. Remedies for a Non-Complying Host System Software.**

1. If the State Gaming Agency contends that any host system software fails to comply with the applicable technical standards in the Compact or this Appendix, the State Gaming Agency shall provide written notice to the Tribal Gaming Office setting forth the basis for its determination. Within twenty-four (24) hours after receiving such a written notice, the Tribal Gaming Office shall require the Gaming Facility Operator to develop and implement procedures, within twenty-four (24) hours, to mitigate against loss of any information communicated to or from the host system. Within seventy-two (72) hours of delivery of the State Gaming Agency's notice, a laboratory arranged by the Tribal Gaming Office shall have begun inspecting the contested software.
2. If the laboratory determines that the contested host system software does not comply with the applicable technical standards in the Compact or this Appendix, the Gaming Facility Operator shall have seventy-two (72) hours within which to bring the contested host system software into compliance with the applicable technical standards in the Compact and this Appendix unless this is not reasonably possible despite diligent efforts, in which case the software can be continued in use and it will be brought into compliance as quickly as possible thereafter. If the laboratory finds that the contested software complies with the applicable technical standards in the Compact and this Appendix, the software may be continued in use.

**H. Requirement to Provide Schematics, Manuals, Components, and Gaming Devices.** Upon request, the manufacturer or distributor of class III gaming devices shall provide the State Gaming Agency with schematics, manuals, gaming device components, software, and production gaming device(s) for research and diagnostic purposes. The State Gaming Agency

shall not be required to pay any costs pursuant to this Section. This paragraph imposes no obligations upon the Tribe or the Gaming Facility Operator.

**PART XI**  
**TRIBAL GAMING OFFICE - NOTICE, INSPECTIONS, TESTING, APPROVAL, AND**  
**REPORTING**

**A. Notice of Installation or Modification to the Tribal Gaming Office.**

1. The Gaming Facility Operator shall notify the Tribal Gaming Office in writing if it intends to install a gaming device or kiosk, to re-install a gaming device or kiosk that has been removed from the gaming floor, or to modify a gaming device or kiosk, before the newly installed, re-installed, or modified gaming device or kiosk is scheduled to be placed into use or play. The notice shall identify the gaming device or kiosk, when and where the Gaming Facility Operator would like to place it into use or play, and the type of installation or modification. The notice shall also be sufficiently detailed and provided in time to allow the Tribal Gaming Office to schedule employees to inspect and test the gaming device or kiosk before it is scheduled to be placed into use or play.
2. The Gaming Facility Operator shall notify the Tribal Gaming Office in writing that it intends to install or modify a host system before the date the new or modified host system is scheduled to be placed into use. The notice shall identify the host system, when and where the Gaming Facility Operator would like to place it into use, and the type of installation or modification. The notice shall also be sufficiently detailed and provided in time to allow the Tribal Gaming Office to schedule employees to inspect and test the new or modified host system before it is scheduled to be placed into use.

**B. Tribal Gaming Office Approval.**

1. Each newly installed, re-installed, or modified gaming device or kiosk shall be inspected and tested by the Tribal Gaming Office prior to its use or play. The Tribal Gaming Office's inspection and testing shall meet the requirements of Part XIII of this Appendix. Upon completing its initial inspection and testing, the Tribal Gaming Office shall either approve the gaming device or kiosk or deny approval for use or play of the gaming device or kiosk. When the Tribal Gaming Office approves a gaming device or kiosk, it shall secure the logic area door with security tape or a seal. The Tribal Gaming Office shall also affix an identifying approval seal on the device. The Tribal Gaming Office shall ensure that all gaming devices and kiosks are properly covered by surveillance, pursuant to the Minimum Internal Control Standards to the Compact.
2. Each newly installed or modified host system shall be inspected and tested by the Tribal Gaming Office prior to its use. The Tribal Gaming Office's inspection and testing shall include confirmation that the host system complies with the provisions of the Compact, its Appendices, and the applicable technical standards and that the host system critical files have been approved by a laboratory for the current version of the installed software. Upon completing its

initial inspection and testing, the Tribal Gaming Office shall either approve the host system or deny approval for use of the host system.

3. The Tribal Gaming Office shall not approve any gaming device, kiosk or host system that is not in material compliance with the Compact, its Appendices, and the applicable technical standards. The Gaming Facility Operator shall either immediately repair or remove from play or use any gaming device, kiosk or host system that has not been approved or is not in material compliance with the Compact, its Appendices, or the applicable technical standards.

**C. Notice of Gaming Device Repairs or Replacement.** If a gaming device malfunctions or otherwise requires any repairs or replacements that affect game play, game outcome, or the host system, the Gaming Facility Operator shall provide the Tribal Gaming Office notice within forty-eight (48) hours of completing the repairs or replacements. The notice shall identify the gaming device, shall explain the nature of any malfunction, and shall provide details regarding the repairs or replacements. The Tribal Gaming Office may provide guidance to the Gaming Facility Operator as to which repairs or replacements are subject to notice under this section.

**D. Transfer or Removal of Gaming Devices.**

1. A Gaming Facility Operator's removal of a gaming device from play or use and then subsequent placement of the gaming device back into play at one of the Tribe's gaming facilities will be considered a gaming device transfer under Part XI(D)(3) of this Appendix, rather than a re-install under Part XI(A)(1), if the gaming device is not out of play for more than four (4) months, and if, during the period that the gaming device is not in use, it is stored in a secure location with a lock, security tape, or equivalent on its doors, the Tribal Gaming Office's security tape or equivalent installed under Part XI(B)(1) and/or Part XIII remains unbroken, and the Tribal Gaming Office controls access to the game software.
2. If the Gaming Facility Operator intends to move gaming devices from the floor of a gaming facility to storage, the Gaming Facility Operator shall provide written notice to the Tribal Gaming Office twenty-four (24) hours prior to moving the gaming devices. The notice shall identify the gaming devices and shall include the serial numbers of those gaming devices. The Tribal Gaming Office does not need to remove any seals from the stored gaming devices.
3. If the Gaming Facility Operator transfers gaming devices within a gaming facility or transfers gaming devices to another gaming facility owned by the Tribe, the Gaming Facility Operator shall provide written notice to the Tribal Gaming Office twenty-four (24) hours prior to transferring the gaming devices. A temporary displacement of a gaming device to access walker ducts, wire conduits or the like shall not be considered a transfer under this Section. The notice shall identify the gaming devices, shall include the serial numbers of the gaming devices, shall include details regarding the new location of the gaming devices, and shall include verification (with applicable documentation) that the gaming devices are reporting correctly to the host system, have passed coin acceptor tests (if applicable), bill acceptor tests, and door tests, and are covered by surveillance in their new location.

4. Except as provided in Part XI(D)(2-3), before the Gaming Facility Operator removes any gaming devices from a gaming facility, the Gaming Facility Operator shall provide written notice to the Tribal Gaming Office five (5) days in advance of the removal. The notice shall identify the gaming devices to be removed, shall include the serial numbers of the gaming devices, and shall include details regarding when the gaming devices will be removed, the location to which the gaming devices will be taken, and to whom the gaming devices will be transferred. Before any gaming devices are removed from a Gaming Facility, except as provided in Part XI(D)(2-3), the Tribal Gaming Office shall remove and discard all seals from the gaming devices. These same procedures shall be followed for gaming devices which are in storage and which the Gaming Facility Operator intends to sell or otherwise discard.

E. **Kiosk Transfers.** A Gaming Facility Operator's removal of a kiosk from use and then subsequent placement of the kiosk back into use at one of the Tribe's gaming facilities will not be considered a re-installation if the kiosk is not out of use for more than four (4) months, and if, during the period that the kiosk is not in use, it is stored in a secure location with a lock, security tape, or equivalent on its doors, the Tribal Gaming Office's security tape or equivalent installed under Part XI(B)(1) and/or Part XIII remains unbroken, and the Tribal Gaming Office controls access to the kiosk software.

F. **Random Inspections and Additional Inspections.** Unless otherwise agreed to by the Tribal Gaming Office and the State Gaming Agency, the Tribal Gaming Office shall conduct monthly random inspections and testing of no less than five percent (5%) of the gaming facility's gaming devices in use for play at each of the Tribe's Gaming Facilities. The Tribal Gaming Office shall adhere to the procedures in this Appendix when conducting its inspections and testing. The Gaming Facility Operator shall either immediately repair or remove from play or use any gaming device, kiosk or host system that is not in material compliance with the Compact, its Appendices, or the applicable technical standards. The Tribal Gaming Office may conduct additional gaming device and kiosk inspections and testing to the extent it deems appropriate.

G. **Monthly Report to the State Gaming Agency.** The Tribal Gaming Office shall electronically transmit to the State Gaming Agency by the 10th of each month a written report in a format agreed upon by the Tribal Gaming Office and State Gaming Agency of the following information for the preceding month:

1. A report detailing when and where the inspections and testing took place, what gaming devices were inspected and tested, and the complete results of the inspections and testing;
2. A report of all gaming devices, including serial numbers, listing all repairs and replacements that required access to the logic area;
3. A list of all gaming devices, including the serial numbers of those gaming devices, removed from play and/or moved to storage, along with verification of the removal and discarding of any State Gaming Agency seals and all information the Gaming Facility Operator is required to provide the Tribal Gaming Office regarding the removal and/or move of gaming devices into storage;

4. A list of all gaming devices or kiosks transferred within a gaming facility or transferred to another gaming facility owned by the Tribe, including all of the information the Gaming Facility Operator is required to provide the Tribal Gaming Office regarding the transfers; and
5. A list of all gaming devices or kiosks removed from a Gaming Facility along with verification of the removal and discarding of any State Gaming Agency seals.

**PART XII**  
**STATE GAMING AGENCY INSPECTIONS, TESTING, AND REMEDIES**

A. **State Gaming Agency Inspections.** Unless otherwise agreed to by the State Gaming Agency and the Tribal Gaming Office, the State Gaming Agency shall inspect and test any newly installed, re-installed, or modified gaming device, kiosk, or host system. The State Gaming Agency shall conduct inspections and testing in the following manner:

1. The Tribal Gaming Office shall notify the State Gaming Agency in writing at least fifteen (15) days prior to the tentative date when the Gaming Facility Operator intends to place a newly installed, re-installed, or modified gaming device, kiosk or host system into play or use. The Tribal Gaming Office and State Gaming Agency shall then agree upon a firm date and time for State testing and inspection which shall be no more than thirty (30) days after placement of the gaming device, kiosk or host system into play or use. The Gaming Facility Operator may place a newly installed, re-installed, or modified gaming device, kiosk or host system into use or play before the State Gaming Agency completes its inspection and testing, so long as it has been tested and approved by the Tribal Gaming Office as complying with the terms of this Appendix. If a gaming device, kiosk, or host system is put into use or play prior to State Gaming Agency approval, the Tribal Gaming Office shall forward their gaming device, kiosk, or host system configuration and testing results to the State Gaming Agency within 72 hours of the gaming device, kiosk, or host system being placed into use or play.
2. If the Tribal Gaming Office provides thirty (30) days advanced written notice, the State Gaming Agency and the Tribal Gaming Office shall schedule a mutually agreeable date and time for joint testing and inspection of the gaming device, kiosk, or host system prior to its use or play.
3. At least one Tribal Gaming Office inspector and one gaming operation slot technician shall accompany the State Gaming Agency during inspections and testing but shall not impede or compromise these activities. The State Gaming Agency shall not unduly interfere with the Gaming Operation while inspecting or testing gaming devices, kiosks or host systems.
4. If there is a delay in assembling necessary personnel or if some other problem arises with respect to inspections or testing, the Tribal Gaming Office, Gaming Facility Operator, and the State Gaming Agency shall, in good faith, attempt to resolve any such problems. Unless otherwise agreed to by the Tribal Gaming Office and the State Gaming Agency, and assuming that the State Gaming

Agency made reasonable and good faith attempts to complete the inspection, including properly appearing on any agreed upon inspection dates, the Gaming Facility Operator shall remove from play or use any gaming devices, kiosks or host systems that have not been approved by the State Gaming Agency within thirty (30) days of their installation, re-installation or modification until the inspection can be completed.

5. When the State Gaming Agency approves a newly installed, re-installed, or modified gaming device or kiosk for either use for play or continued use, it shall affix an identifying approval seal or equivalent to the gaming device or kiosk. If the State Gaming Agency denies approval for use for play or continued use, the State Gaming Agency shall, at the conclusion of inspection and testing, as applicable, orally explain to the Gaming Facility Operator and the Tribal Gaming Office why the State Gaming Agency is denying approval. The State Gaming Agency shall promptly issue a written statement to the Gaming Facility Operator and Tribal Gaming Office setting forth the grounds for denial of approval.
6. In the case of the opening of a new, expanded, or remodeled Gaming Facility and as part of its pre-opening inspection and approval, the State Gaming Agency shall inspect and test all gaming devices, kiosks, and host systems prior to their placement into play or use at the new, expanded, or remodeled Gaming Facility, and the State Gaming Agency and the Tribal Gaming Office shall agree upon a reasonable schedule in advance to allow the pre-opening inspections to take place.

**B. Additional Inspections of Approved Gaming Devices.** The State Gaming Agency may conduct gaming device inspections and testing in addition to those provided for in Part XII(A) in the event that:

1. It has determined that within the previous six months one or more gaming devices were not operating in material compliance with the Compact;
2. It observes gaming devices operating out of compliance with the Compact or receives credible information from any source that one (1) or more gaming devices are or may be currently operating out of compliance with the Compact; or
3. It receives a request for additional inspections and testing from the Tribal Gaming Office. In conducting such inspections and testing, the State Gaming Agency and the Tribal Gaming Office shall agree upon a firm date and shall not unduly interfere with the Gaming Operation while inspecting or testing gaming devices.

**C. Remedies for Discovery of Non-complying Gaming Devices.** If the State Gaming Agency determines that a gaming device on the gaming floor and in play is not in material compliance with the requirements of the Compact, its Appendices, or applicable technical standards, the State Gaming Agency may require that the gaming device be shut down, and either replaced or not put back into play until the compliance issue is resolved.



**PART XIII**  
**MANNER OF INSPECTIONS AND TESTING**

A. **Gaming Device and Kiosk Inspections and Tests.** All inspections and testing of gaming devices, gaming device software, kiosks, and kiosk software shall be conducted to determine compliance with the Compact, its Appendices, and the applicable technical standards. These inspections and tests shall include, but need not be limited to:

1. Verifying gaming device or kiosk number, gaming device or kiosk serial number, type and name of game, and denomination of each game;
2. Inspecting access logs, as applicable;
3. Reviewing and photocopying pertinent host system reports;
4. Verifying logic board and/or logic area physical security, as applicable;
5. Verifying that all software and hardware in the gaming device or kiosk has been certified by a laboratory and has received final approval by the Tribal Gaming Office and the State Gaming Agency. The Tribal Gaming Office shall affix security tape or a seal to all logic area doors. The gaming control device or software shall be tested by the following if security tape or a seal is broken or not present:
  - (a) gaming test laboratory approval list; and
  - (b) Kobetron test or other approved method of testing.
6. Verifying gaming device software corresponds with game type;
7. Verifying that the gaming device software has not been deemed to be revoked by the independent laboratory;
8. Conducting gaming device payable tests (where feasible) and review par sheets to determine proper configuration and operation;
9. Conducting tests confirming that gaming device and kiosk functions and items of monetary value are being reported to the host system;
10. Conducting gaming device door tests to verify door openings are being reported to the host system when the device is functional;
11. Verifying all gaming device parameters coincide with the host system and par sheets;
12. Inspecting to ensure that all gaming devices and kiosks are installed according to the recommendations of the manufacturer and per all applicable installation and safety codes;
13. Conducting communication audit tests; and
14. Inspecting progressive controller access logs, if applicable.

B. **Progressive Gaming Device Inspections.** All inspection, installation, and modification procedures shall apply to progressive gaming devices.

C. **Host System Inspections.** The Tribal Gaming Office and the State Gaming Agency shall conduct an inspection of the host system at least once annually to verify that the host system critical files have been approved by a laboratory for the current versions of the installed software.

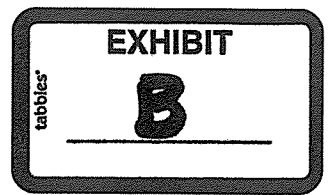
D. **Gaming Test Laboratory.** The State Gaming Agency shall not operate a gaming test laboratory for the purpose of certifying gaming device design.

By: \_\_\_\_\_  
Jonathan Nez, President  
Navajo Nation

By: \_\_\_\_\_  
Ted Vogt, Director  
Arizona Department of Gaming

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_



## **APPENDIX C**

### Surveillance, Security, and Reporting Requirements

Arizona Tribal-State Gaming Compact

**I. DEFINITIONS**

**A.** Terms not defined in this Appendix that are defined elsewhere in the Compact or its Appendices shall have the meanings in those definitions.

**B.** In addition to the definitions set forth in the Compact and its Appendices, the following definition shall apply to Surveillance and Security:

- (1) "Reportable Event" means any of the following events within the Gaming Facility, the entrances to and exits from the Gaming Facility, and the grounds adjacent to the Gaming Facility (as may be agreed to by the State and the Tribe separately), including parking lots adjacent to the Gaming Facility primarily used by patrons or employees of the Gaming Facility, and any other areas as may be agreed upon by the Tribe and the State Gaming Agency:
  - (a) Death or serious injury to a person;
  - (b) Known or suspected criminal conduct of any nature;
  - (c) Arrest or detention of a person;
  - (d) Significant property damage if reported by a patron or employee or otherwise investigated by the Gaming Facility Operator or Tribal Gaming Office;
  - (e) Known, suspected or threatened bombing, arson, terrorism, fire, poisoning, contamination, evacuation or any other similar event that may be a threat to public safety;
  - (f) Loss of power or loss of surveillance coverage;
  - (g) A violation or suspected violation of the Compact, its appendices or the Tribe's Gaming Ordinance; and
  - (h) Closure of a Gaming Activity other than in the ordinary course of business.
- (2) "Security detention area" means a designated area used by the Gaming Facility and/or the Tribal Gaming Office.
- (3) "Sufficient clarity" means the capacity of a surveillance system to record images at a minimum of 20 frames per second or equivalent recording speed and at a resolution sufficient to clearly identify the intended activity, person, object, or location.
- (4) "Surveillance operation room" means the secured area(s) where surveillance takes place and/or where active surveillance equipment is located.
- (5) "Surveillance System" means the system of video cameras, monitors, recorders, video printers, switches, selectors, and other equipment used for surveillance.
- (6) "Unusual Occurrence" means the following known, suspected, threatened or attempted unusual occurrences within the Gaming Facility, the entrances to and exits from the Gaming Facility, and the grounds adjacent to the Gaming Facility (as may be agreed to by the State and the Tribe separately), including parking lots adjacent to the Gaming

Facility as may be agreed upon by the Tribe and the State Gaming Agency:

- (a) Acts of terrorism;
- (b) Bombing;
- (c) Arson;
- (d) Robbery;
- (e) Evacuation of patrons or employees;
- (f) Death of a person by other than natural causes
- (g) Fire, contamination or poisoning which posed or may pose a risk to the health or safety of patrons or employees;
- (h) Loss of structural integrity;
- (i) Criminal conduct that involves a weapon or results in injury to a person requiring hospitalization; and
- (j) Conditions or events that posed or may pose an immediate risk of significant harm to the health or safety of patrons or employees.

## II. **SURVEILLANCE**

**A. Surveillance Department.** The Surveillance System required by Compact Section 6(a)(4) for the Tribe's Gaming Facilities shall be operated by a department of the Gaming Facility Operator or the Tribal Gaming Office, or by an independent surveillance operator (the "Surveillance Department"). The Surveillance Department shall be responsible for:

- (1) Surveilling all areas and things required by the internal control standards to be under surveillance;
- (2) Endeavoring to detect illegal activities and instances of non-compliance with the requirements of the Compact and its Appendices in the areas required by the internal control standards to be under surveillance;
- (3) Endeavoring to detect the presence in a Gaming Facility of Barred Persons and persons who are on the self-excluded list established under Compact Section 3(v)(2);
- (4) Endeavoring to detect gambling by persons who are less than twenty-one years of age;
- (5) Endeavoring to assist the Security Department in safeguarding people and assets in the areas required by the internal control standards to be under surveillance; and
- (6) Satisfying the pertinent (i.e. surveillance) requirements of Compact Sections 3(b)(4), 3(t), and 11(b)(4).
- (7) Maintaining and posting in the surveillance operation room an updated floor plan showing the location of all gaming machines by device number, all card and table games by table number, all kiosks and ATMs, all security detention areas, the location and layout of the cage and vault areas, and the location of all surveillance cameras and audio recording devices;

**B. Surveillance System.** The Surveillance System will be designed to meet the obligations of the Gaming Facility Operator, the Tribal Gaming Office, or the independent surveillance operator, as applicable, relating to surveillance under this Appendix. The Surveillance System shall be operated in a manner that meets the surveillance standards of the Compact and its Appendices. In addition to the surveillance standards of the Compact and its Appendices, the Surveillance System shall perform the following:

- (1) Monitoring and recording all gaming activities in a Gaming Facility, including overviews of the areas in which gaming activities are located;
- (2) Allowing persons who are being tracked by surveillance to be identified with sufficient clarity as they move through the areas in which gaming activities are located;
- (3) Continuously recording audio and video of activities in the surveillance operation room;
- (4) Continuously recording audio from the soft count room;
- (5) Monitoring and recording all doors to the soft count room;
- (6) Monitoring and recording each counting surface in the count room and each currency counter and/or currency sorter;
- (7) Monitoring and recording each entrance to, and exit from, the Class III gaming areas in each Gaming Facility and grounds adjacent to each Gaming Facility (including parking lots primarily used by patrons or employees of the Gaming Facility) with sufficient clarity to allow persons to be identified;
- (8) Monitoring and recording (in both audio and video), all security detention areas, with sufficient clarity to allow persons and activities to be identified;
- (9) Providing an area outside of the surveillance operation room with a video monitor and a video player at which the Tribal Gaming Office, the State Gaming Agency, or other authorized persons may review video recordings and/or digital records;

**C. Surveillance Plan.** The Surveillance System shall be operated pursuant to a written surveillance plan (the "Surveillance Plan"). The current Surveillance Plan shall be available in the main surveillance operation room for each Gaming Facility. At a minimum, the Surveillance Plan shall include:

- (1) An organizational chart depicting appropriate segregation of functions and responsibilities for all positions in the Surveillance Department;
- (2) A description of the duties and responsibilities of each position shown on the organizational chart;

- (3) A general description of the Surveillance System and all equipment used in the Surveillance System, including: (a) the brand and model of the surveillance system; (b) the types and quantities of monitors; (c) the types and quantities of cameras; and (d) the brand, model, and capabilities of the UPS system, backup generator, or alternate utility supplier;
- (4) A current, detailed blueprint or diagram that shows all of the areas of each Gaming Facility to be monitored by the Surveillance System (including the placement of Gaming Devices and Card Game Tables) and the placement of surveillance equipment in relation to the locations required to be observed by the Compact and its Appendices;
- (5) A narrative description of the administrative and operational policies and procedures used in the operation of the Surveillance System (including the policies and procedures that implement the pertinent requirements of Compact Sections 3(b)(4), 3(t), and 11(b)(4));
- (6) A description of the training required for Surveillance Department employees;
- (7) Any other information required by this Appendix;
- (8) Identification of that department or part of the Gaming Facility Operator responsible for operating the Surveillance System, if the Gaming Facility Operator operates the Surveillance System;
- (9) Identification of that department or part of the Tribal Gaming Office responsible for operating the Surveillance System, if the Tribal Gaming Office operates the Surveillance System; and
- (10) Identification of the independent surveillance operator responsible for operating the Surveillance System, if an independent surveillance operator operates the Surveillance System.

**D. Preparation and Approval of Surveillance Plan.**

- (1) Gaming Facility Operator or Independent Surveillance Operator.
  - a. If the Gaming Facility Operator or an independent surveillance operator operates the Surveillance System, it shall prepare a Surveillance Plan and submit it to the Tribal Gaming Office for approval.
  - b. For Gaming Facilities not in operation at the time this Appendix becomes effective, the Gaming Facility Operator or independent surveillance operator shall submit its Surveillance Plan to the Tribal Gaming Office for approval no later than five (5) days before starting to operate Class III Gaming or Card Game Tables. For Gaming Facilities already in operation at the time this Appendix becomes effective, the Gaming Facility Operator or independent surveillance operator shall submit its Surveillance

Plan to the Tribal Gaming Office for approval within ninety (90) days after the Appendix becomes effective. The Gaming Facility Operator or independent surveillance operator may submit a Surveillance Plan to the Tribal Gaming Office in an electronic format.

- c. If, after reviewing the Gaming Facility Operator's Surveillance Plan, the Tribal Gaming Office determines the Surveillance Plan does not comply with the requirements of the Compact and/or its Appendices, the Tribal Gaming Office shall notify the Gaming Facility Operator or independent surveillance operator in writing of the reasons why the Surveillance Plan does not comply. In that case, the Gaming Facility Operator or independent surveillance operator shall submit for approval a revised Surveillance Plan that complies with the requirements of the Compact and its Appendices within seven (7) days after receiving the Tribal Gaming Office's written notice or within such longer time as may be allowed by the Tribal Gaming Office.
- d. If the Gaming Facility Operator or an independent surveillance operator operates the Surveillance System, it must amend its Surveillance Plan, and obtain the Tribal Gaming Office's approval of the amendments, before:
  - i. Changing:
    - (a) the organizational chart for the Surveillance Department;
    - (b) the duties and responsibilities for any position shown on the organizational chart;
    - (c) the training required for Surveillance Department employees;
    - (d) the administrative or operational policies or procedures used in the operation of the Surveillance System;
    - (e) the types of games played; or
    - (f) the areas to be monitored by the Surveillance System;
  - ii. Relocating equipment in, adding equipment to, or removing equipment from, its Surveillance System (but not when replacing equipment with similar equipment of equal or greater functionality);
  - iii. Adding or relocating (but not replacing):
    - (a) a card game table;
    - (b) a progressive card game table;
    - (c) an other table game table;
    - (d) a progressive other table game table;
    - (e) a keno area, a keno ball-drawing device, or random number generator for keno;
    - (f) a pari-mutuel area;
    - (g) an event wagering and/or fantasy sports area;



- (h) a secured location for gaming chip inventories or card storage;
  - (i) a gaming device requiring surveillance by a dedicated camera; or
  - (j) a dealer controlled electronic table game requiring surveillance by a dedicated camera(s).
- iv. Changing the location or layout of the cage and vault area or the areas where currency or coin may be stored or counted during the drop and count process; or
- v. Changing the location of gaming machine booths and change banks, redemption booths, keno kiosks, event wagering kiosks, fantasy sports kiosks, or automated redemption kiosks.
- e. The Gaming Facility Operator or independent surveillance operator shall submit an amended Surveillance Plan, or those portions of the Surveillance Plan amended (such as an updated blueprint or diagram), to the Tribal Gaming Office for approval at least forty-eight (48) hours before the time proposed for implementing the changes in the amendments, unless the Tribal Gaming Office agrees to a shorter notice. The Gaming Facility Operator or independent surveillance operator may submit an amended Surveillance Plan, or those portions of the Surveillance Plan amended, to the Tribal Gaming Office in an electronic format. If changes to the Surveillance System are needed on an emergency basis, the Gaming Facility Operator or independent surveillance operator may make those changes after obtaining the approval of the Tribal Gaming Office and notice is given to the State Gaming Agency, following which the Gaming Facility Operator or an independent surveillance operator shall promptly submit to the Tribal Gaming Office for approval an amended Surveillance Plan, or those portions of the Surveillance Plan amended (such as an amended blueprint or diagram), reflecting the changes. If, after reviewing proposed amendments to a Surveillance Plan, the Tribal Gaming Office determines the amendments would not comply with the requirements of the Compact and/or its Appendices, the Tribal Gaming Office shall notify the Gaming Facility Operator or independent surveillance operator in writing of the reasons why the amendments would not comply. In that case, the Gaming Facility Operator or independent surveillance operator shall submit for approval an amended Surveillance Plan that complies, or those portions of the Surveillance Plan amended that comply, with the requirements of the Compact and its Appendices within seven (7) days after receiving the Tribal Gaming Office's written notice or within such longer time as may be allowed by the Tribal Gaming Office.

(2) Tribal Gaming Office.

- a. If the Tribal Gaming Office operates the Surveillance System, it shall prepare the required Surveillance Plan.
- b. For Gaming Facilities not in operation at the time this Appendix becomes effective, the Tribal Gaming Office shall prepare its Surveillance Plan not later than five (5) days before the Gaming Facility Operator starts to operate Class III Gaming or card game tables. For Gaming Facilities already in operation at the time this Appendix becomes effective, the Tribal Gaming Office shall prepare its Surveillance Plan within ninety (90) days after the Appendix becomes effective.
- c. If the Tribal Gaming Office operates the Surveillance System, it shall prepare an amended Surveillance Plan before:
  - i. Changing (or allowing changes to):
    - (a) the organizational chart for the Surveillance Department;
    - (b) the duties and responsibilities for any position shown on the organizational chart;
    - (c) the training required for Surveillance Department employees;
    - (d) the administrative or operational policies or procedures used in the operation of the Surveillance System;
    - (e) the types of games played; or
    - (f) the areas to be monitored by the Surveillance System.
  - ii. Relocating equipment in, adding equipment to, or removing equipment from, its Surveillance System (but not when replacing equipment with similar equipment of equal or greater functionality);
  - iii. The Gaming Facility Operator adds or relocates (but not replaces):
    - (a) a card game table;
    - (b) a progressive card game table;
    - (c) an other table game table;
    - (d) a progressive other table game table;
    - (e) a keno area, a keno ball-drawing device, or random number generator for keno;
    - (f) a pari-mutuel area;
    - (g) an event wagering and/or fantasy sports area;
    - (h) a secured location for gaming chip inventories or card storage;
    - (i) a gaming device requiring surveillance by a dedicated camera; or
    - (j) a dealer controlled electronic table game requiring surveillance by a dedicated camera(s).

- iv. The Gaming Facility Operator changes the location or layout of the cage and vault area or the areas where currency or coin may be stored or counted during the drop and count process; or
  - v. The Gaming Facility Operator changes the location of gaming machine booths and change banks, redemption booths, keno kiosks, event wagering kiosks, fantasy sports kiosks, or automated redemption kiosks.
- d. If changes to the Surveillance System are needed on an emergency basis, the Tribal Gaming Office may make those changes after providing notice to the State Gaming Agency, following which the Tribal Gaming Office shall promptly prepare an amended Surveillance Plan reflecting the changes.

**E. Submission of Surveillance Plan to the State Gaming Agency.**

- (1) The Tribal Gaming Office shall submit a copy of the initial Surveillance Plan for each Gaming Facility to the State Gaming Agency within forty-eight (48) hours after approving a plan received from the Gaming Facility Operator or an independent surveillance operator or, if the Tribal Gaming Office operates the surveillance system, within forty-eight (48) hours after preparing it. The Tribal Gaming Office may submit a Surveillance Plan to the State Gaming Agency in an electronic format. Within seven (7) days after receiving the initial Surveillance Plan from the Tribal Gaming Office, the State Gaming Agency shall review the Surveillance Plan. If the State Gaming Agency believes that the Surveillance Plan does not comply with the requirements of the Compact and/or its Appendices, the State Gaming Agency shall notify the Tribal Gaming Office in writing within that seven (7) day period of the reasons why the State Gaming Agency contends that the Surveillance Plan does not comply. If the State Gaming Agency does not object within the seven (7) day period, then the Surveillance Plan is deemed approved.
- (2) Within forty-eight (48) hours of approving any changes to the Surveillance Plan for a Gaming Facility, the Tribal Gaming Office shall submit to the State Gaming Agency an amended Surveillance Plan, or those portions of the Surveillance Plan amended (such as an updated blueprint or diagram), for the Gaming Facility. The Tribal Gaming Office may submit an amended Surveillance Plan, or those portions of the Surveillance Plan amended, to the State Gaming Agency in an electronic format. Within seven (7) days after receiving the amended Surveillance Plan, or those portions of the Surveillance Plan amended, from the Tribal Gaming Office, the State Gaming Agency shall review the amendments to the Surveillance Plan. If the State Gaming Agency believes that the amendments to the Surveillance Plan do not comply with the requirements of the Compact and/or its Appendices, the State Gaming Agency shall notify the Tribal Gaming Office in writing within that seven (7) day period of the reasons why the State Gaming Agency contends that the amendments do not comply. If the State Gaming Agency does

not object within the seven (7) day period, then the amendments to the Surveillance Plan are deemed approved.

- (3) Any disputes regarding whether the initial Surveillance Plan or amendments to a Surveillance Plan comply with the requirements of the Compact or its Appendices shall be resolved in accordance with Compact Section 15.

**F. Logs.** Surveillance logs required by the Compact and its Appendices may be kept in an electronic format.

**G. Surveillance Personnel.** All Surveillance Department employees shall be at least eighteen (18) years of age.

**H. Access.** Agents of the Tribal Gaming Office shall be entitled to immediate access to the surveillance operation room and other surveillance areas. Agents of the State Gaming Agency shall be entitled to access the surveillance operation room and other surveillance areas in accordance with Compact Section 7(a). The State Gaming Agency may not operate or maintain a surveillance operation room in a Gaming Facility nor access the signal from the Surveillance System. Agents of the State Gaming Agency shall have the right to inspect and copy during normal business hours records of the Surveillance Department in accordance with Compact Section 7(b).

**I. Card Games.** For the purposes of surveillance requirements, Promotional Award Poker Games and MOU Poker Games shall be treated as Table Games under the Guidance.

### **III. SECURITY**

**A. Security Department.** The Gaming Facility Operator shall have a Security Department responsible for the overall security of each Gaming Facility. The Security Department will, in accordance with the Security Plan:

- (1) Assist with the enforcement of applicable laws;
- (2) Reasonably endeavor to protect the physical safety of people lawfully at each Gaming Facility;
- (3) Physically safeguard the Gaming Facility Operator's assets transported between the gaming floor and the cashiers' cage department;
- (4) Endeavor to protect the property of the Gaming Facility Operator and its patrons from illegal activity;
- (5) Be responsible for detaining, or assisting in the detention of, persons who may be involved in illegal acts for the purpose of notifying appropriate law enforcement or gaming regulatory authorities;
- (6) Endeavor to prevent gambling by persons who are less than twenty-one years of age;

- (7) Endeavor to identify, and remove from Gaming Facilities, Barred Persons and persons who are on the self-excluded list established under Compact Section 3(v)(2); and
- (8) Satisfy the pertinent (i.e. security) requirements of Sections 3(t), 3(v)(2)(G), 6(b), 6(e), and 11(b)(4).

**B. Security Plan.** A Security Plan shall be designed to meet the Gaming Facility Operator's obligations relating to security under this Appendix. The Gaming Facility Operator shall operate its Security Department in accordance with the Security Plan and the requirements of the Compact and its Appendices. At a minimum, the Security Plan shall include:

- (1) An organizational chart depicting appropriate segregation of functions and responsibilities for all positions in the Security Department;
- (2) A description of the duties and responsibilities of each position shown on the organizational chart;
- (3) A narrative description of the administrative and operational policies and procedures used in Security Department (including the policies and procedures that implement the pertinent requirements of Compact Sections 3(t), 3(v)(2)(G), 6(b), 6(e), and 11(b)(4));
- (4) A description of the training required for security personnel;
- (5) The location of each security detention area;
- (6) Any other information required by this Appendix;
- (7) Identification of that department or part of the Gaming Facility Operator responsible for Gaming Facility security in the case of Tier B and C Gaming Facilities; and
- (8) For all other Gaming Facilities, identification of the person(s), position(s), department, or part of the Gaming Facility Operator responsible for Gaming Facility security.

**C. Preparation and Approval of Security Plan.**

- (1) The Gaming Facility Operator shall prepare a Security Plan and submit it to the Tribal Gaming Office for approval. The Gaming Facility Operator shall amend the Security Plan as needed to keep it current.
- (2) For Gaming Facilities not in operation at the time this Appendix becomes effective, the Gaming Facility Operator shall submit its Security Plan to the Tribal Gaming Office no later than five (5) days before starting to operate Class III Gaming or Card Game Tables. For Gaming Facilities already in operation at the time this Appendix becomes effective, the Gaming Facility Operator shall submit its Security Plan to the Tribal Gaming Office within ninety (90) days after this Appendix becomes effective. The Gaming Facility Operator shall submit each amended

Security Plan (or those portions of the Security Plan amended) to the Tribal Gaming Office for approval. The Gaming Facility Operator shall submit an amended Security Plan, or those portions of the Security Plan amended, to the Tribal Gaming Office for approval at least forty-eight (48) hours before the time proposed for implementing the changes in the amendments, unless the Tribal Gaming Office agrees to a shorter notice. The Gaming Facility Operator may submit an amended Security Plan, or those portions of the Security Plan amended, to the Tribal Gaming Office in an electronic format. If changes to the Security Plan are needed on an emergency basis, the Gaming Facility Operator may make those changes after obtaining the approval of the Tribal Gaming Office and notice is given to the State Gaming Agency, following which the Gaming Facility Operator shall promptly submit to the Tribal Gaming Office for approval an amended Security Plan, or those portions of the Security Plan amended, reflecting the changes.

- (3) If, after reviewing the Gaming Facility Operator's Security Plan or an amended Security Plan, the Tribal Gaming Office determines the plan does not comply with the requirements of the Compact and/or its Appendices, the Tribal Gaming Office shall notify the Gaming Facility Operator in writing of the reasons why the plan does not comply. In that case, the Gaming Facility Operator shall submit for approval a revised Security Plan that complies with the requirements of the Compact and its Appendices within seven (7) days after receiving the Tribal Gaming Office's written notice or within such longer time as may be allowed by the Tribal Gaming Office.

**D. Submission of Security Plan to the State Gaming Agency.**

- (1) The Tribal Gaming Office shall submit a copy of the initial Security Plan for each Gaming Facility to the State Gaming Agency within forty-eight (48) hours after approving a plan received from the Gaming Facility Operator. The Tribal Gaming Office may submit a Security Plan to the State Gaming Agency in an electronic format. Within seven (7) days after receiving the initial Security Plan from the Tribal Gaming Office, the State Gaming Agency shall review the Security Plan. If the State Gaming Agency believes that the Security Plan does not comply with the requirements of the Compact and/or its Appendices, the State Gaming Agency shall notify the Tribal Gaming Office in writing within that seven (7) day period of the reasons why the State Gaming Agency contends that the Security Plan does not comply. If the State Gaming Agency does not object within the seven (7) day period, then the Security Plan is deemed approved.
- (2) Within forty-eight (48) hours of approving any changes to the Security Plan for a Gaming Facility, the Tribal Gaming Office shall submit to the State Gaming Agency an amended Security Plan, or those portions of the Security Plan amended, for the Gaming Facility. The Tribal Gaming Office may submit an amended Security Plan, or those portions of the Security Plan amended, to the State Gaming Agency in an electronic format. Within seven (7) days after receiving the amended Security Plan, or those portions of the Security Plan amended, from the Tribal

Gaming Office, the State Gaming Agency shall review the amendments to the Security Plan. If the State Gaming Agency believes that the amendments to the Security Plan do not comply with the requirements of the Compact and/or its Appendices, the State Gaming Agency shall notify the Tribal Gaming Office in writing within that seven (7) day period of the reasons why the State Gaming Agency contends that the amendments do not comply. If the State Gaming Agency does not object within the seven (7) day period, then the amendments to the Security Plan are deemed approved.

- (3) Any disputes regarding whether the initial Security Plan or amendments to a Security Plan comply with the requirements of the Compact or its Appendices shall be resolved in accordance with Compact Section 15.

**E. Security Detention Area.**

- (1) Each Gaming Facility shall have at least one security detention area. A security detention area either may be:
  - (i) an area used exclusively for the detention of persons; or
  - (ii) an area used for the detention of persons as well as for other purposes.
- (2) A notice shall be posted in each security detention area advising all persons that the area may be under video and audio surveillance.

**F. Reports.** The Security Department shall prepare a legible report regarding each unusual occurrence observed by or reported to a Security Department employee and each violation or suspected violation of the Compact and its appendices, or the Tribe's Gaming Ordinance, known by the Security Department employee to involve a violation or suspected violation. Each report shall be prepared within a reasonable time after the incident, and shall include the name of the person preparing the report, the date and time of the incident, the names of the security personnel present, the nature of incident, the names of the persons involved (if available), and the names of any witnesses (if available). Security reports required by the Compact and its Appendices may be kept in an electronic format.

**G. Security Personnel.** All employees of the Security Department shall be at least eighteen (18) years of age.

**IV. Reporting**

**A. Unusual Occurrences.** Unusual occurrences shall be reported to the State Gaming Agency as soon as reasonably practical but in no event after more than twenty-four (24) hours after the Tribal Gaming Office receives notice of the unusual occurrence.

**B. Reportable Events.** The Gaming Facility Operator, Security Department, or a Tribal Gaming Office inspector, as applicable, shall report to the Tribal Gaming Office all reportable events. Regardless of the identity of the reporter or to whom the report is made, the Tribal Gaming Office shall make a written record of each report without regard to materiality. The written record may be maintained in either paper or electronic form, provided each entry is recorded in a manner so that, once the information is

entered, it cannot be deleted or amended without a record of the deletion or amendment. The written record shall be made available to the State Gaming Agency upon request. Each entry shall be assigned a sequential number and shall include, at a minimum, the following information:

- (1) the assigned number;
- (2) the date;
- (3) the time;
- (4) a description of the incident and its location;
- (5) identifying information of the person(s) involved in the incident and the person(s) witnessing the incident; and
- (6) the names of the security department, surveillance department or Tribal Gaming Office employees creating the report and contributing to the report and the names of those employees assigned to investigate (if applicable).

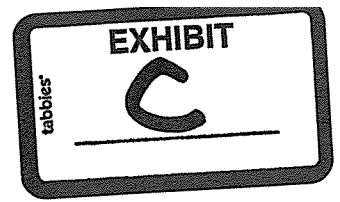
By: \_\_\_\_\_  
Jonathan Nez, President  
Navajo Nation

By: \_\_\_\_\_  
Ted Vogt, Director  
Arizona Department of Gaming

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_





## APPENDIX H

### Minimum Internal Control Standards

Arizona Tribal-State Gaming Compact

The Tribal Gaming Office and the State Gaming Agency shall implement Compact Section 11 in accordance with the following:

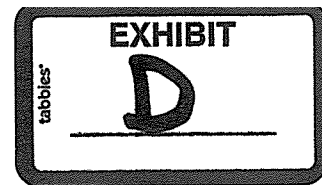
**Internal Control Standards.** The Tribal Gaming Office shall establish internal control standards which provide a level of control that equals or exceeds the level of control required by the standards set forth in the National Indian Gaming Commission's Guidance on the Class III Minimum Internal Control Standards, Bulletin No. 2018-3, dated August 14, 2018, (Guidance), including all recommended standards referenced therein and all additions, amendments, and updates thereto. To the extent that the Tribal Gaming Office's standards or the Guidance conflict with either the Compact or its Appendices, the Compact and its Appendices shall control. Both the Tribal Gaming Office and the State Gaming Agency may propose changes to the internal control standards at any time following the process in Compact Section 3(b)(3)(C).

By: \_\_\_\_\_  
Jonathan Nez, President  
Navajo Nation

By: \_\_\_\_\_  
Ted Vogt, Director  
Arizona Department of Gaming

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_



## **APPENDIX I**

### Computation and Auditing of Tribal Contributions

Arizona Tribal-State Gaming Compact

**I. ACCESS TO RECORDS.**

- A.** Pursuant to Section 12 of the Compact, the State Gaming Agency shall have access to all documents, records and reports necessary to confirm the correct amount of tribal contributions.
- B.** Pursuant to Section 12 of the Compact, the State Gaming Agency shall have access to all documents, records and reports necessary to confirm the correct amount of distributions made directly to cities, towns, or counties, or deposits made directly to the Commerce and Economic Development Commission Local Communities Fund;
- C.** Pursuant to Section 3 of the Compact, the State Gaming Agency shall have access to all documents, records, and reports relating to any Transfer Agreements entered into by the Tribe.

**II. DEFINITIONS.**

- A.** "Blackjack Drop" means the total amount of cash, chips, tokens, and coins removed from drop boxes.
- B.** "Breakage" means the difference between actual bet amounts paid out by a racetrack to bettors and amounts won due to bet payments being rounded up or down.
- C.** "Free Play Instrumentalities" means any coupon, chip, electronic credit, or other instrument which entitles a player to a chance to win a sum of money or representative of value without placing anything of value at risk.
- D.** "Gaming Device Drop" means the total of coins and tokens removed from the slot drop bucket, plus the amount of paper currency removed from the bill acceptor, plus the amount deducted from player wagering cards or accounts, plus the value of cashless wagering tickets redeemed by the Gaming Device.
- E.** "Match Play Instrumentalities" means any coupon, chip, or other means that a player plays in conjunction with a Wager and entitles a player to receive a payout on winning wagers in a greater amount than the player would be entitled to in accordance with the rules of the game by only making the Wager.
- F.** "Other Table Game" means a single table at which the Tribe conducts the table game of House Banked Poker, Baccarat, Roulette, Craps, Big Six, Pai Gow Tiles, or Sic Bo.
- G.** "Other Table Game Drop" means the total amount of cash, chips, tickets, tokens, and coins removed from drop boxes.
- H.** "Short Pay" means a payoff from a gaming device that is less than the listed amount.
- I.** "Wager" for purposes of this Appendix means a sum of money or representative of value that is placed at risk and may be lost or a sum of money or

representative of value won on any occurrence or event for which the outcome is uncertain.

### **III. TRIBAL CONTRIBUTIONS COMPUTATION.**

#### **A. General Provisions.**

- (1) In calculating tribal contributions, which are based on Class III Net Win, no deduction shall be taken for:
  - (a) The value of any complimentary items given to players such as money, food, beverages, accommodations, travel, or other similar expenses;
  - (b) Any awards or prizes, whether in the form of money, merchandise, services, or otherwise, as a result of the redemption of points or similar awards that a player receives as a result of playing any approved Class III game including, but not limited to, redemption of players club points or awards or as a result of player rated activities;
  - (c) Uncollectible debt, or bad debt expense, related to the extension of credit; or
  - (d) Any amounts reimbursed by a third party wide area progressive jackpot system provider.

#### **B. Card Games.**

- (1) For each Blackjack Game, Class III Net Win is equal to the closing table bankroll plus Blackjack Drop, plus credit slips from chips, tokens and coins returned to the cage, less fills of chips, tokens, and coins from the cage, less opening table bankroll.
- (2) The following shall not be included in the calculation of Class III Net Win for Blackjack Games:
  - (a) Entry fees or other compensation received by the Gaming Facility Operator for tournaments;
  - (b) Prizes paid to winning players as a result of tournaments; or
  - (c) Free Play Instrumentalities and Match Play Instrumentalities.
- (3) For each Promotional Award Poker game, Class III Net Win is equal to the amount of compensation charged players for the opportunity to play and Wager on any Promotional Award Poker game, less any awards paid from a Jackpot Promotional Fund funded by the Gaming Facility Operator, rather than from contributions (Jackpot Promotional Rake) made by players. Class III Net Win includes rake, time collection, or any other fee the player is required to pay the Gaming Facility Operator for the opportunity to play and Wager against other players.
- (4) The following shall not be included in the calculation of Class III Net Win for Promotional Award Poker:

- (a) Contributions (Jackpot Promotional Rake) made by players to Jackpot promotional awards;
- (b) Any awards paid from a Jackpot Promotional Fund funded by contributions made by players;
- (c) Entry fees or other compensation received by the Gaming Facility Operator for Promotional Award Poker tournaments and prizes paid to winning players as a result of Promotional Award Poker tournaments; or
- (d) Free Play Instrumentalities and Match Play Instrumentalities.

**C. Class III Gaming Devices.**

- (1) For each Class III Gaming Device, Class III Net Win equals the Gaming Device Drop less hand paid jackpot payouts, less hopper fills, less amounts credited to player's wagering cards or accounts as a result of winning Wagers, less Gaming Device short pays, less amounts credited to cashless wagering tickets as a result of a winning Wager.
- (2) The Gaming Facility Operator may deduct from Class III Net Win that portion of the Gaming Facility Operator's payments to a third party wide area progressive jackpot system provider that is contributed only to the progressive jackpot amount.
  - (a) If the Gaming Facility Operator participates in an intra-State link, contributions to the progressive jackpot amount shall be deducted on a monthly basis.
  - (b) If the Gaming Facility Operator participates in an inter-State link, contributions to the progressive jackpot amount shall be deducted for the month in which a wide area progressive jackpot was awarded.
- (3) The Gaming Facility Operator may deduct from Class III Net Win the actual cost of personal property awarded to a player as a result of a Wager placed in connection with the play of a Gaming Device resulting in a winning Wager, provided the Gaming Facility Operator maintains adequate and detailed documents to support the cost of the personal property awarded as a jackpot.
- (4) If a Gaming Facility Operator provides periodic payments to satisfy a payout resulting from a Wager, the initial installment payment when paid and the actual cost of a third party payment plan funded by the Gaming Facility Operator may be deducted from winnings when paid or purchased. For any funding method which merely guarantees the Gaming Facility Operator's performance and under which the Gaming Facility Operator makes payments directly to the player out of cash flow (e.g. irrevocable letters of credit, surety bonds, or other similar methods), the Gaming Facility Operator shall only deduct such payments when paid to the player.
- (5) The following shall not be included in the calculation of Class III Net Win for Gaming Devices:

- (a) Initial Gaming Device hopper load fills;
- (b) Any lease payments or other fees paid by the Gaming Facility Operator for the use of Gaming Devices;
- (c) Entry fees or other compensation received by the Gaming Facility Operator for Gaming Device tournaments;
- (d) Prizes paid to winning players as a result of Gaming Device tournaments; or
- (e) Free Play Instrumentalities and Match Play Instrumentalities.

**D. Dealer Controlled Electronic Table Games.**

- (1) For each DCETG, Class III Net Win equals the game drop less hand paid jackpot payouts, less amounts credited to player's wagering cards or accounts as a result of winning wagers, less game short pays, less amounts credited to cashless wagering tickets as a result of a winning wager.
- (2) The following shall not be included in the calculation of Class III Net Win for DCETGs:
  - (a) Any lease payments or other fees paid by the Gaming Facility Operator for the use of DCETG;
  - (b) Entry fees or other compensation received by the Gaming Facility Operator for DCETG tournaments;
  - (c) Prizes paid to winning players as a result of DCETG tournaments;
  - (d) Tips credited to the dealer;
  - (e) Commissions or Vigorish collected by the house (if applicable); or
  - (f) Free Play Instrumentalities and Match Play Instrumentalities.
- (3) The Gaming Facility Operator may deduct from Class III Net Win the actual cost of personal property awarded to a player as a result of a Wager placed in connection with the play of a DCETG resulting in a winning Wager, provided the Gaming Facility Operator maintains adequate and detailed documents to support the cost of the personal property awarded as a jackpot.
- (4) If a Gaming Facility Operator provides periodic payments to satisfy a payout resulting from a Wager, the initial installment payment when paid and the actual cost of a third party payment plan funded by the Gaming Facility Operator may be deducted from winnings when paid or purchased. For any funding method which merely guarantees the Gaming Facility Operator's performance and under which the Gaming Facility Operator makes payments directly to the player out of cash flow (e.g. irrevocable letters of credit, surety bonds, or other similar methods), the Gaming Facility Operator shall only deduct such payments when paid to the player.

**E. Keno.**

- (1) For each Keno game, Class III Net Win is equal to the amount wagered by players, or write, less the amount paid to players on winning Wagers.
- (2) The Gaming Facility Operator may deduct from Class III Net Win that portion of the Gaming Facility Operator's payments to a third party wide area progressive keno system provider that is contributed only to the progressive jackpot amount.
  - (a) If the Gaming Facility Operator participates in an intra or inter State link, contributions to the progressive jackpot amount shall be deducted for the month in which a wide area progressive jackpot was awarded.
- (3) If a Gaming Facility Operator provides periodic payments to satisfy a payout resulting from a Wager, the initial installment payment and the actual cost of a third party payment plan funded by the Gaming Facility Operator may be deducted from winnings when paid or purchased. For any funding method which merely guarantees the Gaming Facility Operator's performance and under which the Gaming Facility Operator makes payments directly to the player out of cash flow (e.g. irrevocable letters of credits, surety bonds, or other similar methods), the Gaming Facility Operator shall only deduct such payments when paid to the player.
- (4) The following shall not be included in the calculation of Class III Net Win for Keno:
  - (a) Entry fees or other compensation received by the Gaming Facility Operator for Keno tournaments;
  - (b) Prizes paid to winning players as a result of Keno tournaments;  
or
  - (c) Free Play Instrumentalities and Match Play Instrumentalities.

**F. Off-Track Pari-Mutuel Wagering.**

- (1) For Off-Track Pari-Mutuel Wagering, Class III Net Win is equal to gross commissions retained by, or paid to, the Gaming Facility Operator plus any breakage allocated to the Gaming Facility Operator by the host track.
- (2) The following shall not be included in the calculation of Class III Net Win for Off-Track Pari-Mutuel Wagering: Free Play Instrumentalities and Match Play Instrumentalities.

**G. Other Table Games.**

- (1) For each Other Table Game, Class III Net Win is equal to the closing table bankroll plus Other Table Game Drop, plus credit slips from chips,



tokens and coins returned to the cage, less fills of chips, tokens, and coins from the cage, less opening table bankroll.

- (2) The following shall not be included in the calculation of Class III Net Win for Other Table Games:
  - (a) Entry fees or other compensation received by the Gaming Facility Operator for tournaments;
  - (b) Prizes paid to winning players as a result of tournaments; or
  - (c) Free Play Instrumentalities and Match Play Instrumentalities.

**H. Reporting and Calculation of Contribution Amounts.**

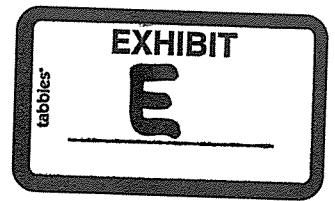
- (1) The Tribe shall submit to the State Gaming Agency a monthly report, in a format provided by the State Gaming Agency, indicating the Class III Net Win by Gaming Activity. The report shall be verified by an authorized representative of the Gaming Facility Operator and shall be sent to the State Gaming Agency no later than the 25th day of each month for the preceding month.
- (2) Pursuant to Section 12 of the Compact, at the time each quarterly contribution is made, the Tribe shall submit to the State Gaming Agency a report verified by an authorized representative of the Gaming Facility Operator in a format provided by the State Gaming Agency, indicating the basis for tribal contributions by Gaming Activity for the quarter.
- (3) Contributions made pursuant to Section 12 of the Compact are separate and apart from fees paid to the State Gaming Agency pursuant to Section 5 of the Compact.

By: \_\_\_\_\_  
Jonathan Nez, President  
Navajo Nation

By: \_\_\_\_\_  
Ted Vogt, Director  
Arizona Department of Gaming

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_



## APPENDIX M

### Standards for Self-Exclusion and Responsible Gaming

Arizona Tribal-State Gaming Compact

The Tribe and the State Gaming Agency agree to this Appendix to implement the provisions of Compact Section 3.v.

**I. Signage.**

- A. The Gaming Facility Operator shall post signage at all public entrances and exits of each Gaming Facility which shall be in English and Spanish and shall state that help is available if a Person has a problem with gambling and, at a minimum, provide the statewide toll-free helpline telephone number, text message and website information established by the Arizona Department of Gaming – Division of Problem Gambling.
- B. The Gaming Facility Operator shall display signage visible on the gaming floor and on or in close proximity to all cash access, check cashing and automated teller machines (ATMs) in the Gaming Facility stating that help is available if a Person has a problem with gambling and, at a minimum, provide the statewide toll-free helpline telephone number, text message and website information established by the Arizona Department of Gaming – Division of Problem Gambling.

**II. Self-exclusion.** The State Gaming Agency and the Tribe shall comply with the following provisions to allow problem gamblers to voluntarily exclude themselves from Gaming Facilities statewide:

- A. The State Gaming Agency shall establish a list of Persons who, by acknowledging in a manner to be established by the State Gaming Agency that they are problem gamblers, voluntarily seek to exclude themselves from Gaming Facilities statewide. The State Gaming Agency shall establish procedures for the placement on and removal from the list of self-excluded Persons. No Person other than the Person seeking voluntary self-exclusion shall be allowed to include any Person's name on the self-exclusion list of the State Gaming Agency.
- B. The Tribe shall establish procedures for advising Persons who inquire about self-exclusion and offer self-exclusion application forms provided by the State Gaming Agency to those Persons when requested.
- C. The State Gaming Agency shall compile identifying information concerning self-excluded Persons. Such information shall contain, at a minimum, the full name and any aliases of the Person, a photograph of the Person, the social security or driver's license number of the Person, and the current physical and electronic contact information, including mailing address, of the Person.
- D. The State Gaming Agency shall, on a weekly basis, provide the compiled information to the Tribal Gaming Office and the Gaming Facility Operator. The Tribal Gaming Office and the Gaming Facility Operator shall treat the information received from the State Gaming Agency under this Section as confidential and such information shall not be disclosed except to vendors who operate credit services or check cashing services within the Gaming Facility or other vendors

deemed necessary by the Tribal Gaming Office or the State Gaming Agency for purposes of compliance with this Section, appropriate law enforcement agencies if needed in the conduct of an official investigation, or if ordered by a court of competent jurisdiction.

- E. The Gaming Facility Operator shall check the most recent self-excluded Persons list provided by the State Gaming Agency before issuing or re-issuing any slot or player's club card and shall deny a card to any self-excluded Person. The Gaming Facility Operator shall remove all self-excluded Persons from all mailing lists of the Gaming Facility Operator and shall revoke and deny any casino services, privileges (to include complimentary items and promotions), and player's club cards.
- F. The Gaming Facility Operator shall take reasonable steps to ensure that Persons on the State Gaming Agency's list of self-excluded Persons are denied access to all financial transactions, including the extension of credit. This shall not apply to the purchase of non-gaming related items or cash purchases that do not generally require the check of a Person's identification.
- G. The Gaming Facility Operator, including security and surveillance personnel, shall take reasonable steps to identify self-excluded Persons who may be in a Gaming Facility and, once identified, promptly escort the self-excluded Person from the Gaming Facility.
- H. If a self-excluded person is removed from a Gaming Facility, the Tribal Gaming Office shall report to the State Gaming Agency, at a minimum, the name of the self-excluded person, security staff involved, date of removal, amount or value of any monies, prizes, or awards forfeited, if any, and any other action taken. The report shall be provided to the State Gaming Agency on a monthly basis by the 10th day of the following month.
- I. The Gaming Facility Operator shall not pay any jackpot, prize, or award (whether cash, property, or in any other form), where a Person's identification must be verified, to a Person who is on the State Gaming Agency self-exclusion list and shall require that such certification is acknowledged on the appropriate documentation. Any jackpot, prize, or award won by a Person on the self-exclusion list shall be forfeited and shall be donated by the Gaming Facility Operator on a timely basis to an Arizona-based non-profit charitable organization primarily dedicated to the treatment or prevention of problem gambling or other addiction treatment services.
- J. Neither the Tribe, the Gaming Facility Operator, the Tribal Gaming Office, nor any employee thereof, shall be liable to any self-excluded Person or to any other party in any proceeding and neither the Tribe, the Gaming Facility Operator, nor the Tribal Gaming Office shall be deemed to have waived its sovereign immunity with respect to any Person for any harm, monetary or otherwise, which may arise as a result of:

- (1) The failure of the Gaming Facility Operator or the Tribal Gaming Office to withhold or restore gaming privileges from or to a self-excluded Person; or
  - (2) Otherwise permitting a self-excluded Person to engage in Gaming Activity in a Gaming Facility while on the list of self-excluded Persons.
- K. Neither the Tribe, the Gaming Facility Operator, the Tribal Gaming Office, nor any employee thereof shall be liable to any self-excluded Person or to any other party in any proceeding, and neither the Tribe, the Gaming Facility Operator, nor the Tribal Gaming Office shall be deemed to have waived its sovereign immunity with respect to any Person for any harm, monetary or otherwise, which may arise as a result of disclosure or publication in any manner, other than a willfully unlawful disclosure or publication, of the identity of any self-excluded Person or Persons.
- L. Notwithstanding any other provision of this Compact, the State Gaming Agency's list of self-excluded Persons shall not be open to public inspection.

**III. Problem Gambling.** The Gaming Facility Operator shall develop and maintain a program to mitigate problem gambling and curtail compulsive gambling, which may be in conjunction with the Arizona Department of Gaming – Division of Problem Gambling and which shall include the following safeguards:

- A. The Gaming Facility Operator shall maintain and provide a comprehensive problem gambling training and education program, which may be in coordination with the Arizona Department of Gaming - Division of Problem Gambling, to every new Gaming Employee who interacts with patrons.
- B. The Gaming Facility Operator shall provide contact information for the Arizona Department of Gaming - Division of Problem Gambling on the Tribe's Gaming Facilities internet website(s).
- C. The Gaming Facility Operator shall make educational and informational materials provided by the Arizona Department of Gaming - Division of Problem Gambling available to patrons at conspicuous locations in the Gaming Facility, including the cage, players club, and cash access machine areas.
- D. The Gaming Facility Operator shall include a responsible gaming message with the Arizona Department of Gaming - Problem Gambling's statewide toll-free crisis helpline telephone number on all advertisements for Gaming Activity where practicable, including on television, radio, and printed advertisements and on billboards.

**IV. Program Evaluation.** To ensure that self-exclusion and problem gambling programs are applied effectively within the State of Arizona, the parties agree that, within two (2) years of the Effective Date, the Arizona Department of Gaming - Division of Problem Gambling shall have completed a problem gambling/self-exclusion program evaluation with the assistance of an independent third party. The purpose of the evaluation will be

to gain feedback on how the program is administered and how it can be improved. The results of the evaluation shall be shared with the Tribe and used to develop and further best practices.

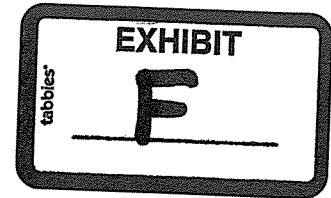
By: \_\_\_\_\_  
Jonathan Nez, President  
Navajo Nation

By: \_\_\_\_\_  
Ted Vogt, Director  
Arizona Department of Gaming

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

RESOLUTION OF THE  
NAABIK'ÍYÁTI' GAMING SUBCOMMITTEE  
24<sup>th</sup> NAVAJO NATION COUNCIL -- Third Year, 2021



AN ACTION RELATING TO THE NAABIK'ÍYÁTI' GAMING SUBCOMMITTEE; APPROVING AND RECOMMENDING THE NAABIK'ÍYÁTI' COMMITTEE TO APPROVE AMENDED AND NEW APPENDICES TO THE 2021 ARIZONA GAMING COMPACT

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Naabik'íyáti' Committee is a standing committee of the Navajo Nation Council with the enumerated power To review and continually monitor the programs and activities of federal and state departments and to assist development of such programs designed to serve the Navajo People and the Navajo Nation through intergovernmental relationships between the Navajo Nation and such departments.
- B. The Naabik'íyáti' Committee's Gaming Subcommittee was established to negotiate all related issues regarding the separate gaming compacts the Navajo Nation has with the State of Arizona and the State of New Mexico respectively and to address related issues to protect Navajo gaming. NABIJY-37-19.
- C. Navajo Nation Council approved The Navajo Nation - State of Arizona Amended and Restated Gaming Compact (the "2021 Arizona Gaming Compact"), including certain regulatory appendices, and delegated authority to "the Naabik'íyáti' Committee, upon recommendation of the Naabik'íyáti' Gaming Subcommittee to approve other modified or new appendices to the 2021 Arizona Gaming Compact, provided such modified or new appendices are agreed to by the Arizona Department of Gaming and the Navajo Nation Gaming Regulatory Office." CAP-19-21 § 3(C).

SECTION TWO. FINDINGS

- A. On July 31, 2021, following a report and recommendation by counsel for the Navajo Nation Gaming Regulatory Office, the Naabik'íyáti' Gaming Subcommittee approved, and recommended to the Naabik'íyáti' Committee to approve the following modified and new appendices: Appendix A (Technical and Operational Standards, Specifications, and Regulations Governing Gaming Devices); Appendix C (Surveillance, Security, and Reporting Requirements); Appendix H (Minimum Internal Control Standards); Appendix I (Computation and Auditing of Tribal

Contributions); and Appendix M (Standards for Self-Exclusion and Responsible Gaming) (collectively, the "Modified and New Appendices").

- B. The Arizona Department of Gaming also has agreed to the Modified and New Appendices, which have been publicly posted on the Arizona Department of Gaming website at <https://gaming.az.gov/tribal-gaming/gaming-compact-statutes>.

### SECTION THREE. APPROVAL AND ADOPTION

- A. The Naabik'íyáti' Gaming Subcommittee hereby approves the Modified and New Appendices.
- B. The Naabik'íyáti' Gaming Subcommittee hereby recommends that the Naabik'íyáti' Committee approve the Modified and New Appendices.

### CERTIFICATION

I, hereby certify that the foregoing resolution was duly considered by the Naabik'íyáti' Gaming Subcommittee of the 24<sup>th</sup> Navajo Nation Council at a duly called meeting in Twin Arrows, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 07 in Favor, and 00 Opposed, on this 31ST day of July 2021.



Honorable Eugenia Charles-Newton, Chairperson  
Naabik'íyáti' Gaming Subcommittee

8/4/21  
Date

Motion: Honorable Paul Begay  
Second: Honorable Pernell Halona

Chairperson Eugenia Charles-Newton not voting



NAABIK'IYATI GAMING SUBCOMMITTEE  
Special Meeting  
July 31, 2021

Roll Call  
Vote Tally Sheet

THE NAABIK'IYATI' GAMING SUBCOMMITTEE to whom has been assigned;

RESOLUTION NO. NAGSJY-01-21

AN ACTION RELATING TO THE NAABIK'IYATI' GAMING SUBCOMMITTEE; APPROVING AND  
RECOMMENDING THE NAABIK'IYATI' COMMITTEE TO APPROVE AMENDED AND NEW APPENDICES  
TO THE 2021 ARIZONA GAMING COMPACT

*Sponsor: Honorable Eugenia Charles-Newton*

July 31, 2021 - Main Motion

Motion by: Honorable Paul Begay, Jr.

Seconded by: Honorable Pernell Halona

Vote: 7 in favor; 0 Opposed; Chairperson Not Voting

Yeas: Elmer P. Begay, Paul Begay, Jr., Pernell Halona, Jamie Henio,  
Otto Tso, Thomas Walker Jr., Jimmy Yellowhair

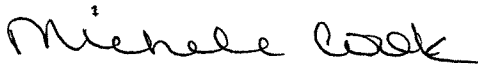
Nays: none

Not Voting: Eugenia Charles-Newton

Absent (excused):



Eugenia Charles-Newton, Chairperson  
Naabik'iyati' Gaming Subcommittee



Michele M. Cook, Legislative Advisor  
Naabik'iyati' Gaming Subcommittee

# NAVAJO NATION

1053

8/26/2021

Naa'bik'iyati' Committee Regular Meeting

02:00:48 PM

Amd# to Amd#

Legislation 0159-21: Approving

PASSED

MOT Nez, R

Amended and New Appendices to

SEC Begay, E

the 2021 Arizona Gaming Compact

**Yeas : 17**

**Nays : 2**

**Excused : 2**

**Not Voting : 2**

## **Yea : 17**

Begay, E

Daniels

James, V

Tso, O

Begay, K

Freeland, M

Nez, R

Walker, T

Begay, P

Halona, P

Slater, C

Yazzie

Brown

Henio, J

Stewart, W

Yellowhair

Charles-Newton

## **Nay : 2**

Wauneka, E

Smith

## **Excused : 2**

Tso, E

Tso, C

## **Not Voting : 2**

Tso, D

Crotty

**Presiding Speaker: Damon**