United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

MAR 17 2000

Honorable Antone Minthorn
Chairman, Confederated Tribes of the
Umatilla Indian Reservation
P.O. Box 638
Pendleton, Oregon 97801

Dear Chairman Minthorn:

On February 2, 2000, we received the Amended and Restated Compact between the Confederated Tribes of the Umatilla Indian Reservation (Tribe) and the State of Oregon (State), dated December 27, 1999. We have completed our review of this Compact and conclude that it does not violate the Indian Gaming Regulatory Act of 1988 (IGRA), Federal law, or our trust responsibility. Therefore, pursuant to delegated authority and Section 11 of IGRA, we approve the Compact. The Compact shall take effect when the notice of our approval, pursuant to Section 11 (d)(3)(B) of IGRA, 25 U.S.C. § 2710(d)(3)(B), is published in the FEDERAL REGISTER.

Notwithstanding our approval of the Compact, we want to remind you that your Minimum Internal Control Standards must be in accordance with the National Indian Gaming Commission's (NIGC) regulations, set forth in 25 CFR Part 542.

We wish the Tribe and the State continued success in their economic venture.

Sincerely,

/s/ Kevin Gover

Assistant Secretary - Indian Affairs

Enclosure

Identical letter sent to: Honorable John Kitzhaber
Governor of Oregon
Salem, Oregon 97310

cc: Portland Area Director w/copy of approved Amendment
Supt., Umatilla Agency w/copy of approved Amendment
National Indian Gaming Commission w/copy of approved Amendment
Field Solicitor-Pacific NW Regional Ofc w/copy of approved Amendment
Oregon U.S. Attorney w/copy of approved Amendment

AMENDED AND RESTATED
TRIBAL-STATE COMPACT FOR REGULATION
OF CLASS III GAMING BETWEEN THE CONFEDERATED TRIBES OF THE
UMATILLA INDIAN RESERVATION AND
THE STATE OF OREGON

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AMENDED AND RESTATED TRIBAL-STATE COMPACT FOR REGULATION OF CLASS III GAMING BETWEEN THE CONFEDERATED TRIBES OF THE UMATILLA INDIAN RESERVATION AND THE STATE OF OREGON

PREAMBLE.

This Amended and Restated Compact is made between the State of Oregon (hereinafter "State") and the Confederated Tribes of the Umatilla Indian Reservation (hereinafter the "Tribes") and pertains to Class III gaming to be conducted on lands within the Umatilla Indian Reservation pursuant to the Indian Gaming Regulatory Act of October 17, 1988 (Public Law 100-497), 25 U.S.C. 2701 et seq. ("IGRA"), and reflects the sovereign status and jurisdictional authority of the Tribes and addresses the legitimate concerns of the State. The terms of this Compact are unique to these Tribes and reflect the fact that the lands that are the subject of this Compact have been held in trust by the United States since the Umatilla Indian Reservation was established in 1855, and that these lands may be used for Class III gaming under IGRA.

SECTION 1. TITLE.

THIS Compact is entered into this 9th day of December, 1999, by and between The Confederated Tribes of the Umatilla Indian Reservation, a federally recognized Tribe of Indians, and the State of Oregon. Upon execution by the parties and by the Secretary of the Interior, this Amended and Restated Compact replaces the Compact entered into by the parties on November 18, 1993, and approved by the Secretary of the Interior on February 2, 1994, and Amendments I-VII thereto.

SECTION 2. FINDINGS.

WHEREAS, the Tribes are a federally recognized Indian Tribe and are the beneficial owner of, and government for, the Umatilla Indian Reservation located within the State of Oregon;

AND WHEREAS, the State and the Tribes are separate sovereigns and each respects the laws of the other sovereign;

AND WHEREAS, the public policy of the State is reflected in the Constitution, statutes and administrative rules of the State, which, at the time of execution of this Compact, authorize a variety of games classified as Class III games under IGRA;

AND WHEREAS, the Tribal public policy, as reflected in the Tribes' Constitution and ordinances adopted by the Tribes, is "to exercise and protect all existing and future tribal rights arising from any source whether treaty, federal statute, state statute, common law or otherwise; to achieve a maximum degree of self-government in all tribal affairs; and to protect and promote the interests of the Indians of the Umatilla Indian Reservation";

AND WHEREAS, the United States Congress has enacted IGRA which declares federal policy and provides a statutory basis for operation of gaming by the Tribes as a means of promoting Tribal economic development, self-sufficiency, and strong Tribal government;

AND WHEREAS, the Tribes exercise governmental authority over all lands within the Umatilla Indian Reservation;

AND WHEREAS, IGRA is intended to provide a statutory basis for regulation of gaming by the Tribes adequate to shield them from organized crime and other corrupting influences, to ensure that the Tribes are the primary beneficiary of the gaming revenues, and to ensure that gaming is conducted fairly and honestly by both the operators and players;

AND WHEREAS, Congress has declared that it is a principal goal of federal Indian policy to promote Tribal economic development, Tribal self-sufficiency and strong Tribal government;

AND WHEREAS, IGRA provides for a system of joint regulation by Indian Tribes and the Federal government (to the exclusion of the State) of Class I and II gaming on Tribal lands as defined in IGRA;

AND WHEREAS, IGRA establishes a system of agreements between Indian Tribes and States for the regulation of Class III gaming as defined in that Act;

AND WHEREAS, IGRA provides that Class III gaming activities are lawful on Tribal lands only if such activities are (1) located in a state that permits such gaming for any purpose by any person, organization or entity, (2) authorized by Tribal ordinance, and (3) conducted in accordance with a Tribal-State Compact;

AND WHEREAS, the Congressional intent in passing IGRA was to reaffirm a long and well-established principle of federal Indian law as expressed in the United States Constitution, reflected in federal statutes and articulated in decisions of the United States Supreme Court, that unless authorized by an act of Congress, the jurisdiction of State governments does not extend to Tribal lands;

AND WHEREAS, IGRA does not extend State jurisdiction or the application of State laws for any purpose other than jurisdiction and application of State laws to gaming conducted on Tribal land as set forth in this Compact;

AND WHEREAS, in IGRA, Congress recognized a role for State public policy and State law in the regulation of Class III Gaming;

AND WHEREAS, nothing in the Tribal-State Compact shall be construed to extend to any other activities or as an abrogation of other reserved rights of the Tribes or of the Tribes' sovereignty;

AND WHEREAS, IGRA is intended to expressly preempt the field in the governance of gaming activities on Tribal lands;

AND WHEREAS, the continued growth and success of tribal gaming depends upon public confidence and trust that the Tribal Gaming Operation is honest, fair and secure, and is free from criminal and corruptive influences;

AND WHEREAS, public confidence and trust can be maintained only if there is strict compliance with laws and regulations related to licensed gaming establishments, by all persons involved in the Tribal Gaming Operation;

AND WHEREAS, the Tribes and the State agree that the State functions of monitoring and oversight of tribal gaming operations will be funded by the tribal gaming industry;

AND WHEREAS, the relationship between the State and the Tribes rests on mutual trust and the recognition that each has a primary duty to protect the gaming public through separate, appropriate responsibilities during the life of current and future Compacts;

AND WHEREAS, the Tribes are authorized to act through Resolutions adopted by its Board of Trustees;

AND WHEREAS, the State of Oregon is authorized to act through the Governor of the State;

NOW THEREFORE, in consideration of the mutual undertakings and agreements herein set forth, the Tribes and the State enter into the following Compact:

SECTION 3. DEFINITIONS.

As used in this Compact, and in its Appendix and Exhibit:

A. "Average Daily Drop" means the difference between total wagers made, minus the total prizes paid on Class III VLTs in a day, with that difference divided by the number of Class III VLTs on the gaming floor on that day:

$$\frac{\text{Total wagers} - \text{total prizes paid}}{\text{VLTs}}$$

The Average Daily Drop for a certain period is the total of the Average Daily Drops for each day in that period, divided by the number of days in that period:

$$\frac{\text{Total Average Daily Drop for period}}{\text{Days in period}}$$

B. "Background investigation" means the security and financial history checks of an employee, licensee or applicant for Tribal contract for the operation or sale of Class III games to the Tribes.

C. "Class III Gaming Contract" means a contract that involves a Major or a Sensitive Procurement.

D. "Class III Gaming Contractor" is any individual, business or other entity that proposes to consummate, or in fact consummates a Class III Gaming Contract.

E. "Consultant" means any person, other than an employee, who provides advice or expertise to the Tribal Gaming Operation concerning the operation or management of the Tribes' Class III gaming activities for compensation. "Consultant" does not include a person engaged for the purpose of training or teaching employees of the Tribal Gaming Operation if the contract for those services is no greater than one month in duration.

F. "Controlling interest" means fifteen percent (15%) of the equity ownership of a company.

G. "Counter Game" means keno and off-track pari-mutuel wagering.

H. "Display" means the visual presentation of video lottery game features shown on the screen of a video lottery terminal.

I. "Gaming Facility" means the building constructed for gaming purposes by the Tribes, and associated grounds, on Tribal trust lands within the Umatilla Indian Reservation immediately north and east of exit 216 on Interstate 84, more specifically described in Exhibit 1 to this Compact, (which is hereby incorporated by reference), and any property used to store Class III gaming equipment. If the size of the Gaming Facility is expanded as otherwise provided in this Compact, the term "Gaming Facility" shall thereafter refer to the expanded facility.

J. "High Security Employee" means any natural person who participates in the operation or management of the Class III Tribal Gaming Operation, whether employed by the Tribes or by a person or entity providing on-site or off-site gaming operation or management services to the Tribes, including but not limited to: Tribal Gaming Operation administrators, managers and assistant managers, gaming facility surveillance or security personnel, dealers, croupiers, shift supervisors, cage personnel (including cashiers and cashier supervisors), drop and count personnel, Consultants, Video Lottery Terminal technicians, junket representatives; and any other person whose employment duties require or authorize uncontrolled access to areas of the Gaming Facility related to Class III gaming and which are not otherwise open to the public. The Tribal Gaming Commission or its inspectors shall not be considered "High Security Employees."

K. "Key Employee" means any officer or any person who can substantially affect the course of business, make decisions, or is in a sensitive position in an organization or corporation that is a Class III Gaming Contractor or an applicant for a Class III Tribal gaming license.

L. "Low Security Employee" means any employee of the Tribal Gaming Operation whose duties require the employee's presence in any area of the Gaming Facility where Class III gaming activities take place, but who is not a High Security Employee and who is not involved in the operation of Class III gaming.

M. "Major Procurement" means any procurement action or contract for the following products, systems or services used in Class III gaming:

1. The printing of tickets;

2. Any goods or services involving the receiving or recording of number selections or bets;

3. Any goods, services, or products used to determine winners; or

4. Video devices or other equipment, except equipment specifically included in the definition of Sensitive Procurement;

5. A contract or license to use a patented game or game product;

6. Accounting systems or surveillance systems;

7. A contract that provides for, or the terms of which will make necessary, a continuing relationship over time (more than thirty days) between the parties; or

8. A contract that involves or requires commitments by either party to the contract such that there would be substantial financial consequences to one of the parties if the contract or procurement action was terminated prematurely. For this purpose a contract involving consideration or value of $100,000 or more shall be deemed to involve substantial financial consequences to one of the parties if the contract or procurement action was terminated prematurely.

N. "Minimum Internal Control Standards" or "MICS" means the Tribal/State "Minimum Standards for Internal Controls" attached as the Appendix to this Compact, including revisions that may be agreed upon by the Tribal Gaming Commission and the Oregon State Police from time to time.

O. "New Class III Games" means those Class III gaming activities authorized in this Compact in addition to blackjack, Video Lottery Terminals, keno, and off-track pari-mutuel wagering.

P. "Oregon State Police" or "OSP" refers to the Tribal Gaming Section within the Gaming Enforcement Division, or that administrative unit charged with gaming enforcement regulatory responsibilities, of the Department of State Police established under Oregon Revised Statutes section 181.020, or its successor agency established by law.

Q. "Owner" means any person or entity that owns 5% or more of the equity ownership of a company alone or in combination with another person who is a spouse, parent, child or sibling.

R. "Primary Management Official" means any person, whether employed by the Tribes or the Tribal Gaming Operation, who:

1. Has administrative or high-level management responsibility for part or all of the Class III Tribal Gaming Operation, whether as an employee or under a management contract;

2. Has authority --

   a. to hire and fire supervisory employees of the Tribal Gaming Operation; or

   b. to set or otherwise establish working policy for the Tribal Gaming Operation; or

3. Is the chief financial officer or other person who has financial management responsibility for the Tribal Gaming Operation.

S. "Sensitive Procurement" means any procurement action or contract that is not a "Major Procurement," for Class III gaming equipment (such as cards, dice, keno balls, roulette wheels, roulette balls, chips, tokens, VLT or keno paper, gaming tables, table layouts or the like), or any other products that are not used directly in the conduct of Class III gaming, but that directly affect the integrity, security, honesty, and fairness of the operation and administration of the Tribes' Class III gaming activities such as replacement parts for video lottery terminals (bill acceptors, printers), locks and keys for secure storage areas or gaming devices, or individual surveillance cameras.

T. "Table Game" means any Class III game allowed under this Compact except video lottery games, keno, and off-track pari-mutuel wagering.

U. "Tribal Gaming Operation" means the entity, whether or not separately incorporated, that operates Class III gaming under tribal authority, and receives revenues, issues prizes and pays expenses in connection with Class III games authorized under this Compact.

V. "Tribal Gaming Ordinance" means the ordinance adopted by the Tribes to govern the conduct of Class III gaming, as well as non-Class III gaming activities, as required by IGRA. The Tribal Gaming Ordinance was initially approved by the Tribes' Board of Trustees by Resolution 94-13 on February 22, 1994. Any reference to the Tribal Gaming Ordinance shall also refer to any subsequent amendments to the ordinance.

W. "Video Lottery Terminal" or "VLT" means an electrical or electromechanical device, component, or terminal that displays a ticket through the use of a video display screen, and that is available for consumer play upon payment of any consideration, with winners determined by the application of the element of chance and the amount won determined by the possible prizes displayed on the device, as more fully described in the Appendix to this Compact.

SECTION 4. AUTHORIZED CLASS III GAMING.

A. This Compact shall be the only Compact pursuant to IGRA between the Tribes and State and any and all Class III gaming conducted in the Gaming Facility shall be pursuant to this Compact. To the extent that elements of this Compact need to be altered to incorporate changes to the agreements between the parties -- including to permit additional Class III gaming -- the parties shall provide such changes in accordance with subsection D of section 12 of this Compact.

B. Authorized games.

1. Subject to the provisions of this Compact, the Tribes may engage in the following Class III games: Video Lottery Terminals, keno, off-track pari-mutuel wagering, blackjack, craps, roulette, pai-gow poker, Caribbean stud poker, let-it-ride, and big 6 wheel, as described in the Appendix. The Tribes may conduct off-track pari-mutuel wagering on races held at race courses within or outside the State. Any off-track pari-mutuel wagering on races held at race courses outside the State shall be conducted in compliance with the applicable requirements of the Interstate Horseracing Act of 1978, as amended, (15 U.S.C. §3001 to 3007).

2. Subject to, and in compliance with, the provisions of this Compact, the Tribes may, subject to the provisions of Section 4.D., engage in any other Class III gaming activity that has been approved by the Nevada Gaming Commission or by an Indian tribe with an approved Class III Compact in the state in which the tribe conducts a gaming operation, provided, that for an Indian approved game, certification from the state where such tribe conducts gaming that such game is permissible under IGRA shall be provided, and Oregon State Police review and approval shall be required. Operation of any game under this paragraph must be pursuant to rules, procedures and internal controls for the new game at least as stringent as the Tribal/State Minimum Internal Control Standards set forth in the Appendix to this Compact and, where appropriate, subject to new MICS

developed and approved by both the Tribal Gaming Commission and Oregon State Police.

3. Before the Tribes offer a New Class III Game under this subsection 4.B., the Tribes and the State must agree that the Tribes have adopted appropriate internal controls, surveillance plans, game rules and procedures, as provided in subsection D of this Section, and that the Tribal Gaming Commission is fully prepared to regulate and the Oregon State Police fully prepared to monitor the new game. In the event a dispute exists between the Tribes and the State about whether a particular gaming activity can be offered by the Tribes under this Compact and under IGRA, such dispute shall be resolved pursuant to Section 16 of this Compact.

4. This Compact is not intended to preclude the Tribes from seeking negotiation, consistent with the policies of IGRA and this Compact, to offer internet gaming in the event of a final federal judicial decision binding in Oregon, final State of Oregon judicial decision, or congressional legislative action permitting internet gaming. If the State disputes whether internet gaming may be offered consistent with this subsection and federal and/or state law, including IGRA, such dispute shall be resolved pursuant to Section 16 of this Compact. Compact negotiation as set forth in this subsection B.4 shall be initiated pursuant to Section 12.D of this Compact. No such gaming shall be offered until dispute resolution concludes and all legal appeals are final.

5. This Section shall be construed consistent with federal classification of gaming activities under IGRA.

6. The Tribes may not offer sports bookmaking, except as may be agreed to under section 12(D)(1)(a) of this Compact.

C. Gaming location. Gaming authorized under this Compact shall be conducted only in the Gaming Facility building constructed for the purpose of Class III gaming. If another Oregon Tribe is authorized to operate a gaming facility on non-Tribal lands, the Tribes do not hereby abrogate any rights they may have under Section 20 of IGRA.

D. Number of Video Lottery Terminals.

1. The number of Class III VLTs authorized by this Compact shall not exceed 800 except as increased pursuant to the process set forth in this subsection 4D. Subject to other terms of this Compact, the Tribes may determine in their discretion the location and spacing of Video Lottery Terminals within the Gaming Facility.

2. The Tribes may request authorization for additional VLTs as follows. When the Tribal Gaming Operation has maintained 600 or more VLTs at an Average Daily Drop agreed on by the parties in a memorandum of

understanding, for each of any three consecutive months chosen by the Tribes, the Tribes may request an increase in the authorized number of VLTs. The Average Daily Drop should be determined based on the actual number of VLTs available for play on the floor, even if that number exceeds 600. There shall be no increase of authorized VLTs prior to execution of the memorandum of understanding. The Tribes shall make the request in writing to OSP. Upon verification of the Average Daily Drop by OSP, the number of authorized VLTs will increase to 880. Pursuant to the same procedures, the Tribes may request authorization for additional VLTs according to the following formula. When the Tribal Gaming Operation has maintained 660 or more VLTs at the agreed upon Average Daily Drop for each of any three consecutive months chosen by the Tribes, the number of VLTs authorized will increase to 968. The Average Daily Drop should be determined based on the actual number of VLTs available for play on the floor, even if that number exceeds 660. When the Tribal Gaming Operation has maintained 720 or more VLTs at the agreed upon average daily drop for each of any three consecutive months chosen by the Tribes, the number of VLTs authorized will increase to 1000. The Average Daily Drop should be determined based on the actual number of VLTs available for play on the floor, even if that number exceeds 720. Once the OSP has verified the requisite Average Daily Drop provided pursuant to this subsection, the number of authorized VLTs shall be automatically increased as provided herein without need to execute a Compact amendment.

3. After the Tribes are authorized to have 1000 VLTs, the Tribes may request negotiations regarding amending the Compact to increase the number of authorized VLTs, pursuant to subsection 12(D). In such an event, the scope of the Compact amendment shall be limited to the increase in the number of authorized VLTs, and directly related matters, unless otherwise agreed by the parties.

4. If a VLT allows play by more than one player at a time, each betting station for that VLT shall constitute one VLT for purposes of determining the authorized number of VLTs in this subsection 4D of the Compact.

5. The Tribes may maintain VLTs in storage at the Gaming Facility, so long as the total number of VLTs in operation and in storage does not exceed 110% of the authorized number of VLTs, and so long as the site and manner of storage is approved by the Oregon State Police, and the Oregon State Police are provided access to the storage site.

E. Addition of Authorized Games at Gaming Facility.

1. At least sixty (60) days before any New Class III Game authorized under this Compact is conducted at the Gaming Facility, the Tribal Gaming Commission shall:

a) Ensure that the Tribal Gaming Operation develops rules and procedures for a system of internal controls for the new game that meets the minimum standards established in the Appendix to this Compact.

b) Require that the Tribal Gaming Operation provide appropriate training for all dealers, supervisors, surveillance personnel and any other employees involved in the conduct or regulation of the new game and for the Tribal Gaming Inspector, such that those employees have the knowledge and skills required under typical industry standards for the job function that employee performs, including but not limited to player money management and betting, card counting and detection of cheating methods. The Tribal Gaming Operation or Tribal Gaming Commission, as appropriate, shall notify the Oregon State Police prior to beginning training and shall provide the Oregon State Police opportunity to participate.

c) Ensure that the Tribal Gaming Operation establishes a security and surveillance plan for the new game that meets the minimum standards established in the Appendix hereto.

d) Adopt rules of operation for the game that meet the minimum standards established in the Appendix hereto, including rules of play and standards for equipment.

e) Notify the Oregon State Police that the Tribes propose to offer the new game to the public, and provide to the Oregon State Police for review all of the internal controls, regulations, plans, procedures and rules required under this paragraph 1 of this subsection.

2. The Tribes agrees to introduce new games authorized under this Section according to the following schedule:

a) Within the sixty-day period after the Secretary of the Interior approves this Compact, the Tribes may offer the following six games: craps, roulette, Caribbean stud poker, big 6 wheel, let-it-ride, and pai-gow poker, authorized under paragraph 1 of subsection B of this Section.

b) If the Tribes choose, after the period of time specified in subparagraph a of this paragraph, for any game authorized by paragraph 2 of subsection B of this Section, one new game within a single calendar quarter.

c) The Tribes may offer new games sooner than the time tables established under this subsection if mutually agreed upon in writing by the Tribal Gaming Commission and the Oregon State Police.

F. Number of Table Games. The Tribes may operate a maximum of 40 tables of Table Games at the Gaming Facility.

G. Table Game Wager Limits.

1. The Tribes shall establish wager limits for all Table Games. The Tribes have established a current wager limit of $500 per hand for house banked blackjack offered at the Gaming Facility, and the Tribal Gaming Commission has adopted regulations establishing a minimum level of experience, training and competence for dealers at those tables that were commensurate with the need to maintain the honesty, integrity, fairness and security of the Table Games.

2. For Table Games other than house banked blackjack, the initial wager limit under this Compact shall be $500 initial wager per hand. The wager limit for house banked blackjack shall be increased to $1,000 initial wager per hand. The Tribes may request an increase in the wager limit of any Table Game offered at the Gaming Facility, up to a maximum wager of $1,000 initial wager per hand. The State shall not withhold its consent to an increase in the wager limit of any Table Game if there has been full compliance under the previous wager limit with the Minimum Internal Controls, the Tribal Gaming Ordinance, the rules of operation of that game or with the terms of this subsection for a period of ninety (90) days and upon mutual consent, which time frame can be extended by either party for a period not to exceed an additional 90 days. The amount of any increase in the wager limit must be agreed to by both the State and the Tribe before the limits are changed on the gaming floor. If, after an increase in the maximum wager limit for any Table Game, the State determines that there has been any significant problems with the conduct of any Table Game, the State may require that the maximum wager limit for that Table Game be reduced to the previously authorized maximum wager limit.

3. For purposes of this subsection 4G, "full compliance" means:

a) All of the rules, procedures and plans required under subsection 2 of this Section have been adopted and approved by the Tribal Gaming Commission, have been approved by OSP as meeting the Minimum Internal Control Standards, and have been implemented;

b) All training required by the Minimum Internal Control Standards and the regulations of the Tribal Gaming Commission is up to date;

c) The Tribal Gaming Commission has adopted policies and procedures that set forth appropriate sanctions for employees who fail to follow the regulations and internal controls of the

commission, gaming operation management has committed in writing to train employees and impose the sanctions for violations, and the Tribal Gaming Commission's procedures provide for investigation of possible violations by the gaming operation;

d) The Tribal Gaming Commission has adopted and implemented procedures for direct reporting of possible violations to the Tribal Gaming Commission by any employee of the Tribal Gaming Operation; and

e) The Tribal Gaming Commission has maintained records of investigations of all reports of possible violations, and has promptly reported confirmed violations to the Oregon State Police including the action taken by the Commission or Gaming Operation management to correct the failure, and the discipline or sanctions imposed.

H. No wagers may be placed or accepted by telephone or other electronic medium, including over the internet or any future technology that simulates internet services, except as may be authorized in Section 4(B)4 of this Compact.

I. Nothing in this Section 4 is intended to, nor shall be construed to, prohibit the use of telecommunications systems, including the internet, or successor technology, to conduct off-track pari-mutuel wagering and progressive VLT games as are being operated by the Tribes at the time of the execution of this Compact.

SECTION 5. JURISDICTION.

A. In General.

1. The Tribes and Federal Government shall have criminal jurisdiction over offenses committed by Indians within the Gaming Facility. The criminal laws of the Tribes, and the Federal Government where applicable, shall govern the criminal conduct of Indians at the Gaming Facility. The Tribes have a Police Department, a Tribal Court and an agreement with Umatilla County for incarceration of Indian offenders.

2. The State has criminal jurisdiction over offenses committed by non-Indians within the Gaming Facility and the Umatilla Indian Reservation. The criminal laws of the State shall be applicable to non-Indians and have the same force and effect at the Gaming Facility as they have on non-Tribal lands within the State. The enforcement of criminal laws with respect to non-Indians at the Gaming Facility shall be established pursuant to and by a Memorandum of Understanding to be executed by the Tribes and the Oregon State Police. The State shall make reasonable efforts to

enforce the criminal laws applicable to offenses committed by non-Indians within the Gaming Facility and the Reservation.

3. Consistent with their Memorandum of Understanding governing law enforcement coordination executed under the foregoing Subsection A(2) of Section 5 of this Compact, both the Tribes and the State, through their respective law enforcement agencies, agree to cooperate with one another in the investigation and prosecution of any gambling crime committed at the Gaming Facility. The Tribes and the State agree to cooperate in maintaining a state-wide system to identify and monitor persons excluded from the Gaming Facility or from any other tribal gaming facility in this State.

B. Except as provided in a Memorandum of Understanding executed in accordance with the foregoing paragraph 2 of subsection A above, law enforcement officers of the State of Oregon, or officers designated by the State, shall have free access to anywhere within the Gaming Facility for the purpose of maintaining public order and public safety, conducting investigations related to possible criminal activity and enforcing applicable laws of the State with respect to non-Indians. Any law enforcement activities undertaken by law enforcement officers of the State shall be in compliance with this Compact, the Tribes' Extradition Code and the Cross Deputization Agreement executed by the Umatilla Tribal Police Department and the State. The Tribes, or individuals acting on their behalf, shall provide State law enforcement officers or officers designated by the State access to locked and secure areas of the Gaming Facility in accordance with the regulations for the operation and management of the Tribal Gaming Operation.

C. Subject to the provisions of paragraph 1 of subsection B of section 9 of this Compact, the State may assign one or more officers to the Gaming Facility. The Tribes agree to provide appropriate training in Tribal culture and institutions to any officer assigned to the Gaming Facility.

D. Nothing in this Compact shall be construed to affect the civil jurisdiction of the State under Public Law 280.

SECTION 6. PRINCIPLES GOVERNING TRIBAL GAMING OPERATIONS DECISIONS

A. The Tribes and the State agree that maintaining the honesty, integrity, fairness and security of the Tribal Gaming Operation is essential both to the success of the enterprise, and to satisfy the interests of the State and of the Tribes. The Tribes and the State agree that both of them have a the responsibility to protect the citizens of this State who patronize the Tribes' Gaming Facility from any breach of security of the Tribal Gaming Operation. Accordingly, all decisions by the Tribes, the Tribal Gaming Commission and the management of the Tribal Gaming Operation, concerning regulation and operation of the Gaming Facility, including

those decisions expressly placed within the Tribes' discretion under the terms of this Compact, shall be consistent with each of the following principles:

1. Any and all decisions concerning regulation and operation of the Tribal gaming enterprise, whether made by the Tribes, the Tribal Gaming Commission or the management of the Tribal Gaming Operation, shall reflect the particularly sensitive nature of a Tribal Gaming Operation.

2. In order to maintain the honesty, integrity, fairness and security of the Tribal Gaming Operation, the Tribes, the Tribal Gaming Commission and the management of the Tribal Gaming Operation shall work diligently and take all reasonably necessary affirmative steps to prevent cheating and theft, and to protect the Tribal Gaming Operation from the influence or control by any form of criminal activity or organization.

3. The honesty, integrity, fairness and security of the Tribal Gaming Operation shall be of paramount consideration in awarding contracts, licensing and hiring employees, and in making other business decisions concerning the operation of the gaming enterprise. The Tribes, the Tribal Gaming Commission and the management of the Tribal Gaming Operation shall make no decisions that compromise the honesty, integrity, fairness or security of the Tribal Gaming Operation.

4. Regulation and operation of the Tribes' gaming activities shall be, at a minimum, consistent with generally accepted industry standards and practices, in order to maintain the honesty, integrity, fairness and security of the Tribal Gaming Operation.

5. In order to maintain the honesty, integrity, fairness and security of the Tribal Gaming Operation, as well as the primary regulatory licensing duties of the Tribal Gaming Commission, the Tribes shall abide by the principal that Commission members shall meet or exceed the licensing standards of high security employees in its appointments to the Commission under the Tribal Gaming Ordinance.

B. <u>Procedure for Resolving Disputes Concerning Operational Decisions.</u>

1. If the State, in good faith, believes that any decision by the Tribes relating to the employment or licensing of any employee, awarding of any contract or operation of the gaming enterprise is inconsistent with the principles set forth in subsection A of this section, or any other requirement of this section, the State may give written notice to the Tribes. The written notice shall describe the factual basis for the State's concern.

2. The parties shall meet and confer within 15 days after the Tribes receive the notice.

3. a. If the State's concern is not resolved informally, either party may initiate non-binding arbitration within 45 days after the service of the written notice.

b. An arbitrator shall be selected in the following manner:

(1) The parties shall obtain a list of qualified arbitrators from U.S. Arbitration and Mediation of Oregon, or any other arbitration panel agreed to by the parties.

(2) Each party, in turn, shall strike one name from the list, until one name remains. The parties shall draw lots to determine which party makes the first strike.

c. Upon agreement by both parties, the arbitration proceeding shall be binding.

d. The parties shall divide the cost of the arbitration proceeding equally between them.

4. Upon conclusion of the arbitration proceeding, if the parties have not elected to be bound by that result, either party may initiate an action in the United States District Court for the District of Oregon as provided in section 16 of this Compact.

5. Expedited Procedure.

a. If the State, in good faith, believes that there is an immediate threat to the honesty, integrity, fairness and security of the Tribal Gaming Operation, and believes that substantial harm will result during the time that would pass if the procedure established in paragraphs 1 to 3 of this subsection is followed, the State may give written notice to the Tribes and the Tribal Gaming Commission. The written notice shall describe the factual basis for the State's concern. The written notice shall recommend specific action or actions the State believes will prevent substantial harm from occurring. The State and the Tribal Gaming Commission shall meet and confer, in person or by conference call, within 24 hours after the Commission, or any member thereof, receives the notice. The Tribal Gaming Commission shall consider the State's recommendation and immediately thereafter shall take such action that addresses the State's concern as is necessary to protect the honesty, integrity, fairness and security of the Tribal Gaming Operation. Nothing in this subparagraph shall preclude either party from invoking the dispute resolution procedures provided in this Compact after the Commission has acted.

b. On request of either party, the parties shall again confer within 5 days after the Tribes receive the notice.

c. If the State's concern is not resolved informally, the State may initiate an action in the United States District Court for the District of Oregon as provided in section 16 of this Compact.

d. An immediate threat to the honesty, integrity, fairness and security of the Tribal Gaming Operation includes but is not limited to the following examples:

(1) A criminal indictment is filed against any contractor, or owner or key employee of a contractor, or against any key employee of the Tribal Gaming Operation;

(2) A criminal organization or members of a criminal organization have obtained an ownership interest in a contractor, or a member of a criminal organization has become a key employee of a contractor;

(3) A malfunction of gaming equipment hardware or software causes patrons of the Gaming Facility to lose money, and that loss is directly related to the equipment malfunction;

(4) The security of gaming equipment has been impaired by loss, theft, or tampering;

(5) The physical safety or security of patrons is seriously at risk;

(6) A continuing pattern of failure by the Tribes, the Tribal Gaming Commission or management of the Tribal Gaming Operation to enforce compliance with the provisions of this Compact, or the regulations and internal controls governing the Tribal Gaming Operation.

6. The provisions of this section shall provide the exclusive method for resolving disputes as to the Tribes' decisions concerning hiring or contracting under section 7 of this Compact, or concerning operation of the Gaming Facility.

SECTION 7. LICENSING AND CONTRACTING.

A. Licensing of Gaming Employees.

1. All Primary Management Officials, High Security Employees and Low Security Employees to be employed in the Gaming Facility shall be licensed by the Tribal Gaming Commission in accordance with the provisions of this Compact.

2. All prospective employees -- Primary Management Officials, High Security Employees and Low Security Employees -- shall provide to the Tribal Gaming Commission at a minimum the following information on forms mutually agreed to by the Tribal Gaming Commission and the Oregon State Police:

   a. Full name, including any aliases by which the applicant has been known;

   b. Social security number;

   c. Date and place of birth;

   d. Residential addresses for the past five years;

   e. Employment history for the past five years;

   f. Driver's license number;

   g. All licenses issued and disciplinary actions taken by any federal, state (or subdivisions thereof) or tribal gaming agency;

   h. All criminal proceedings, except for minor traffic offenses, to which the applicant has been a party;

   i. A current photograph;

   j. Any other information required by the Tribal Gaming Commission.

3. In addition to the requirements of paragraph 2 of this subsection, prospective High Security Employees and Primary Management Officials shall provide two sets of fingerprints.

4. a. The Tribal Gaming Commission shall forward the applicant information to the Oregon State Police. The Oregon State Police may conduct a background investigation on all prospective Primary Management Officials and High Security Employees, and provide a written report to the Tribal Gaming Commission within a reasonable period of time, but in no event shall such background

checks exceed sixty (60) days without notice to the Tribes. In the event that the Tribal Gaming Commission conducts a background investigation, it shall submit the completed report to the Oregon State Police within 60 days.

b. The Tribes may request the Oregon State Police to perform a background investigation on any prospective Low Security Employee. Upon such request, the Oregon State Police shall conduct a background check as provided in subparagraph a. of this paragraph.

5. a. Except as provided in paragraph 6 of this subsection, the Tribal Gaming Commission shall deny a gaming license to any High Security Employee or Primary Management Official who:

(1) has, within the ten-year period preceding the date of license application, committed any felony other than a traffic offense, whether or not the crime resulted in a conviction or any such conviction has been expunged, under the law of any federal, state or tribal jurisdiction, or is the subject of a civil judgment under the law of any federal, state or tribal jurisdiction that is based on facts that constitute the elements of a felony other than a traffic offense, in that jurisdiction;

(2) has committed a crime involving unlawful gambling under the law of any federal, state (or subdivisions thereof) or tribal jurisdiction, whether or not conviction of such a crime has been expunged, or is the subject of a civil judgment under the law of any federal, state or tribal jurisdiction that is based on facts that constitute the elements of a crime involving unlawful gambling in that jurisdiction;

(3) has associated in a direct business relationship, whether as a partner, joint venturer or employer, with any other person who has committed a felony other than a traffic offense, or a crime involving unlawful gambling, under the law of any federal, state or tribal jurisdiction; which criminal activity is of such a nature that it could potentially affect the fairness, integrity, security or honesty of the Tribal Gaming Operation unless the prospective employee or official demonstrates that he or she did not and could not reasonably have been expected to know of the criminal activity or;

(4) was employed by any other person who has committed a felony other than a traffic offense, or a crime involving unlawful gambling, under the law of any federal, state or tribal jurisdiction, if the prospective employee or official was in any way involved in the criminal activity as it occurred.

b. The Tribal Gaming Commission shall deny a gaming license to any prospective High Security Employee or Primary Management Official if:

(1) The applicant fails to disclose any material fact to the Tribes or the State or their authorized agents during a background or security investigation; or

(2) The applicant misstates or falsifies a material fact to the Tribes or the State during a background or security investigation.

c. The Tribal Gaming Commission may deny a gaming license to any prospective High Security Employee or Primary Management Official for any reason the Tribal Gaming Commission deems sufficient. Such decisions to grant or deny a gaming license shall be consistent with the principles set forth in subsection A of section 6 of this Compact. In determining whether to deny a gaming license to any prospective High Security Employee or Primary Management Official, the factors to be considered by the Tribes shall include, but need not be limited to, the following:

(1) The applicant has been convicted of any crime (other than a crime listed in subparagraph a. of this paragraph) in any jurisdiction;

(2) The applicant has associated with persons or businesses of known criminal background, or persons of disreputable character, that may adversely affect the general credibility, honesty, integrity, security, fairness or reputation of the Tribes' class III gaming activities; or

(3) There is any aspect of the applicant's past conduct that the Tribal Gaming Commission determines would adversely affect the honesty, integrity, security or fairness of the Tribal class III gaming activities.

d. After this Compact becomes effective, the Tribal Gaming Commission shall deny a gaming license to any prospective Low Security Employee who has committed a crime described in subparagraphs (1) or (2) of subparagraph a. of this paragraph. The Tribal Gaming Commission may deny a gaming license to any prospective Low Security Employee applicant who does not meet the criteria established in the remainder of this paragraph 5. Decisions to grant or deny a gaming license shall be consistent with the principles set forth in subsection A of section 6 of this Compact.

e. The Tribes may reject an application if the applicant has not provided all of the information requested in the application.

f. No Primary Management Official or High Security Employee may be permanently licensed by the Tribal Gaming Commission until all background checks required under section 7.A.4. are completed.

g. Denial of a license by the Tribal Gaming Commission is final.

6. Waiver of Disqualifying Criteria

a. Notwithstanding the requirements of paragraph 5 of this subsection, if a prospective Primary Management Official, High Security Employee or Low Security Employee is disqualified for licensing under the provisions of Paragraph 5, above, and the Tribal Gaming Commission believes that there are mitigating circumstances that justify waiver of the disqualifying factor, it shall set forth the basis for its waiver decision in writing, which decision should specifically identify the factors listed under subparagraph (c) below, and the facts which justified the waiver. At either party's written request, the Tribal Gaming Commission and Oregon State Police shall meet and confer within 15 days concerning the waiver request.

b. The waiver decision of the Tribal Gaming Commission shall be transmitted to the Oregon State Police for its review and approval. The Oregon State Police shall give due consideration to the basis for the Tribal Gaming Commission's waiver decision in exercising its right to approve or disapprove the waiver request. Oregon State Police approval of the Tribal Gaming Commission waiver decision shall not be arbitrarily denied.

c. Waiver of disqualification of licensing or employment may be based on one or more of the following circumstances:

(1) Passage of time since conviction of crime;
(2) The applicant's age at the time of conviction;
(3) The severity of the offense committed;

(4) The overall criminal record of the applicant;

(5) The applicant's present reputation and standing in the community;

(6) The nature of the position for which the application is made; and

(7) The nature of a misstatement or omission made in the application.

(8) Whether the applicant is an enrolled member of the Tribes or otherwise a resident of the Umatilla Indian Reservation who is enrolled or otherwise enrolled in another federally recognized Indian Tribe.

(9) In the event that the applicant was convicted of a crime that was due in part to alcohol or drug dependency, the applicant's participation in any treatment program for this dependency and/or the applicant's progress in recovery from this dependency.

(10) Whether the offense committed is of such a nature that it could potentially affect the fairness, integrity, security and honesty of the Tribal Gaming Operation.

(11) Whether the Tribal Gaming Commission has personal or direct knowledge of the applicant.

(12) Whether the Tribal Gaming Commission has imposed any conditions on the applicant's license, such as a probationary period, restrictions on duties or specific kinds of supervision.

d. The Oregon State Police may approve a waiver subject to conditions, such as a probationary period, restrictions on duties or specific kinds of supervision.

e. Any Oregon State Police disapproval of a Tribal Gaming Commission waiver decision shall be subject to dispute resolution as provided in Sections 6(B)(3)-(4) of this Compact.

f. No gaming employee license granted by the Tribal Gaming Commission prior to the execution of this Compact shall be revoked or renewal denied solely because of the change in licensing criteria set forth in Section 7(A)(5) of this Compact from the different licensing criteria set forth in the previous Compact between the parties. However, this provision shall not prevent revocation or denial of such a license under the new licensing criteria based on

7. Temporary licensing of employees.

a. The Tribal Gaming Commission may issue a temporary license to High Security Employees fifteen days after submission of the application to the Oregon State Police, or upon completion of a review of the employee's application and completion of a

computerized criminal history check and credit check by the Tribal Gaming Commission, if the applicant would not be disqualified on the basis of the results of the application review and preliminary checks. The temporary license shall expire and become void upon completion of the full background check by the Oregon State Police and submission of the results to the Tribal Gaming Commission. If the employee does not qualify for a permanent license, the Tribal Gaming Commission shall immediately void the temporary license and deny a permanent license.

b. The Tribal Gaming Commission may issue a temporary license to a Low Security Employee upon submission of the application to the Oregon State Police, or upon completion of a review of the employee's application and completion of a computerized criminal history check by the Tribal Gaming Commission, if the applicant would not be disqualified on the basis of the results of the application review and preliminary checks. Any Low Security Employee shall be subject to immediate license revocation if the Oregon State Police or the Tribal Gaming Commission determines that the employee does not meet the criteria established in subparagraph 7.A.5.d.

c. For purposes of this paragraph, if an application is forwarded by mail to the Oregon State Police or the results of a background check by the Oregon State Police are provided to the Tribal Gaming Commission by mail, the material is deemed to be submitted three days after the date of mailing.

d. No temporary license may be granted under this paragraph to a Primary Management Official or to a Consultant performing or consulting on Primary Management Official functions or duties.

8. Background investigation during employment. The Tribes may request the State to conduct additional background investigations of any gaming employee at any time during the term of employment. The State shall report to the Tribes any cause for the dismissal of any employee under the criteria established in paragraph 5 of subsection A above, and furnish the Tribes with copies of all relevant information. The Tribes shall review the State's report and supporting materials and if the Tribes conclude that good cause for dismissal is shown under the criteria established in paragraph 5 of subsection A above, the subject employee may be dismissed. An employee's license shall be revoked if the Tribes would have been required to deny employment to that employee under the provisions of paragraph 5 of subsection A above.

9. Duration of license and renewal. Any employee license shall be effective for not more than three (3) years from the date of issue except that a licensed employee who has applied for renewal may continue to be employed under the expired license until final action is taken on the renewal application in accordance with the provisions of paragraphs 2 to 5 of subsection A above. Applicants for renewal shall provide the Tribal Gaming Commission with updated information on a form mutually agreed to by the Oregon State Police and the Tribal Gaming Commission but will not be required to resubmit historical data already provided. The Oregon State Police may perform an updated background investigation for any employee who has applied for license renewal.

10. Revocation of license. The Tribal Gaming Commission may revoke the license of any employee pursuant to policies and procedures set forth in the Tribal Gaming Ordinance. The Tribal Gaming Commission shall revoke the license of any employee upon determination that an event has occurred that would have prohibited the Tribes from hiring the employee under the criteria described in paragraph 5 of subsection A above.

11. The Tribes shall maintain a procedural manual for employees of the Tribal Gaming Operation that includes rules and regulations of conduct and disciplinary standards for breach of procedures.

12. The Tribal Gaming Commission agrees to provide to the Oregon State Police, on a monthly basis, a list of all current employees of the Gaming Facility and to give notice to the Oregon State Police of any disciplinary action or termination of an employee, related to the fairness, integrity, security or honesty of the Tribes' Class III gaming activities, and any suspension or revocation of an employee's gaming license.

B. Contracts with Manufacturers and Suppliers.

1. Major Procurements

a. The Tribes agree not to consummate any contract for a Major Procurement unless it is in writing and until a background investigation has been completed by the Oregon State Police on the proposed Class III Gaming Contractor.

b. The Tribal Gaming Commission shall submit any proposed Major Procurement to the State for review, comment and a background investigation of the proposed Class III Gaming Contractor.

c. Except as provided in paragraph 3 below, the Oregon State Police shall conduct a background investigation and provide a written report to the Tribal Gaming Commission within a reasonable period of time, but in no event shall the time for completion of such

background investigations exceed sixty (60) days after the Oregon State Police receives from the proposed Class III Gaming Contractor both the Oregon State Police's fee for the background investigation under subsection C of this section, and full disclosure of all information requested by the Tribes and the Oregon State Police under paragraph 4 of this subsection, without written notice to and consent by the Tribes.

d. If the Tribes request, the Oregon State Police agrees to make its best efforts to complete a background investigation within less than sixty days. The Tribal Gaming Commission and the Oregon State Police may also agree that if business necessity or the protection of the honesty, integrity, fairness and security require it, the State may perform an abbreviated review to enable the Tribes to execute a temporary contract while a complete background investigation is being performed. Any temporary contract executed under authority of this subparagraph shall be rescinded immediately if the complete background investigation discloses that the Class III Gaming Contractor does not meet the criteria described in paragraph 6 of this subsection 7.B.

2. Sensitive Procurements.

a. After a proposed Class III Gaming Contractor has submitted full disclosure of all information requested by the Tribes and the Oregon State Police under paragraph 4 of this subsection, and any necessary investigation fee required by the Oregon State Police, the Tribes may execute or consummate a contract for a Sensitive Procurement before a background investigation has been completed by the Oregon State Police on the proposed Class III Gaming Contractor.

b. The Tribal Gaming Commission shall submit a proposed contract for a Sensitive Procurement, or if there is no written contract, a letter of intent to do business with the proposed Class III Gaming Contractor, to the Oregon State Police for a background investigation of the proposed Class III Gaming Contractor before consummation of the contract.

c. The Oregon State Police shall conduct a background investigation, if the Oregon State Police considers it necessary, and provide a written report to the Tribal Gaming Commission. If the Class III Gaming Contractor does not meet the criteria described in paragraph 6 of this subsection 7.B. for approval of a contract, the contract shall be terminated and the Tribes agree to discontinue doing business with the contractor so long as the contractor fails to meet the criteria for approval.

3. The Oregon State Police agrees to maintain a list of Class III Gaming Contractors that have been previously approved to do business in Oregon with any Tribal Gaming Operation. If a Class III Gaming Contractor has been included in the list, the Tribes may execute or consummate a contract with the Class III Gaming Contractor for a Sensitive Procurement upon giving notice of the contract to the Oregon State Police. If a Class III Gaming Contractor has been included in the list for Major Procurements, the Oregon State Police shall complete any necessary background investigation required under paragraph 1 of this subsection within thirty (30) days after any fees have been paid and full disclosure has been made to the Oregon State Police by the contractor.

4. Class III Gaming Contractors, and any Owner or Key Employee of a Class III Gaming Contractor, shall provide all personal and business information required by the Oregon State Police to conduct its background investigation, before executing a contract or beginning to do business with the Tribes.

5. The Tribes shall not consummate any Class III Gaming Contract with a Class III Gaming Contractor that does not grant both the Oregon State Police and the Tribes access to such Class III Gaming Contractor's business and financial records upon request.

6. Criteria for Denial of Contract Application.

   a. The Tribes shall not consummate any Major Procurement, and the Tribes shall immediately terminate a contract for a Sensitive Procurement, if the following conditions are either disclosed in the application materials or reported by the Oregon State Police relative to a particular Class III Gaming Contractor:

      (1) A conviction of the Class III Gaming Contractor or any Owner or Key Employee of the Class III Gaming Contractor for any felony other than a traffic offense, in any jurisdiction within the ten year period preceding the date of the proposed Class III Gaming Contract;

      (2) A conviction of the Class III Gaming Contractor or any Owner or Key Employee of the Class III Gaming Contractor for any gambling offense in any jurisdiction;

(3) A civil judgment against the Class III Gaming Contractor or any Owner or Key Employee of the Class III Gaming Contractor, based in whole or in part upon conduct that would constitute a gambling offense, or a civil judgment entered within the ten year period preceding the date of the proposed Class III Gaming Contract against the Class III Gaming Contractor or any Owner or Key Employee of the Class III Gaming Contractor, based in whole or in part upon conduct that would constitute a felony other than a traffic offense;

(4) A failure by the Class III Gaming Contractor to disclose any material fact to the Oregon State Police or the Tribes or their authorized agents during initial or subsequent background or security investigations;

(5) A misstatement or untrue statement of material fact made by the Class III Gaming Contractor to the Oregon State Police or the Tribes or their authorized agents during initial or subsequent background or security investigations as determined by the Tribes or the Oregon State Police;

(6) An association of the Class III Gaming Contractor with persons or businesses of known criminal background, or persons of disreputable character, that may adversely affect the general credibility, security, integrity, honesty, fairness or reputation of the Gaming Facility;

(7) Any aspect of the Class III Gaming Contractor's past conduct that the Tribes or the Oregon State Police determines would adversely affect the integrity, security, honesty or fairness of the Gaming Facility;

(8) The Class III Gaming Contractor has engaged in a business transaction with a tribe that involved providing gaming devices for Class III gaming conducted by such tribe without a state-tribal Class III gaming compact in violation of IGRA; or

(9) A prospective Class III Gaming Contractor fails to provide any information requested by the Tribes or the Oregon State Police for the purpose of making any determination required by section 7(B)(6).

b. The Tribes may choose not to consummate any Class III Gaming Contract for any reason the Tribes deem sufficient.

c. In evaluating whether to deny a contract related to Class III gaming based on subparagraph e or f of paragraph 6 of subsection B of this section, the Tribes may consider the following factors:

(1) The nature and severity of the conduct that constituted the offense or crime;

(2) The time that has passed since satisfactory completion of the sentence, probation, or payment of the fine imposed;

(3) The number of offenses or crimes; and

(4) Any extenuating circumstances that enhance or reduce the impact of the offense or crime on the security, integrity, honesty, and fairness of the Tribal gaming enterprise.

d. No Class III Gaming Contractor shall own, manufacture, possess, operate, own an interest in, or gain income or reimbursement in any manner from Class III gaming activities or gaming devices in any jurisdiction unless the activities or devices are approved and certified by another state gambling or gaming control agency, or tribal gaming commission operating through an IGRA Compact (where necessary because of the involvement of Class III gaming), National Indian Gaming Commission, that has jurisdiction to approve that activity, and such ownership, manufacture, possession, operation, or income is disclosed to and approved by the Tribes and the Oregon State Police.

e. Notwithstanding subparagraph a. of this paragraph 6, if a prospective Class III Gaming Contract may not be consummated because of the requirements of this subsection 7.B., because a person previously associated with the Class III Gaming Contractor or an employee of the Class III Gaming Contractor has been convicted of a crime or a civil judgment entered against the Class III Gaming Contractor or its employee within the ten year period preceding the date of the proposed Class III Gaming Contract, based in whole or in part upon conduct that allegedly constitutes a felony other than a traffic offense, the Tribes may enter into the proposed Class III Gaming Contract if the Class III Gaming Contractor has severed its relationship with the convicted or liable person or employee. Before the Tribes may enter into a Class III Gaming Contract under this subparagraph, the Oregon State Police and the Tribes must agree that the relationship between the Class III Gaming Contractor and the convicted or liable person or employee has been severed. For purposes of this subparagraph, a relationship is severed if the convicted or liable person or employee has no continuing connection with the direction or control of any aspect of the business of the Class III Gaming Contractor, and the convicted or

liable person or employee is no longer employed by the Class III Gaming Contractor in any capacity. The burden of showing to the satisfaction of the Tribes and the Oregon State Police that a relationship has been severed is on the Class III Gaming Contractor.

f. The Tribes may reject an application if the applicant has not provided all of the information requested in the application.

7. Contractor Reporting Requirements.

a. All Class III Gaming Contractors shall submit to the Tribes and the Oregon State Police any financial and operating data requested by the Tribes or the Oregon State Police.

b. The Tribes shall specify the frequency and a uniform format for the submission of such data on a case by case basis.

c. The Tribes, the Oregon State Police, or their agents reserve the right to examine Class III Gaming Contractor tax reports and filings and all records and records from which such tax reports and filings are compiled.

d. All Class III Gaming Contractors shall notify both the Tribes and the Oregon State Police of the transfer of a Controlling Interest in the ownership Class III Gaming Contractor.

8. Termination of Contract.

a. No Class III Gaming Contract shall have a term longer than seven (7) years.

b. The Tribes shall terminate a Class III Gaming Contract immediately upon the occurrence of any of the following:

(1) The Class III Gaming Contractor is discovered to have made any material statement, representation, warranty, or certification in connection with the Class III Gaming Contract that is materially false, deceptive, incorrect, or incomplete;

(2) The Class III Gaming Contractor fails to perform any material requirements of the Class III Gaming Contract or is in violation of any material provision thereof, and fails to cure same within the time period provided in the contract for cure of such a breach or a reasonable time if the contract does not provide a specific period.

(3) The Class III Gaming Contractor, or any Owner, officer or key employee of the Class III Gaming Contractor is convicted of a felony or a gambling-related offense that reflects on the Class III Gaming Contractor's ability to perform honestly in carrying out the Class III Gaming Contract;

(4) The Class III Gaming Contractor jeopardizes the integrity, security, honesty, or fairness of the Gaming Facility; or

c. The Tribes shall terminate a Class III Gaming Contract if the Tribes determine satisfactory performance of the Class III Gaming Contract is substantially endangered or can reasonably anticipate such occurrence or default.

C. Fees for Background Investigations.

1. The Oregon State Police shall be reimbursed its costs for performing background investigations made pursuant to this Compact as provided in section 10 of this Compact.

2. The Oregon State Police will assess the cost of a background investigation of a Class III Gaming Contractor to such Class III Gaming Contractor. Class III Gaming Contractors are required to pay the investigation fee in full in advance. If the Class III Gaming Contractor refuses to prepay the investigation fee, the Oregon State Police shall notify the Tribes and the Tribes may pay the investigation cost or withdraw the request for the investigation.

D. Access to Class III Contracts.

1. If a Primary Management Official is a corporation or other form of organization, the Primary Management Official shall provide the Oregon State Police at all times with a current copy of any management agreement with the Tribes that allows it to conduct Class III gaming on the Tribal trust land.

2. If a Primary Management Official is a corporation or other form of organization, the Primary Management Official shall furnish to the Tribes and the Oregon State Police complete information pertaining to any transfer of controlling interest in the management company at least 30 days before such transfer; or, if the Primary Management Official is not a party to the transaction effecting such change of ownership or interests, immediately upon acquiring knowledge of such change or any contemplated change.

SECTION 8. REGULATIONS FOR OPERATION AND MANAGEMENT OF CLASS III GAMES.

A. Gaming Regulations. Conduct of all Class III gaming activity authorized under this Compact shall be in accordance with the requirements of this Compact, the minimum standards set forth in the Appendix to this Compact, federal regulations applicable to Class III gaming, and the Tribal Gaming Ordinance. The provisions of the Appendix, "Tribal/State Minimum Internal Control Standards," are hereby incorporated into and made a part of this Compact. The Tribes and the State agree that the minimum standards set forth in the Appendix may be modified or supplemented by mutual agreement of the parties, and that subsequent amendment of this Compact shall not be necessary for any such modification or supplementation of the minimum standards set forth in the Appendix.

B. Identification badges. The Tribes shall require all Gaming Facility employees to wear, in plain view, identification badges issued by the Tribes that include photo and name, except that employees assigned to covert compliance duties shall only be required to have on their person an identification badge. Prior approval of the Tribal Gaming Commission with notification to OSP is required for Gaming Facility employees to carry out covert compliance duties without the required identification badges in plain view. Oregon State Police employees shall not be required to wear identification badges.

C. No credit extended. All gaming conducted pursuant to this Compact shall be conducted on a cash basis. Except as provided herein, no person shall be extended credit for gaming nor shall the Tribes permit any person or organization to offer such credit for a fee. Cashing checks in the Class III gaming area constitutes extending credit under this subsection. This restriction shall not apply to credits won by players who activate play on video games of chance after inserting coins or currency into the games. This section shall not restrict the right of the Tribes or any other person to install and accept bank card or credit card transactions in the same manner as is permitted at any retail business in the State.

D. Prohibition on attendance and play of minors. No person under the age of twenty one (21) shall participate in any Class III gaming authorized by this Compact. If any person under the age of twenty one (21) plays and otherwise qualifies to win any Class III gaming prize or compensation, the prize or compensation shall not be paid. All employees of the Tribal Gaming Operation whose job duties require them to be present in areas where Class III gaming takes place shall be at least twenty-one (21) years of age, except that so long as the Tribes do not serve alcohol in areas where Class III gaming takes place, the Tribes may permit enrolled Indians to work on the Class III gaming floor who are at least eighteen (18) years of age. For purposes of this subsection, in the event the Tribes permit the sale of alcohol in the restaurant located in the casino, the activities of "Keno runners" taking bets from restaurant patrons shall not constitute the service of alcohol in areas where Class III gaming takes place.

E. Prohibition of firearms. With the exception of federal, state, county or Tribal law enforcement agents or officers, no person shall possess firearms within the Gaming Facility.

F. Alcohol Policy. No alcohol shall be served in the Gaming Facility unless authorized by the Tribes as permitted by Federal law. Currently, the Tribes do not legally permit the sale or possession of alcohol within the Umatilla Indian Reservation. If Tribal law is changed to permit sales at the Gaming Facility, the Tribes shall notify the State. Where required by federal law, service of alcohol shall be in compliance with State laws and Oregon Liquor Control Commission licensing regulations. Nothing in this subsection shall permit the State to impose taxes on the sale of alcoholic beverages by the Tribes. If alcohol is served in the Gaming Facility, no alcoholic beverages may be served free or at a reduced price to any patron of the Gaming Facility as an inducement to participate in any gaming.

G. Liability for damage to persons and property. During the term of this Compact, the Tribes shall maintain public liability insurance with limits of not less than $250,000 for one person and $2,000,000 for any one occurrence for any bodily injury or property damage. The Tribes' insurance policy shall have an endorsement providing that the insurer may not invoke Tribal sovereign immunity up to the limits of the policy and it shall provide that the State, OSP, their divisions, officers and employees are additional insureds, but only with respect to the Tribes' activities under this Compact; provided that the Tribe shall not be liable for any claim or cause of action for injury or damages caused by the errors or omissions of the State, OSP, or their divisions, officers and employees . The Tribes shall indemnify, defend and hold harmless the State, its officers, directors, employees and agents from and against any claims, damages, losses or expenses asserted against or suffered or incurred by the State or its officers, directors, employees and agents (except as may be the result of their own negligence) based upon or arising out of any bodily injury or property damage resulting or claimed to result in whole or in part from any act or omission of the Tribes relating to the inspection of any gaming or gaming related facility pursuant to this Compact.

SECTION 9: INSPECTION AND ENFORCEMENT OF GAMING REGULATIONS.

A. Tribal Gaming Commission.

1. The Tribes have established, and will maintain, a Tribal Gaming Commission and have granted such Commission the independent authority to regulate gaming activities on Tribal lands. The Tribes agree to provide such Commission with adequate resources to perform its duties under Tribal law and this Compact. The Commission shall not be responsible for the management of the Tribes' Class III gaming activities. Commission members may be removed only for cause by the Tribes' Board of Trustees, as provided in the Tribal Gaming Ordinance.

2. The primary responsibility for the regulation, control and security of the gaming authorized by this Compact, and for enforcement of this Compact within the Umatilla Indian Reservation, shall be that of the Tribal Gaming Commission. The Tribal Gaming Commission's role shall include the promulgation and enforcement of rules and regulations to provide for the following:

a. Ensure compliance with all relevant laws;

b. Ensure the physical safety of patrons in, and of personnel employed by the Tribal Gaming Operation;

c. Ensure that the assets transported to and from the gaming facility are safeguarded;

d. Protect Gaming Facility patrons and property from illegal activity;

e. Detain persons suspected of crimes for the purpose of notifying the law enforcement authorities;

f. (1) Ensure that the security department record any and all unusual occurrences within the Gaming Facility that come to the attention of that Department in indelible ink in a bound notebook from which pages cannot be removed, and each side of each page of which is sequentially numbered, as follows:

(a) The assigned sequential number of the incident;

(b) The date;

(c) The time;

(d) The nature of the incident;

(e) The person involved in the incident; and

(f) The security employee assigned;

(2) Ensure that the surveillance department record any and all unusual occurrences within the Gaming Facility that comes to the attention of that Department, which may be recorded in different form.

g. Ensure that logs are maintained relating to surveillance, security, cashier's cage, video lottery terminal (showing when video machines opened), and video lottery terminal location;

h. Establish and maintain an updated list of persons barred from the Gaming Facility and furnish that list to the Oregon State Police as updated;

i. Ensure that an annual audit by a Certified Public Accountant is obtained;

j. Ensure that a closed circuit television system is maintained in the cash room of the Gaming Facility and that copies of the floor plan and TV system are provided to the Oregon State Police;

k. Ensure that a cashier's cage is monitored in accordance with industry standards for security;

l. Ensure that pari-mutuel clerks are sufficiently trained;

m. Ensure that sufficient security personnel are employed and trained;

n. Subject to State review and approval, establish a method for resolving disputes with players; and

o. By March 31, 2000, ensure that surveillance equipment and personnel are managed and controlled independently of management of the Gaming Facility.

3. Inspections.

a. Agents of the Tribal Gaming Commission shall inspect the Gaming Facility at random during all hours of Tribal Gaming Operation, and shall have immediate access to any and all areas of the Gaming Facility for the purpose of ensuring compliance with the provisions of this Compact, the Tribal Gaming Ordinance, the Tribal Gaming Commission Regulations and applicable federal regulations governing gaming. Any material violations of the provisions of this Compact, the Tribal Gaming Ordinance or of Tribal Gaming Commission Regulations or applicable federal regulations by the Tribal Gaming Operation, a gaming employee, or any person on the premises whether or not associated with the Gaming Facility, shall be reported immediately to the Tribal Gaming Commission.

The Tribal Gaming Commission shall report such violations that would materially affect the fairness, integrity, safety and honesty of the gaming operation to the Oregon State Police within seventy-two (72) hours of the time the violation was noted.

"Material," as used in this subparagraph, includes but is not limited to, reports of incidents, occurrences or violations that:

i) can affect the integrity, security, honesty or fairness of the gaming operation or the customer participation of the games;

ii) indicate potential or suspected criminal activity; or

iii) involve operational irregularities with a potential impact of $500 or greater.

The Tribes and the State agree that the Tribal Gaming Commission and the Oregon State Police Tribal Gaming Section representatives shall meet at least twice yearly to review and establish guidelines for reporting under the provisions of this subparagraph. Issues of disagreement may be forwarded to the parties' Compact negotiating teams for resolution which shall satisfy the requirements of section 16A(1) of this Compact. In the event the negotiation teams or other method of informal dispute resolution are unable to resolve the dispute, the remaining dispute resolution provisions of Section 16 of this Compact shall be utilized.

b. The Tribal Gaming Commission may designate any individual or individuals to perform inspection duties, so long as each inspector performs those duties independently of the management of the Tribal Gaming Operation, and is supervised and evaluated by the Tribal Gaming Commission as to the performance of those duties.

c. Inspections shall include monitoring compliance with the requirements of applicable law, this Compact, regulations, internal controls, policies and procedures that affect the fairness, integrity, security and honesty of the Tribal Gaming Operation, including but not limited to:

(1) Observation for compliance, on a monthly basis or more frequently as determined by the Tribal Gaming Commission, at least four of the following:

(a) Sensitive gaming inventories;

(b) VLT or table game drop;

(c) Soft count;

(d) Security and surveillance logs;

(e) Movement of cash within, into and outside the Gaming Facility;

(f) Surveillance procedures;

(g) Security procedures;

(h) Games controls;

(i) Integrity of VLT E-proms.

All areas will be covered at least annually.

(2) Investigation of any potential violations of the provisions of this Compact, and applicable regulations, internal controls, policies and procedures.

(3) Investigation of any cash variance greater than $500 and report the findings to the Tribal Gaming Commission, which shall report such variances to the Oregon State Police.

(4) Investigation of customer disputes related to gaming that are not resolved by management of the Tribal Gaming Operation.

4. Investigations and Sanctions. The Tribal Gaming Commission shall investigate any reported violation of the Compact provisions and shall require the Tribal Gaming Operation to correct actual violations upon such terms and conditions as the Tribal Gaming Commission determines to be necessary. The Tribal Gaming Commission shall be empowered by Tribal ordinance to impose fines and other sanctions within the jurisdiction of the Tribes against a gaming employee, or any other person directly or indirectly involved in, or benefiting from, the Tribal Gaming Operation. The State shall make all reasonable efforts to assist the Tribes in enforcing sanctions imposed by the Tribal Gaming Commission against non-Indians.

5. Notification to State. The Tribal Gaming Commission shall forward copies of all civil and criminal investigation reports and final dispositions to the Oregon State Police upon completion. If requested by the Tribal Gaming Commission, the Oregon State Police shall assist in any investigation initiated by the Tribal Gaming Commission, and provide other requested services to ensure proper compliance with the provisions of this Compact, the Tribal Gaming Ordinance, the Tribal Gaming Commission regulations and applicable federal regulations or applicable laws of the State.

B. State Enforcement of Compact Provisions.

1. a. Monitoring. The Oregon State Police is authorized hereby to independently monitor the Tribal Gaming Operation in the manner the State considers necessary to ensure that the operation is conducted in compliance with the provisions of this Compact. The Tribes may request removal of a State law enforcement officer or monitor on the basis of malfeasance, abuse of authority, or conduct disrespectful of Tribal institutions or culture. Effective performance of the officer's or monitor's duties shall not be a basis for disapproval. The Oregon State Police shall have free and unrestricted access to all areas of the Gaming Facility during normal operating hours without giving prior notice to the Tribal Gaming Operation. The Tribes agree that the Oregon State Police monitoring function includes at a minimum the activities identified in the Compact, any amendments and any memoranda of understanding entered into pursuant to this Compact, and that the actual, reasonable and necessary cost of monitoring activities shall be assessed to the Tribes as provided in Section 10 of this Compact. In addition to the Oregon State Police's regular monitoring functions, the Tribes agree that the Oregon State Police may conduct the following activities, which shall also be assessed to the Tribes as provided in Section 10 of this Compact:

1) An annual comprehensive review, which shall be preplanned and conducted jointly with the Tribal Gaming Commission, of the Tribes' Class III gaming activities to verify compliance with the requirements of this Compact and with the regulations and internal controls adopted by the tribal gaming commission, including at a minimum review in the following areas: administrative controls (gaming management internal controls), Tribal Gaming Operations controls, drop boxes, station inventories, surveillance department controls, cashier cage controls, count room controls (security and surveillance), accounting department controls (security), general controls (Compact regulatory requirements), blackjack controls, VLT controls, accounts payable, employee identification, gaming chip inventory for gaming floor and cage, physical examination of all class III gaming cards, chips, e-proms, paper stock, printers, keno balls, fill slips, video gaming devices, keno controls, off-track betting and security department controls;

2) Periodic review of any part of the Tribal Gaming Operation in order to verify compliance with the requirements of this Compact, the Tribal Gaming Ordinance, and with the Tribal Gaming Commission regulations and applicable federal

regulations governing gaming and with the minimum internal control standards;

3) Investigation of possible violations of this Compact or other gaming regulatory matters, whether discovered during the action, review, or inspection by the State during its monitoring activities, or otherwise;

4) Reasonable periodic review of contracts between the Tribes and the suppliers, vendors or contractors that provide non-gaming goods or services to the Gaming Facility for the limited purpose of determining whether such suppliers, vendors or contractors present a threat to the fairness, integrity, security and honesty of the Tribal Gaming Operation. During the course of the annual comprehensive review described in Section 9(B)(1)(a)(1) of this Compact, and at one other time during each calendar year, to be determined by the Oregon State Police, the Oregon State Police is authorized to conduct a reasonable review of contracts with suppliers, vendors or contractors that provide non-gaming goods or services to the Gaming Facility without any specific suspicion of wrongdoing. At any other time, if OSP has a reasonable suspicion that the supplier, vendor or contractor presents a threat to the fairness, integrity, security and honesty of the Tribal Gaming Operation, Oregon State Police is authorized to review contracts with that supplier, vendor or contractor. The Oregon State Police will report any concerns about a particular supplier, contractor or vendor to the Tribal Gaming Commission before taking any action.

b. As provided in Section 5 of this Compact, the Tribes' law enforcement agency is responsible for investigation of criminal law violations by Indians on the Reservation. The Tribes and the State agree that the Tribes' criminal law jurisdiction does not prevent the State from investigating possible violations of this Compact or other gaming regulatory matters whether discovered during the action, review, or inspection by the State during its monitoring activities, or otherwise. The Tribes and the State agree that their respective law enforcement agencies shall cooperate in any investigation that involves or potentially involves both criminal and gaming regulatory violations.

2. The Tribes agree that if any Class III gaming activities are conducted or intermingled in such a way that they are inseparable from Class II gaming activities, such as surveillance of both Class III and Class II Tribal Gaming Operations by a single surveillance department, the Oregon State Police shall have full access to both for purposes of carrying out the duties

of the Oregon State Police with respect to Class III gaming under this Compact. Nothing in this subsection shall be construed as authorizing state regulation of Class II gaming, which is prohibited under Section 13B of this Compact.

3. Access to Records.

(a) The State is authorized hereby to review and copy, during normal business hours, and upon reasonable notice, all records maintained by the Tribal Gaming Operation pertaining to the operation, management, or regulation of Class III Gaming by the Tribes, whether those records are prepared or maintained by the Tribes, the Tribal Gaming Commission or the Tribal Gaming Operation, including all Class III Gaming Contracts. Any records or copies removed from the premises shall be returned to the Tribes after use. Only the State employee(s) formally designated by the State, and approved by the Tribes, shall be authorized to access Tribal gaming records pursuant to this subsection.

(b) The State acknowledges that records created and maintained by the Tribes, the Tribal Gaming Commission or the Tribal Gaming Operation belong to the Tribes.

(c) The Tribes acknowledge that any records created or maintained by the State, including any records created or maintained in connection with the performance of the State's duties and functions under this Compact, belong to the State and are fully subject to the State Public Records Law, ORS 192.410 to 192.505. Any information concerning the Tribes' Class III gaming operation that is contained in state records may be subject to disclosure under ORS 192.410 to 192.505 unless the State would be permitted to withhold that information from disclosure under ORS 192.410 to 192.505. Examples of the kind of information that may be withheld from disclosure by the State under appropriate circumstances include:

(1) "Trade secrets" as defined in ORS 192.501(2).

(2) Investigatory information compiled for criminal law purposes as described in ORS 192.501(3).

(3) Information submitted in confidence, as provided in ORS 192.502(3).

(4) Any information the disclosure of which is specifically prohibited by state or federal law.

(d) Applications submitted to and retained by the Oregon State Police for Class III gaming licenses are State records and may be subject to disclosure under ORS 192.410 to 192.505 unless the State would be permitted to withhold that information from disclosure under ORS 192.410 to 192.505.

(e) Information about the Tribes' Class III gaming activities, whether obtained from the Tribes or from any other source, that is included in a document prepared, owned, used or retained by the State in connection with its duties and functions under this Compact may be subject to disclosure under ORS 192.410 to 192.505 unless the State would be permitted to withhold that information from disclosure under ORS 192.410 to 192.505.

(f) The Tribes have agreed to allow the Oregon State Police access to sensitive financial, security and surveillance information that the Tribes consider confidential. The State acknowledges that the Tribes have voluntarily given the State access to this information and that the Tribes would not otherwise be required by law to do so. The State acknowledges that this information should reasonably be considered confidential. To the extent such information is included in any State records that are subject to disclosure, the State hereby obliges itself not to disclose this information when the public interest, including the public interest in maintaining the honesty, integrity, fairness and security of the Tribes' Class III gaming activities, would suffer by such disclosure.

(g) The State agrees to notify the Tribes promptly of any request for disclosure of documents containing information about the Tribes' Class III gaming activities. If the State decides to release any documents that contain information about the Tribes' Class III gaming activities, the State will notify the Tribes at least five (5) working days before any disclosure is made.

(h) The parties agree that any dispute as to the disclosure of documents under the Public Records Law or under this subsection shall first be brought in state court.

(i) Nothing in this subsection precludes the State or the Tribes from disclosing information pursuant to state, tribal or federal rules of civil procedure or evidence in connection with litigation, a prosecution or a criminal investigation.

4. Investigation Reports. After completion of any inspection or investigation report, the State shall provide a copy of the report to the Tribal Gaming Commission.

C. If local government officials believe that an off-reservation law enforcement problem has been created by the existence of the Gaming Facility, the Tribes shall meet with the mayor or county commission of the affected government to develop appropriate measures to alleviate the problem. The burden shall be on the local government officials to demonstrate that the law enforcement problem is directly attributable to the existence of the Gaming Facility. If an off-reservation law enforcement problem has been created by the existence of the Gaming Facility, the Tribes shall take all reasonably necessary steps to alleviate the problem. If the Tribes and local government officials are unable to agree on appropriate measures to alleviate the problem, the State may initiate the dispute resolution process established in section 6 of this Compact.

SECTION 10. STATE ASSESSMENT OF COSTS FOR OVERSIGHT; CONTRIBUTION FOR PUBLIC BENEFIT.

A. Assessment for State Monitoring, Oversight and Law Enforcement Costs

1. The Tribes agree that the Oregon Gaming Tribes have the collective responsibility to pay for the cost of performance by OSP of its activities authorized pursuant to this Compact, including associated overhead. The Tribes agree to pay their fair share of the Oregon State Police costs pursuant to the formula set forth in this Section within 30 days of billing.

2. To give the Oregon Gaming Tribes an opportunity for review and comment, the Oregon State Police shall distribute a draft of the Tribal Gaming Section portion of the budget to the Oregon Gaming Tribes prior to submission of the budget to the Governor. The Oregon State Police shall give full consideration to the Oregon Gaming Tribes' comments on the Tribal Gaming Section budget. Notwithstanding the right of the Oregon Gaming Tribes to comment on the Tribal Gaming Section budget, each Tribe retains the right to participate in any public review by either the Governor or the Legislature on the Oregon State Police budget as well as before the Emergency Board for any increase in the Oregon State Police budget.

3. Because of the government-to-government relationship between the Tribes and the State, the parties recognize that the obligation of the Tribes to pay for the Oregon State Police costs as provided by this Compact is unique. Nothing in this Compact is intended to, nor shall be construed as, creating a responsibility for the Tribes to pay for any other governmental services rendered by or received from the State.

4. The Tribes' (as in the "Confederated Tribes of the Umatilla Indian Reservation") monthly payment to the Oregon State Police shall be computed as follows:

a) The biennium budget for the Tribal Gaming Section shall be divided by 24 to determine the total monthly payment that must be made by the Oregon Gaming Tribes to the Oregon State Police for Compact related activities. This payment shall be referred to as the "OSP Monthly Payment."

b) Amounts received by the Oregon State Police from Class III Gaming Contractor license applicants, or any other gaming vendor license applicant, and from the payment for the assignment of Tribal Gaming Section officers to non-tribal gaming duties, shall reduce the OSP Monthly Payment owed by the Oregon Gaming Tribes, which reduced amount shall be referred to as the "Adjusted OSP Monthly Payment." The reduction in the OSP Monthly Payment owed by the Oregon Gaming Tribes shall occur in the month the Oregon State Police receives such payments from third party sources.

c) The Tribes' (as in the "Confederated Tribes of the Umatilla Indian Reservation") monthly payment to the Oregon State Police shall be computed as follows:

$$\frac{\text{No. of direct Service Hours billed to CTUIR Tribal Gaming Operations}}{\text{Total No. of Direct Service Hours Billed to All Oregon Tribal Gaming Operation.}} \times \text{Adjusted OSP Monthly Payment} = \text{Tribes' Share of OSP Monthly Payment}$$

d) Every six months, or biennium quarter, the Oregon State Police shall reconcile the total payments received from the Oregon Gaming Tribes and third party sources during the six month period. The total of these payments should equal one-fourth of the Oregon State Police/Tribal Gaming Section biennium budget. Any underpayment or overpayment shall adjust the amount owed by the Oregon Gaming Tribes the month following the reconciliation.

5. As used in this section

a) "Oregon Gaming Tribes" means any federally recognized Indian Tribes in Oregon engaged in Class III gaming pursuant to a Tribal-State Compact.

b) "Direct Service Hours" means the actual time spent by Oregon State Police personnel in performing employee background checks, performing background checks on Class III Gaming Contractors or other gaming vendors (unless paid by the Class III Gaming Contractor or other gaming vendor), performing Compact monitoring functions (including the annual comprehensive compact compliance review), conducting an investigation, and traveling to

and from the Gaming facility or the site of a Class III Gaming Contractor background investigation, for a particular Tribal Gaming Operation. This definition is in no way intended to limit OSP's activities authorized pursuant to this Compact. The Oregon State Police shall keep direct service hour billing records setting forth the date work is performed, a brief description of the work performed and the amount of time spent.

6. The methodology for the payment of Oregon State Police costs shall begin on January 1, 1999.

B. If the Tribes dispute the amount of the assessment under this Section, the Tribes shall timely pay the undisputed amount and within thirty (30) days of billing, shall notify OSP in writing of the specific nature of the dispute. If the parties have not resolved the dispute within 15 days, the Tribes shall pay the disputed amount into an off-reservation escrow, mutually agreeable to the parties, with escrow instructions providing that the funds are to be released only upon authorization by both the Tribes and the Oregon State Police. The parties shall share the reasonable costs of the escrow. The dispute shall then be resolved pursuant to the procedures set forth in section 6b(3) of this Compact.

If the Tribes fail to pay the disputed amount into escrow or timely pay the undisputed amount, the Oregon State Police may suspend any background checks that are in process or withhold authorization for the shipment of equipment, and/or pursue other remedies for compact violations available under this Compact.

C. Creation and Maintenance of Community Benefit Fund.

1. State Recognition. The State recognizes that the Tribes are unique among Oregon tribes in that:

a) The Umatilla Indian Reservation has a checkerboard land ownership pattern where approximately 50% of the lands are owned in fee by non-Indians;

b) Over 60% of the population of the Umatilla Indian Reservation is comprised of non-Indians and non-member Indians;

c) The Tribes offer a broad array of governmental programs and services to all Reservation residents, which programs and services are in part paid for by Tribal revenues from the Gaming Facility; and

d) Most of the governmental programs and services are provided by the Tribes free of charge.

e) The State also recognizes that the Tribes have a long-standing history of constructive working relationships with the local governments that surround the Umatilla Indian Reservation.

2. Joint Recognitions.

a) The Tribes and the State recognize that there may be both positive and negative impacts to the local community -- or the perception of such impacts – as a result of the presence of the Tribes' gaming operation, some of which may be difficult or impossible to quantify.

b) The Tribes and the State recognize that a formal process for collaborative decision-making regarding contributions to charitable causes is a way to ameliorate negative impacts (or the perception of negative impacts) from the Tribal Gaming Operation.

c) The Tribes and the State recognize that a formal community benefit fund allows specific benefits from this Compact to be identified by the community at large as stemming from the gaming operations conducted pursuant to this Compact.

3. Establishment of Fund. The Tribes agree to establish a Fund within ninety (90) days after the introduction of any New Class III Games. Beginning in the first calendar quarter after the Tribes implement any of the New Class III Games, the Tribes will contribute to the Fund, from the proceeds of the Gaming Facility, an amount calculated as provided in paragraph 5 below. The Tribes' obligation to maintain and make contributions to the Fund shall terminate if and when the Tribes remove all of the New Class III Games from the Gaming Facility. The Tribes, in its discretion, may choose to make its contributions quarterly or annually. The Tribes shall name the Fund.

4. Fund Administration.

a) The assets of the Fund shall be expended for the benefit of the public within Umatilla, Union, Morrow, and Wallowa counties. Grants from the Fund may be made to charitable organizations in the above counties, to the Tribes, or to local government bodies within the county whose boundaries the Umatilla Indian Reservation is located (Umatilla) for any of the following purposes: education, health, public safety, gambling addiction prevention, education and treatment, the arts, the environment, cultural activities, salmon restoration, historic preservation, and such other charitable purposes as may be provided in the by-laws of the Fund;

b) The Fund will be administered by a board of five directors. Each director shall have an equal vote on actions of the board;

c) The Tribes' Board of Trustees shall establish by-laws governing the conduct and discharge of the responsibilities of the Fund board of directors, after consultation with the Fund board of directors, which shall be consistent with the terms of this subsection; and

d) The Tribes' Board of Trustees, or their designee, shall submit proposals for grants from the Fund to the directors, who shall make the final determination of the proposals to be funded in accordance with the by-laws. Grants shall be made on the basis of merit. The directors may reserve a portion of the Fund in a single year to fund a multi-year grant or grants.

5. Qualifications, Term and Selection of Directors.

a) The membership of the board of directors shall be:

(1) One director from the Tribes' Board of Trustees, which person shall be recommended by the Chairman of the Board of Trustees and subject to the approval of the Board of Trustees;

(2) Two directors from the Tribes' membership, approved by the Board of Trustees; and

(3) Two directors who are not enrolled with the Tribes that are residents of Umatilla County, provided that only one shall be a resident of the City of Pendleton. Of these directors, one shall be nominated by the Umatilla County Commissioners, and the other director shall be nominated by the Pendleton City Council. Each director shall be subject to the approval of the Board of Trustees. The nominations from the Umatilla County Commissioners and the Pendleton City Council shall be submitted to the Governor for review and the opportunity to comment prior to submission of the nominations to the Board of Trustees for approval. The Governor shall be provided fifteen (15) days to provide comments. Alternatively, at the Tribes' discretion, the Tribes may request that the Governor nominate the two directors from a slate of candidates proposed by the Tribes; and

b) Except for the initial board, directors shall serve two-year terms and may be removed before the end of their terms only for cause by the Board of Trustees. The initial board shall serve as follows: The director from the Board of Trustees, and the two directors

from the Tribes' membership shall serve for two years; the remaining members of the initial board shall serve for one year. Directors may be reappointed. Vacancies on the board of directors shall be filled within thirty (30) days by the appropriate appointing authority. Any director whose term has expired shall continue to serve until a successor has been appointed.

6. Calculation of Fund Contribution.

The Tribes' annual contribution to the Fund shall be based upon the Gaming Facility's net income as shown in the audited financial statement of the Gaming Facility for the fiscal year ending before the contribution is made. The contribution shall be calculated as follows:

a) Deduct from the Gaming Facility's net income from all gaming and non-gaming activities before Tribal taxes all loan principal payments made by the Tribes for the Gaming Facility's capital, construction, and equipment costs;

b) Multiply the result in subparagraph a) by six percent, which shall be the Tribes' community benefit fund contribution. However, because of the recognitions in paragraph 10(C)(1) of this section, the parties agree that the Tribes may in their discretion determine that the appropriate contribution to the Fund in any calendar year shall be less than six percent (6%); but in no event shall the contribution equal less than three percent (3%) of the result in subparagraph a of this paragraph.

c) In addition to the Tribes' community benefit contribution set forth in subparagraph b of this paragraph, the Tribes also commit to using revenues derived from the Gaming Facility and from other unrestricted Tribal funds to provide governmental services to all residents of the Umatilla Indian Reservation. The Tribes shall provide an annual report to the State within 150 days after the close of the Tribal fiscal (calendar) year as follows:

(1) identifying the amount of gaming and unrestricted Tribal funds used to support Tribal governmental programs serving all residents of the Umatilla Indian Reservation, the nature of governmental services provided, and the extent to which the recipients of these services were charged fees or taxes for such services, if any; and

(2) identifying the charitable grant requests funded, the entities funded, the purposes for which funding was provided, the amount funded, and the total amount contributed to the Fund. The report shall also identify how the contribution to the Fund was calculated. The State may at its discretion

and expense perform an audit of the calculation of the contribution to the Fund.

(3) The State agrees to keep the report confidential to the extent permitted by applicable law.

7. Audit.

For purposes of determining the Gaming Facility's net income, the Tribes and the State agree to use the audit conducted by the independent auditors selected by the Tribe to comply with IGRA's audit requirements. For purposes of this Section, the Tribes agree that their Gaming Facility auditor shall:

a) Have recent casino audit experience with at least one other casino;

b) Has at least one client with annual revenues in excess of $50 million; and

c) Must have received an unqualified report in its most recent peer review.

The determination of the net income of the Gaming Facility is subject to review by the State at its own expense. For purposes of this paragraph 10.C.6, the State may act through the Oregon State Police or through an official designated as provided in Section 14 of this Compact.

8. Termination or Modification of Fund Contributions.

The Tribes' contributions to the community benefit fund established as described in this subsection C may be discontinued if the Oregon Constitution is amended to remove the prohibition of casinos in the State. The Tribes' contributions to the community benefit fund may be discontinued if and when the Tribes remove all of the New Class III Games from the Gaming Facility. The Tribes and the State agree that if the Tribes are prohibited for any reason from offering blackjack or any of the Class III games listed in paragraphs 1 or 2 of subsection B of Section 4 of this Compact, the parties shall enter into negotiations to establish how the community benefit fund contribution provided for in this subsection shall be adjusted to reflect the impact of the discontinuation of those games on the net income of the Gaming Facility.

SECTION 11. APPLICATION OF REGULATORY STANDARDS.

A. Health and safety standards.

1. The Tribes agree to adopt and enforce ordinances and regulations governing health and safety standards applicable to the Gaming Facility that are at least as rigorous as standards imposed by the laws and regulations of the State. The Tribes agree to cooperate with any State agency generally responsible for enforcement of such health and safety standards outside the reservation in order to assure compliance with such standards within the Gaming Facility. However, the Tribes shall have the exclusive regulatory jurisdiction over the enforcement of health and safety standards applicable to the Gaming Facility. The Tribes shall use their regulatory jurisdiction to assure that health and safety standards are met and maintained. The Tribes agree to adopt and enforce ordinances and regulations governing water discharges from the Gaming Facility that are at least as rigorous as standards generally imposed by the laws and regulations of the State relating to public facilities; provided, however, that to the extent that federal water discharge standards specifically applicable to the Tribal lands would preempt such State standards, then such federal standards shall govern.

2. Upon request by the State, the Tribes agree to provide evidence satisfactory to the State that any new construction, renovation or alteration of the Gaming Facility performed after the effective date of this Compact satisfies applicable Tribal health, safety and environmental standards. The Tribes can demonstrate that it has satisfied this Section providing a certificate or other evidence of compliance from the appropriate state or local official responsible for enforcement of comparable state standards, or from a contractor who is certified by state or local government to evaluate such compliance.

3. As used in this subsection, "health, safety and environmental standards" include but are not limited to structural standards, fire and life safety standards, water quality and discharge standards, food handling standards, and any other standards that are generally applicable under state or federal law to a non-tribal facility that is open to the public for purposes of protecting the public within the facility. "Health, safety and environmental standards" does not include land use regulations or zoning laws.

4. The Tribes agree that the State may use state or local inspectors to verify compliance with this subsection. Such inspectors shall cooperate with Gaming Facility management to conduct such inspections in a manner that does not disrupt operations at the Gaming Facility, and shall be conducted only with advance notice to and permission of the Gaming Facility where practicable. If the State asserts that the Tribe is in breach of this subsection, and that the breach creates an immediate and substantial threat to the health or safety of the patrons or employees of the Gaming Facility, the Tribes agree to take steps as are necessary to protect the public or employees until the breach is remedied. Resolution of any dispute as to what steps are necessary shall be conducted in the same manner as and

under the principles and procedures established for resolution of operating disputes in Section 6 of this Compact.

B. Traffic standards. The Tribes shall maintain access from its Gaming Facility onto the public road known as State Highway 331 that is adequate to meet standards of the Oregon Department of Transportation or shall enter into agreements with the Oregon Department of Transportation for the maintenance of such access by the State, including provisions for compensation by the Tribes for some portion of the costs incurred by the State in constructing such improvements to the public highway, including traffic control signals, as may be necessary. If the Oregon Department of Transportation determines that highway improvements are necessary, the department shall confer with the Tribes concerning the planning, design and construction of those improvements. The Tribes agree to consult and cooperate with the Oregon Department of Transportation regarding any other traffic issues arising out of the Gaming Operation and vehicles that patronize the Gaming Facility. To the extent the Gaming Facility contributes to any traffic impacts on surrounding city, county or State roads, the Tribes agree to fund an appropriate proportion of improvements necessary to mitigate or reduce such impacts. If the Tribes dispute the amount of the cost to be paid by the Tribes, the Tribes may initiate the dispute resolution procedure established under section 6 of this Compact.

C. The Tribes shall report to the Oregon Department of Revenue gambling winnings paid to any person subject to Oregon Personal Income Tax on those winnings whenever the Tribes would be required to report those winnings to the Internal Revenue Service. The information shall be reported in the manner required by the Oregon Department of Revenue.

SECTION 12. EFFECTIVE DATE; TERMINATION; AMENDMENTS.

A. Effective Date. This Compact shall become effective upon execution by the State and by the Tribes and appropriate federal approval.

B. Termination. This Compact shall remain in effect until such time as:

1. This Compact is terminated by written agreement of both parties;

2. The State amends its Constitution or laws to criminally prohibit within the State conduct of all of the Class III gaming authorized by this Compact, whether for profit or not for profit;

3. A court of competent authority makes a final determination that all of the Class III games authorized by this Compact are criminally prohibited under the law of the State, and the determination has become final and enforceable;

4. The federal government amends or repeals IGRA so that a Compact is no longer required for the Tribes' exercise of Class III gaming; or

5. Either party materially breaches this Compact; but only after the dispute resolution process set forth in section 16 of this Compact has been exhausted, and the breach has continued for a period of 60 days after written notice following the conclusion of the dispute resolution process.

C. Automatic Amendment.

1. If a type of Class III game authorized under section 4 of this Compact is criminally prohibited for all purposes by all persons by an amendment to State statute or Constitution, this Compact shall no longer authorize the Tribes to engage in that type of Class III game, and any provisions in this Compact authorizing such gaming shall be void and of no effect.

2. If a court decides that a Class III game authorized under this Compact is criminally prohibited, this Compact shall no longer authorize the Tribes to engage in that type of Class III game, and any provisions in this Compact authorizing such gaming shall be void and of no effect, but the Tribes shall be required to cease operating that Class III game only if and under the same circumstances and conditions as the State or any other affected person must cease operating the corresponding game under the court's decision.

D. Amendments.

1. Except as provided in subsection C of this section and Section 4D with respect to the number of video lottery terminals, this Compact shall not be amended for a period of three years after the effective date of this Compact, unless one of the following conditions occur:

   a. The State becomes a party to another Tribal-State Compact that authorizes a tribe other than the Confederated Tribes of the Umatilla Indian Reservation to engage in any Class III gaming activity or scope of gaming activity not permitted under the terms of section 4 of this Compact;

   b. The State amends State statute or Constitution to expand the type of Class III gaming permitted in the State for any purpose by any person, organization, or entity;

   c. The parties to this Compact agree in writing to enter amendment negotiations.

2. Paragraph 1. of this subsection does not require the State to renegotiate those terms of this Compact that apply to the forms of gaming authorized by Section 4 of this Compact, except to the extent that the State

voluntarily consents to such renegotiation or as is otherwise provided for in this Compact.

3. Pursuant to paragraph 1 of subsection D above, the State or the Tribes may, by appropriate and lawful means, request negotiations to amend, replace or repeal this Compact. In the event of a request for renegotiation or the negotiation of a new Compact, this Compact shall remain in effect until renegotiated or replaced, unless sooner terminated under subsection B of section 12. Such request to renegotiate shall be in writing and shall be sent by certified mail to the Governor of the State or the Chairman of the Board of Trustees of the Tribes at the appropriate office identified at section 14 below. If a request is made by the Tribes, it shall be treated as a request to negotiate pursuant to IGRA. All procedures and remedies available under IGRA shall thereafter apply with the exception that the 180-day period for negotiation set forth at 25 U.S.C. 2710(d) shall be 100 days.

SECTION 13. DISCLAIMERS AND WAIVERS.

A. Gaming at Another Location or Facility. The Tribes hereby waive any right they may have under IGRA to negotiate a Compact for Class III gaming at any other location or facility for a period of five (5) years from the effective date of this Compact, provided, that if any other Oregon Indian tribe operates Class III gaming at more than one location under a Compact with the State, the Tribes shall have the right to request immediate negotiations on the issue, and provided further, that the Tribes shall have the right to negotiate for Class III gaming at another location if some natural occurrence makes the Gaming Facility unusable.

B. Status of Class II Gaming. Nothing in this Compact shall be deemed to affect the operation by the Tribes of any Class II gaming as defined in the Act or to confer upon the State any jurisdiction over such Class II gaming conducted by the Tribes.

C. Prohibition on taxation by the State. Nothing in this Compact shall be deemed to authorize the State to impose any tax, fee, charge or assessment upon the Tribes or any Tribal Gaming Operation except for charges expressly authorized in accordance with this Compact.

D. Preservation of Tribal self-government. Nothing in this Compact shall be deemed to authorize the State to regulate in any manner the government of the Tribes, including the Tribal Gaming Commission, or to interfere in any manner with the Tribes' selection of its governmental officers including members of the Tribal Gaming Commission. No licensing or registration requirement contemplated by this Compact shall be applicable to such officers with respect to their capacity as officers of the Tribes.

E. This Compact is exclusively for the benefit of and governs only the respective authorities of and the relations between the Tribes and the State. Nothing in this Compact shall be construed as creating or granting any rights to any third party, or as establishing any objection or defense for any third party to any charge, offense or prosecution.

SECTION 14. NOTICES.

All notices required or authorized to be served to the Oregon State Police shall be served by first class mail at the following address:

Captain
Oregon State Police
Gaming Enforcement Division
Salem, OR 97310

All other notices required or authorized to be served shall be served by first class mail at the following addresses:

Legal Counsel to the Governor
Office of the Governor
254 State Capitol
Salem, OR 97310

Chairman, Board of Trustees
Confederated Tribes of the
Umatilla Indian Reservation
P.O. Box 638
Pendleton, OR 97801

SECTION 15. SEVERABILITY.

In the event that any section or provision of this Compact is held invalid, or its application to any particular activity is held invalid, it is the intent of the parties that the remaining sections of the Compact and the remaining applications of such section or provision shall continue in full force and effect.

SECTION 16. DISPUTE RESOLUTION.

A. Except as specifically provided in section 6 of this Compact, at the discretion of either party, in the event either party believes that the other party has failed to comply with any requirement of the Compact, that party may invoke the following dispute resolution procedure in order to foster cooperation and avoid the costs of litigation:

1. The party asserting noncompliance shall serve written notice on the other party in the manner provided in section 14. The notice shall identify the specific provision of the Compact alleged to have been violated and shall specify the factual basis for the alleged noncompliance. The State and the

Tribes shall thereafter meet within thirty (30) days in an effort to resolve the dispute.

2. In the event the dispute is not resolved to the satisfaction of the parties within ninety (90) days after service of notice, either party may initiate an action against the other party in the United States District Court for the District of Oregon to interpret or enforce the provisions of this Compact. In the event that the Federal court declines jurisdiction, an action can be filed in a State or Tribal court of competent jurisdiction to interpret or enforce the provisions of this Compact.

B. Nothing in subsection A of this section shall be construed to waive, limit or restrict any remedy that is otherwise available to either party to enforce the provisions of this Compact or limit or restrict the ability of the parties to pursue, by mutual agreement, alternative methods of dispute resolution.

C. With respect to gaming not authorized by this Compact, nothing in this Compact shall be construed to limit the authority of the State or the federal government to take immediate action to enforce and prosecute the gambling laws of the State and the United States pursuant to 18 USC §1166 (Section 23 of IGRA).

SECTION 17. INTEGRATION

This Compact is the complete and exclusive expression of the parties' intent.

EXECUTED as of the date and year above-written.

STATE OF OREGON

John A. Kitzhaber, M.D., Governor

Date: 27 December, 1999

CONFEDERATED TRIBES OF THE UMATILLA INDIAN RESERVATION

Antone Minthorn, Chairman

Date: December 9, 1999, 199__

APPROVED BY THE **ASSISTANT SECRETARY - INDIAN AFFAIRS**

By: **Kevin Gover**

Date: MAR 17 2000

Tribal-State Compact for Regulation of Class III Gaming
Confederated Tribes of the Umatilla Indian Reservation
and the State of Oregon

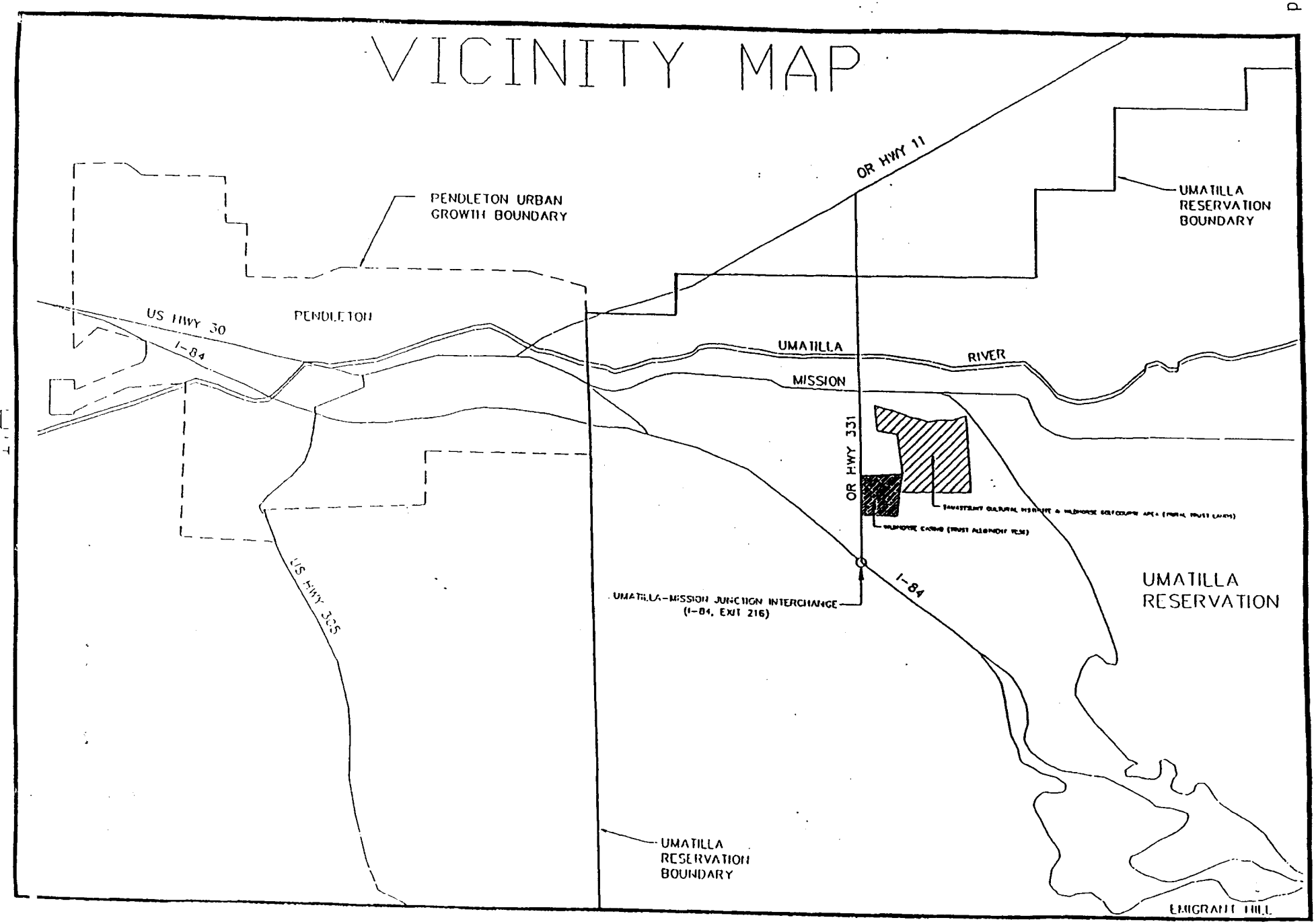
EXHIBIT I

DESCRIPTION OF GAMING LOCATION:

The Tribes' Gaming Facility is located on Tribal trust land within the boundaries of the Umatilla Indian Reservation. The Gaming Facility authorized by this Compact is located near Mission, Oregon, north and east of Exhibit 216 on Interstate Highway 84. A map showing the location of the Gaming Facility is attached (Exhibit 1.A). The Gaming Facility is located on Trust Allotment No. TC36, which has a legal description as follows:

> The SW ¼ of Section 15, Township 2 North, Range 33 East, Willamette Meridian.
> The above-described land involves a combined total of approximately 160 acres.

VICINITY MAP



APPENDIX

TO THE

AMENDED AND RESTATED
TRIBAL-STATE COMPACT FOR REGULATION
OF CLASS III GAMING BETWEEN THE CONFEDERATED TRIBES OF THE
UMATILLA INDIAN RESERVATION AND
THE STATE OF OREGON

TRIBAL/STATE

MINIMUM STANDARDS FOR INTERNAL CONTROLS

Published: January 1997

Revised March 1, 1998

Revised April 12, 1999

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SECTION I
TRIBAL GAMING OPERATION

A. ORGANIZATION

1. The tribal gaming operation will have a system of internal controls, policies and procedures or regulations that includes the following:

   a. Administrative control, which includes but is not limited to the plan of organization and the procedures and records that are concerned with the decision processes leading to management's authorization of transactions; and

   b. Accounting control which includes the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and are consequently designed to provide reasonable assurance that:

      i. Transactions are executed in accordance with the management's general and specific authorization, which will include the requirements of these standards;
      ii. Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and with these standards, and to maintain accountability for assets;
      iii. Access to assets is permitted only in accordance with management's authorization which will include the requirements of these standards; and
      iv. The recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

2. The tribal gaming operation's system of internal control will provide for:

   a. Personnel with an understanding of prescribed procedures; and

   b. The segregation of incompatible functions so that no employee is in a position to perpetrate and conceal errors or irregularities in the normal course of his or her duties.

3. The tribal gaming operation will, at a minimum, establish the following departments:

   a. A security department supervised by the head of the security department who will co-operate with, yet perform independently of, all other departments and will report directly to the General Manager of the tribal gaming operation regarding matters of policy, purpose, and responsibilities. The head of security will be responsible for, but not limited to the following:

i. Security of the gaming facility;
ii. Ensure compliance with policies, procedures, and the law;
iii. Safeguards assets transported within the gaming facility and cage/vault;
iv. Insures safety of employees and guests; and
v. Assures security of property and gaming facility;
vi. Establish an evidence storage area that has security controls that assure the chain of possession and integrity of stored evidence.

b. A surveillance department supervised by the head of the surveillance department who will co-operate with, yet perform independently of, all other departments and will report directly to the Tribal Gaming Commission or other department or entity independent of operations regarding matters of policy, purpose, and responsibilities. The head of surveillance will be responsible for, but not limited to the following:

i. The clandestine surveillance of the operation and conduct of the games;
ii. The clandestine surveillance of the operation of the cashier's cage;
iii. The audio-video taping of activities in the count rooms;
iv. The detection of cheating, theft, embezzlement, and other illegal activities in the gaming facility, count rooms, and cashier's cage;
v. The video taping of illegal and unusual activities monitored; and
vi. The notification of appropriate gaming facility supervisors, the Tribal Gaming Commission who will notify the Oregon State Police upon the detection and taping of cheating, theft, embezzlement, or other illegal activities.

c. A gaming facility department supervised by a gaming facility manager who will perform independently of all other departments and will report directly to the General Manager. The gaming facility manager will be responsible for the operation and conduct of all Class III activities conducted in the gaming facility.

d. A gaming facility accounting department supervisor who will report directly to the General Manager. The supervisor responsibilities will include, but not be limited to, the following;

i. Accounting controls;
ii. The preparation and control of records and data required by these standards;
iii. The control of stored data, the supply of unused forms, the accounting for and comparing of forms used in the gaming operation and required by these standards; and
iv. The control and supervision of the cashier's cage.

e. A cashier's cage supervised by a cage supervisor who will supervise cage cashiers and co-operate with, yet perform independently of, the gaming facility and security departments, and will be under the supervision of, and report directly to the Controller. The cashier's cage will be responsible for, but not limited to the following:

i. The custody of currency, coin, patron checks, gaming chips, and documents and records normally associated with the operation of a cashier's cage;
ii. The approval, exchange, redemption and consolidation of gaming chips received in conformity with the gaming operation's standards;
iii. The receipt, distribution and redemption of gaming chips in conformity with these standards; and
iv. Such other functions normally associated with the operation of a cashier's cage.

4. The tribal gaming operation's personnel will be trained in all accounting and internal control practices and procedures relevant to each employee's individual function. Special instructional programs will be developed by the tribal gaming operation in addition to any on-the job instruction sufficient to enable all members of the departments required by this standard to be thoroughly conversant and knowledgeable with the appropriate and required manner of performance of all transactions relating to their function.

B. ADOPTION OF RULES FOR CLASS III ACTIVITIES

1. The tribal gaming operation will submit for approval to the Tribal Gaming Commission who will provide rules to the Oregon State Police to govern the conduct of Class III activities operated in the tribal gaming facility. Copies of game rules in effect will be provided to the Oregon State Police 60 days prior to implementation. Summaries of the rules of each game relevant to the method of play and odds paid to winning bets will be visibly displayed in the gaming facility and betting limits applicable to any gaming station will be displayed at such gaming station. Game rules approved by the Tribal Gaming Commission will include in addition to the rules of play:

a. Specifications provided by the equipment manufacturer or supplier applicable to gaming equipment:

i. Physical characteristics of chips; and
ii. Physical characteristics of such other gaming equipment as may be required for use in authorized Class III gaming.

2. Rules for each authorized game, to include:

a. Procedures of play;

b. Minimum and maximum permissible wagers;

c. Shuffling, cutting and dealing techniques, as applicabie;

d. Payout odds on each form of wager;

e. Procedures to be followed on occurrence of irregularities, including definition of irregularities as applicable to each game; and

f. Prohibitions on side betting between and against player and against the house.

SECTION II
ACCOUNTING STANDARDS

A. ACCOUNTING RECORDS

1. The tribal gaming operation will maintain complete, accurate, legible and permanent records of all transactions relating to the revenues and costs of the gaming operation.

2. General accounting records will be prepared and maintained according to generally accepted accounting principles on a double entry system of accounting with transactions recorded on the accruals basis, and detailed, supporting, subsidiary records, sufficient to meet the requirements of paragraph 4.

3. The forms of accounts adopted should be of a standard form, which would ensure consistency, comparability, and effective disclosure of financial information.

4. The detailed, supporting and subsidiary records will include, but not necessarily be limited to:

   a. Statistical game records to reflect drop and win amounts for each station, for each game, for each shift, or daily for each type of table game, and individual and statistical game records reflecting similar information for all other games;

   b. Records of investments in property and services, including equipment used directly in connection with the operation of Class III gaming;

   c. Records of accounts payable by the tribal gaming operation;

   d. Records that identify the purchase, receipt and destruction of gaming chips used in wagering.

   e. Video lottery terminal analysis reports compare actual hold percentages to theoretical hold percentages by each machine;

   f. Journal entries prepared by the gaming facility;

   g. The records required either by these minimum internal control standards or by the gaming facility's system of internal control; and

   h. Any other supporting source documents that are specifically required to be maintained.

B. AUDITING FINANCIAL STATEMENTS

1. Each gaming facility will prepare financial statements covering all financial activities of the gaming facility for each fiscal year.

2. Each Tribe will engage an independent accountant licensed to practice within the State of Oregon. The accountant will examine the statements in accordance with generally accepted auditing standards.

3. If a gaming facility changes its fiscal year, the gaming facility will prepare and submit to the Tribe audited or reviewed financial statements covering the "stub" period from the end of the previous fiscal year to the beginning of the new fiscal year. The submission will be made in a timely manner after the end of the stub period or incorporated the financial results of the stub period in the statements for the new fiscal year.

4. The annual financial statements will be prepared on a comparative basis for the current and prior calendar or fiscal year and will present the financial position and results of operations in conformity with generally accepted accounting principles.

5. Two copies of the audited financial statements, together with the report thereon of the tribal gaming operation's independent accountant will be filed with the Tribal Gaming Commission and made available to the Oregon State Police at a location determined by the Tribal Gaming Commission not later than 120 days following the end of the calendar or fiscal year. Extensions may be granted by the Tribal Gaming Commission for extenuating circumstances.

6. The tribal gaming operation will require its independent accountant to render the following additional reports:

   a. A report on material weaknesses in accounting and internal controls. Whenever, in the opinion of the independent account, there exists no material weaknesses in accounting and internal controls, the report will say so; and

   b. A report expressing the opinion of the independent accountant that, based on his or her examination of the financial statements, the tribal gaming operation has followed, in all material respects, during the period covered by his or her examination, the system of accounting and internal control on file with the Tribal Gaming Commission. Whenever, in the opinion of the independent accountant, the tribal gaming operation has materially deviated from the system of accounting and internal controls filed with the Tribal Gaming Commission, or the accounts, records, and control procedures examined are not maintained by the tribal gaming operation in accordance with the Compact and these standards. The report will enumerate such deviations of the areas of the system no longer considered effective and will make recommendations in writing regarding improvements in the system of accounting and internal controls.

7. Two copies of the reports required by paragraph (6) and two copies of any other reports on accounting and internal control, administrative controls, or other matters relating to the tribal gaming operation's accounting or operating procedures rendered by the tribal gaming operation's independent accountant, will be filed with the Tribal Gaming Commission and made available to the Oregon State Police at a location to be determined by the Tribal Gaming Commission by the Tribal gaming operation within 120 days following the end of each fiscal year or within thirty (30) days of receipt whichever is earlier. Provided, extensions may be granted for extenuating circumstances by the Tribal Gaming Commission.

C. SYSTEM OF INTERNAL CONTROL

1. Each gaming facility will establish administrative and accounting procedures for the purpose of determining effective control over the gaming facility's internal fiscal affairs. These will be submitted to the Tribal Gaming Commission and be made available to the Oregon State Police at a location determined by the Tribal Gaming Commission. The tribal gaming operation will submit to the Tribal Gaming Commission and the Oregon State Police a description of its system of internal procedures and administrative and accounting controls at least 60 days before any new gaming operations are to commence. The system of internal procedures and administrative and accounting controls will meet or exceed the minimum standards set forth in the Compact agreement. No new games will be put into play or offered to the public until the controls meet or exceed these standards. The procedures will be designated to reasonably ensure that:

   a. Assets are safeguarded;

   b. Financial records are accurate and reliable;

   c. Transactions are performed only in accordance with management's general or specific authorization;

   d. Transactions are recorded adequately to permit proper reporting of gaming revenue, and to maintain accountability for assets;

   e. Access to assets is permitted only in accordance with the Tribes specific authorization;

   f. Recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect to any discrepancies; and

   g. Functions, duties, and responsibilities are appropriately segregated in accordance with sound practices by competent, qualified personnel.

2. Each such submission will contain both a detailed narrative and diagrammatic representation of the internal control system to be utilized by the tribal gaming operation. Each written system of internal control will include an organizational chart depicting appropriate segregation of functions and responsibilities.

3. The submission required by paragraph 1 will be signed by the executive responsible for its preparation that the submitted system conforms in all respects to the principles of internal control required by these standards.

4. Each gaming facility will follow procedural changes as required by the Tribe.

5. Before making operational changes such as adding or eliminating a game, adding any computerized system that affects the proper reporting of gross revenue, adding any computerized system for monitoring video lottery terminals or other games, or any other computerized associated equipment, the Tribe agrees to:

   a. Amend its accounting and administrative procedures and its written system of internal control to comply with these standards and have the amendment signed by the gaming operations Senior Financial Officer and General Manager or similar position.

   b. Comply with any written requirements imposed by the Tribe regarding administrative approval of computerized associated equipment; and

   c. Provide copies of the amended accounting and administrative procedures and its written system of internal control to the Oregon State Police.

   d. After paragraphs a, b and c have been complied with, implement the procedures and written system as amended.

D. GROSS REVENUE CALCULATIONS

1. For each table game, gross revenue equals the closing bankroll plus credit slips for cash, chips, or tokens returned to the cage, plus drop, less opening bankroll and fills to the table.

2. For each video lottery terminal, gross revenue equals drop less jackpot/cash slip payout.

3. For each counter game, gross revenue equals:

   a. The money accepted by the gaming facility on events or games that occur during the month or will occur in subsequent months, less money paid out during the month to patrons on winning wagers; or

b. The money accepted by the gaming facility on events or games that occur during the month plus money, not previously included in gross revenue, that was accepted by the gaming location in previous months on events or games occurring in the month, less money paid out during the month to patrons on winning wagers.

E. HANDLING OF CASH

1. Each gaming employee, gaming facility, or Tribe who receives currency (other than tips or gratuities) from a patron in the gaming area of the gaming facility will promptly place the currency in the locked box in the table, or on those games which do not have a locked box, in an appropriate place on the table, in the cash register, in a change wallet, or other approved repository.

F. ACCEPTANCE OF GRATUITIES FROM PATRONS

1. No tribal gaming operation employee with work duties directly related to gaming management, accounting and surveillance will solicit or accept any tip or gratuity from any player or patron.

2. The tribal gaming operation agrees to establish a procedure consistent with state or federal laws for accounting for all tips received by other gaming employees.

3. Upon receipt from a patron of a tip, a croupier or dealer assigned to a gaming station will tap the table or wheel indicating to surveillance that he has received a tip and immediately deposit such tip in the tip box.

G. UNCLAIMED JACKPOTS

1. The tribal gaming operation will have procedures and controls that describe how the gaming operation will handle unclaimed jackpots.

H. MINIMUM BANKROLL REQUIREMENTS

1. Each gaming facility agrees to maintain, in such manner and amount as the Tribe may approve or require, cash or cash equivalents in an amount sufficient to reasonably protect the gaming facility's patrons against defaults in gaming debts owed by the gaming facility. The Tribe agrees to distribute to the gaming facility a formula approved by the Tribe by which a gaming facility determines the minimum bankroll requirements of this section. If at any time the gaming facility's available cash or cash equivalents should be less than the amount required by this section, the gaming

facility will immediately notify the Tribe of this deficiency. Failure to maintain the minimum bankroll required by this section, or a higher bankroll as required by the Tribe pursuant to this section, or failure to notify the Tribe of any deficiencies, is not a generally accepted method of operation.

I. FORMS, RECORDS, DOCUMENTS AND RETENTION

1. All information required by these standards are to be placed on a form, record or document in ink or stored data or other permanent form.

2. Whenever duplicate or triplicate copies are required of a form, record or document:

   a. The original, duplicate and triplicate copies will be color-coded.

   b. If under these standards, forms, records, and documents are required to be inserted in a locked dispenser, the last copy will remain in a continuous unbroken form in the dispenser; and

   c. If under these standards, forms or serial numbers of forms are required to be accounted for or copies of forms are required to be compared for agreement and exceptions noted, such exceptions will be reported immediately in writing to the Tribal Gaming Commission for investigation.

3. Unless otherwise specified in these standards or exempted by the Tribal Gaming Commission, all forms, records, documents and stored data required to be prepared, maintained and controlled by these standards will:

   a. Have the title of the form, record, document or stored data imprinted or pre-printed thereon or therein;

   b. Be located on Tribal Lands or such other location as is approved by the Tribal Gaming Commission; and

   c. Be retained for a period of at least two (2) years in a manner that assures accessibility to members of the Tribal Gaming Commission and personnel of the Oregon State Police within 24 hours of a written request.

J. PERIODIC PAYMENTS

1. Periodic payment of winnings awarded to a patron will be made if the method of funding for the periodic payment assures such payments to the winning patron. Payment terms shall be conspicuously posted within the gaming facility.

SECTION III
SURVEILLANCE DEPARTMENT STANDARDS

A. CLOSED CIRCUIT TELEVISION SYSTEM

1. The tribal gaming operation will install a closed circuit television system according to the following specifications.

2. The closed circuit television system will include, but need not be limited to the following:

   a. A matrix-type switching system with the capabilities of pan-tilt-zoom and fixed camera position with the capacity to bring up any camera throughout the gaming facility to a designated monitor to effectively and clandestinely monitor in detail and from various vantage points, the following:

      I. The gaming conducted at each table gaming station in the gaming facility and the activities in the gaming facility pits. The surveillance system equipment will be able to identify each player, the dealers or croupier, and be of sufficient resolution and clarity to read individual cards, game table layout symbols or numbers and money and chip denominations.
      ii. The operations conducted at and in the cashier's cage;
      iii. All count processes conducted in the count rooms in conformity with these standards.
      iv. The movement of cash, gaming chips, drop boxes, and bill validator boxes in the establishment;
      v. The entrances and exits to the gaming facility, unless continuously alarmed, and the count rooms;
      vi. Secured storage areas for playing cards, chips, tokens, EPROMS and sensitive paper stock or other controlled item;
      vii. Progressive video lottery terminals.
      viii. As further designated in these standards to assure game integrity; and
      ix. Such other areas as the Tribal Gaming Commission designates.

   b. Video units with time and date insertion capabilities for taping what is being viewed by any camera of the system;

   c. Audio capability in the count rooms; and

   d. One or more monitoring rooms in the establishment which will be in use at all times by the employees of the surveillance department assigned to monitor the activities in the gaming facility and which may be used as necessary by the members of the Tribal Gaming Commission and accessed by members of the Oregon State Police.

3. Adequate lighting will be present in all areas, including table gaming stations and pits, where closed circuit camera coverage is required.

4. The tribal gaming operation will be required to maintain a surveillance log of all surveillance activities in the monitor room. The log will be maintained by monitor room personnel and include, at a minimum, the following:

   a. Date and time of surveillance;

   b. Person initiating surveillance;

   c. Reason for surveillance;

   d. Time of termination of surveillance;

   e. Summary of the results of the surveillance; and

   f. A record of any equipment or camera malfunctions.

5. The surveillance log will be available for inspection at any time by members of the Tribal Gaming Commission and members of the Oregon State Police.

6. Video or audio tapes of sensitive areas and areas accessible to the public will be retained for at least seven (7) days and at least thirty (30) days in the case of tapes of evidentiary value, or for such longer period as the Tribal Gaming Commission may require. In the case of video or audio tapes associated with a criminal investigation or prosecution, the tapes will be retained until the criminal case or prosecution has been concluded.

7. Entrances to the closed circuit television monitoring rooms will not be visible from the gaming facility area.

8. The surveillance room is to be staffed for all shifts and activities in the gaming facility.

9. Changing of surveillance tapes will be performed by personnel not involved in the handling of cash or cash equivalents.

10. The surveillance room will remain locked and access will be limited to authorized personnel as defined by the Tribal Gaming Commission.

11. The primary surveillance room and monitors will have override capabilities.

12. A minimum of one PTZ camera in the count rooms, and all house chip fill cage stations.

13. All fixed cameras for Class III gaming related areas as specifically identified in the MICS will be continuously taped. All PTZ cameras will have the capability for taping of what is being monitored.

14. The Tribal gaming operation will establish communications systems on the gaming floor that are capable of immediately alerting surveillance personnel.

15. Telephones on the gaming floor will have the capability of a direct line or extension to the surveillance department.

16. Surveillance personnel in the surveillance room will have radio communication with security personnel if security officers have radio communication with each other.

17. Gaming operations procedures will include a means of alerting surveillance personnel of money transfers prior to the transfer taking place and a means to advise surveillance of the locations, gaming device/table number, time, date, and amount of transfers, and to whom the transfers will be made.

B. GAMING FACILITY PERIMETERS

1. Internal - All entrances and exits to the gaming facility, unless continuously alarmed, will be monitored by fixed cameras. These fixed cameras do not have the requirement to be continuously tapes.

2. External - Cameras and/or security in the parking lot will be positioned to enable coverage of the entire gaming facility.

C. ELEVATORS

1. The interior of elevators used in the transport of cash or cash equivalents and personnel at the same time will be monitored by a fixed camera.

D. VAULT

1. Each vault will have a fixed overhead camera on each work station.

2. Two fixed cross views will be used covering the vault, preventing blind spots.

3. Each vault will have a minimum of at least one pan-tilt-zoom camera.

SECTION IV
CAGE STANDARDS

A. CASHIER'S CAGE

1. As part of the gaming operation there will be on, or immediately adjacent to, the gaming floor a physical structure known as the cashier's cage to house the cashiers and to serve as the central location for the following:

   a. The custody of the cage inventory comprising currency, coin, patron checks, gaming chips, forms, documents and records normally associated with the operation of a cage;

   b. The receipt, distribution, and redemption of gaming chips in conformity with these standards; and

   c. Such other functions normally associated with the operation of a cage.

2. The cage will be designed and constructed to provide maximum security including, at a minimum, the following:

   a. A fully enclosed structure except for openings through which items such as gaming chips, cash, records, and documents can be passed to service the public and gaming stations;

   b. Manually triggered silent alarm systems that are immediately available to each cashiers cage work station and that are connected directly to the surveillance or security department office;

   c. Access will be through a locked door.

   d. Closed circuit television coverage, which will be monitored by the gaming facility surveillance department.

3. The tribal gaming operation will place on file with the Tribal Gaming Commission the names of all persons authorized to enter the cage, those who possess the combination or the keys or who control the mechanism to open the locks securing the entrance to the cage, and those who possess the ability to operate the alarm systems.

B. ACCOUNTING CONTROLS WITHIN THE CASHIER'S CAGE

1. The assets for which the cashiers are responsible will be maintained on an imprest basis. At the end of each shift, the cashiers assigned to the outgoing shift, will record on a cashier's count sheet the face value of each cage inventory item counted and the total of the opening and closing cage inventories and will reconcile the total closing inventory with the total opening inventory.

   a. Cashier or Vault functions will be, but are not limited to the following:

      I. Receive cash and gaming chips from patrons;
      ii. Receive Slot cash slips from patrons in exchange for cash;
      iii. Effectively cancel the Slot cash slips to prevent the possibility of future improper payment;
      iv. Receive gaming chips from patrons in exchange for cash;
      v. Receive documentation with signatures thereon, required to be prepared for the effective segregation of functions in the cashier's cage; and
      vi. Receive from security department members, chips removed from gaming stations in exchange for the issuance of a credit;
      vii. Receive from security department members, requests for fills in exchange for the issuance of a fill and the disbursal of gaming chips;
      viii. Receive cash from the coin and currency count rooms;
      ix. Prepare the overall cage reconciliation and accounting records; and
      x. Perform such other functions as necessary to ensure proper accountability consistent with these standards.

2. The Cage and Vault inventories will be counted by at least two persons evidenced by their signatures on the cage accountability/ checkout form.

3. At the conclusion of gaming activity each day, at a minimum, copies of the cashier's count sheet, recapitulation, fill, main, and related documentation, will be forwarded to the accounting department for agreement of opening and closing inventories, and agreement of amounts thereon to other forms, records and documentation required by these standards or for the recording of transactions.

C. TITLE 31 ANTI-MONEY LAUNDERING/CASH TRANSACTION REPORTING

1. The tribal gaming operation will comply with all applicable laws regarding anti-money laundering and cash transaction reporting.

D. SURVEILLANCE STANDARDS - CAGE

1. The following surveillance standards apply to the cashier cage:

   a. Each cashier station will be equipped with one fixed camera covering the transaction area. Coverage will allow identification of cash transactions at each cash drawer;

   b. Each cage area will have at a minimum one pan-tilt-zoom camera, which will be used as an overview for cash transactions. This overview should include the customer, the employee and the surrounding area;

   c. Non-customer areas of the cage will have two fixed stationary cross views preventing any blind spots and at least one pan-tilt-zoom;

   d. All stationary banks used by change runners on the gaming floor will be covered by a fixed overview camera, covering the bank and general area; and

   e. One fixed color camera over fill window.

SECTION V
COUNT ROOM STANDARDS

A. COUNT ROOM: CHARACTERISTICS

1. As part of the gaming operation, there will be a room(s) specifically designated for counting the contents of drop boxes/buckets, which will be known as the count room(s). The following standards apply to both hard and soft count rooms.

2. The count room will be designed and constructed to provide maximum security for the materials housed therein and for the activities conducted therein, to include at a minimum, the following:

   a. A door equipped with locking device(s) securing the interior of the count room.

   b. Surveillance will be notified prior to any person entering the count room during non-count times.

   c. The count room will be hardwired and supported by an UPS system. An emergency lighting system that is battery powered should be in place as a back up to the UPS system.

   d. The count room will be painted in a light single color that contrasts with the color of currency.

   e. The floor of the count room will be constructed of a material adhered to the base floor of a color contrasting currency.

   f. If a bathroom is part of the count room, it will be limited to a toilet, sink, bar soap, toilet paper and an electric hand dryer. If wastebaskets are needed, they will be clear. A member of the security department and the count room supervisor will search bathrooms for contraband or currency at the end of each count.

   g. A table constructed of clear glass or similar material for the emptying, counting and recording of the contents of the drop boxes, which will be known as the "Count Table";

3. Music, which would interfere with audio recording, is not allowed in the count rooms.

B. SURVEILLANCE STANDARDS - COUNT ROOM

1. Closed circuit television cameras and microphones wired to monitoring rooms capable of, but not limited to the following:

   a. Effective and detailed audio-video monitoring of the entire count process;

   b. Effective detailed video monitoring of the count room, including storage cabinets or cart/trolleys used to store drop boxes;

   c. Audio-video taping of the entire count process and any other activities in the count room.

   d. Each count room will have two fixed cross views preventing blind spots.

   e. Each count room will have an overhead fixed camera for all workstations.

   f. Each count room will have one color pan-tilt-zoom camera.

SECTION VI
TABLE GAME STANDARDS

A. DROP BOXES

1. Each gaming station in a gaming facility will have attached to it a metal container known as a "Drop Box", in which will be deposited all cash, fills and credits, requests for fills and credits, and station inventory forms.

2. Each drop box will have:

   a. One separate lock securing the contents placed into the drop box, the key to which will be different from any other key;

   b. A separate lock securing the drop box to the gaming stations, the key to which will be different from the key to the lock securing the contents of the drop box;

   c. An opening through which currency, coins, forms, records and documents can be inserted into the drop box;

   d. Permanently imprinted or impressed thereon, and clearly visible a number corresponding to a permanent number on the gaming station to which it is attached, and a marking to indicate game and shift, except that emergency drop boxes may be maintained without such number or marking, provided the word "emergency" is permanently imprinted or impressed thereon and, when put into use, are temporarily marked with the number of the gaming station and identification of the game and shift.

3. The key utilized to unlock the drop boxes from the gaming stations will be maintained and controlled by a department independent of the table games department. Persons authorized to drop the table game drop boxes are precluded from having access to drop box contents keys. Only persons authorized to remove drop boxes from the table games are allowed access to the release keys. However, the count team members may have access to the release keys during the count in order to reset the drop boxes.

4. The key to the lock securing the contents of the drop boxes will be maintained and controlled by a department independent of the table games department. Only authorized count team members are allowed access to drop box contents keys and only during the soft count process.

5. The physical custody of the keys needed to access stored full drop box contents requires involvement of persons from two separate departments.

6. Access to the drop box content keys at other than scheduled count times shall require the involvement of at least three persons from separate departments, including management, and the reason for access shall be documented with signatures of all participants and observers.

7. A person independent of the table games department is required to accompany drop box storage rack keys and observe each time drop boxes are removed from or placed in storage racks. Persons authorized to obtain drop box storage rack keys are precluded having access to drop box contents keys (with the exception of the count room team.)

8. All duplicate keys will be maintained in a manner, which provides the same degree of control over drop boxes as is required for the original keys.

9. The involvement of at least two persons independent of the cage department is required to access stored empty drop boxes.

10. At least three count team members are required to be present at the time count room and other soft count keys are issued for the soft count.

11. Logs will be maintained to document authorization of personnel accessing keys.

B. DROP BOXES, TRANSPORTATION TO AND FROM GAMING STATIONS AND STORAGE IN THE COUNT ROOM

1. At the end of each shift, all locked drop boxes shall be removed from the gaming tables by an individual independent of the pit shift being dropped.

2. A separate lock box shall be placed on each table each shift or a gaming operation may utilize a single drop box with separate openings and compartments for each shift.

3. All drop boxes removed from the gaming stations will be transported, at a minimum, by three persons, two of which must be security department members or Gaming Commission directly to, and secured in, the count room. Only one gaming station at a time will be subject to drop. This procedure does not apply to emergency drops of two boxes or less.

4. A security department member will remain with the trolley/drop cart and receive full drop boxes and dispense empty boxes.

5. Security will advise surveillance upon the start of the drop, when the drop cart/trolley is moved, and when the cart is secured in the soft count room.

6. All drop boxes, not attached to a gaming station, will be stored in the count room in an enclosed storage cabinet or trolley and secured in such cabinet or trolley.

7. The drop cart/trolley will be secured after being emptied and upon being filled by a keyed locking system.

8. Gaming Tables, when not in use during a shift may store attached drop boxes on the gaming stations provided that there is adequate security. If adequate security is not provided during this time, the drop boxes will be stored in the count room in an enclosed storage cabinet or trolley as required in paragraph 6.

9. The entire drop process will be monitored and taped by the surveillance department. Drop tapes will be held for at least seven days. If an unusual incident occurs during the drop the tape will be placed in evidence until a full review of the incident is concluded.

10. If an emergency occurs during the drop process, the drop box will be returned to the soft count room and secured.

11. Drop and count team authorized persons shall maintain separate duties.

C. STANDARDS FOR COUNTING AND RECORDING CONTENTS OF DROP BOXES

1. The contents of drop boxes will be counted and recorded in the count room in conformity with this standard.

2. The tribal gaming operation will notify the Tribal Gaming Commission whenever the contents of drop boxes removed from gaming stations are to be counted and recorded, which, at a minimum, will be once each gaming day. The gaming operation may satisfy this standard by providing the Gaming Commission with a schedule in advance of drop/count times. Any variance of the scheduled times requires notification of the Tribal Gaming Commission.

3. The opening, counting and recording of the contents of drop boxes will be performed by three or more employees assigned by the tribal gaming operation for the conduct of the count ("Count Team") who have incompatible functions. The Count Team will be rotated so that the count team members are not the same for more than seven (7) consecutive days.

4. Immediately prior to the opening of the drop boxes, the doors to the count room will be securely locked.

5. At no time, other than in an emergency, will a soft count team member be replaced by a new member after the count has commenced.

6. Except in an emergency, those persons allowed to enter or leave the count room during the count process will not do so until unverified cash is counted and recorded.

7. Members cf the Tribal Gaming Commission will be allowed immediate access to the count room during the count process. The Tribal Gaming Section will not be denied access in an emergency situation during the count process.

8. Immediately prior to the commencement of the count, one count team member will notify surveillance that the count is about to begin. Surveillance will make an audio-video recording, with the time and date inserted thereon, of the entire counting process which will be retained by the surveillance department for at least seven days from the date of recording unless otherwise directed by the Tribal Gaming Commission.

9. Minimum procedures and requirements for conducting the count will be the following:

   a. As each drop box is placed on the count table, one count team member will announce, in a tone of voice to be heard by all persons present and to be recorded by the audio recording device, the game, station number, and shift marked thereon;

   b. The contents of each drop box will be emptied and counted separately on the count table, which procedures will be at all times conducted in full view of the closed circuit television cameras located in the count room. This sub-paragraph not applicable to an automatic count system.

   c. Immediately after the contents of a drop box are emptied onto the count table, the inside of the drop box will be held up to the full view of a closed circuit television camera for at least two seconds, and will be shown to at least one other count team member to confirm that all contents of the drop box have been removed, after which the drop box will be locked and placed in the storage area for drop boxes;

   d. The drop boxes shall be individually emptied and counted in such a manner to prevent the commingling of funds with other drop boxes until the count has been recorded.

e. As the contents of each drop box is counted, one count team member will record in ink or verify on a master game report, by game, station number, and shift, the following information:

   i. The total amount of currency counted;
   ii. The amount of the opener;
   iii. The amount of the closer;
   iv. The serial number and amount of each fill;
   v. The total amount of all fills;
   vi. The serial number and amount of each credit;
   vii. The total amount of all credits; and
   viii. The win or loss.

f. Corrections to information originally recorded by the count team on the master game report or other documentation will be made by crossing out the error, entering the correct information and then obtaining the initials of two other count team members who verify the change. Crossing out errors will be made in ink and be done with one line in a manner that leaves the crossed out portion visible. Initials will be placed in a manner not to interfere with the legibility of the document.

g. After the contents of each drop box have been counted and recorded, one member of the count team will record by game and shift, on the master game report, the total amounts of currency, station inventory slips, fills and credits counted, and win or loss, together with such additional information as may be required on the master game report by the tribal gaming operations. Any unreconciled discrepancies of $100 or more will be immediately brought to the attention of the Controller and a report generated to the Tribal Gaming Commission. The surveillance tape of the count will be secured by surveillance and stored in evidence until the discrepancy is corrected.

h. Notwithstanding the requirements of sub-paragraphs (e) and (g), if the tribal gaming operation's system of accounting and internal controls provides for the recording on the master game report of fills, credits, and station inventory slips by cage cashiers prior to the commencement of the count, a count team member will compare for agreement the serial numbers and totals of the amounts recorded thereon to the fills, credits, and station inventory slips removed from the drop boxes;

i. Notwithstanding the requirements of sub-paragraphs (e) and (g), if the tribal gaming operation's system of accounting and internal controls provides for the count team functions to be comprised only of counting and recording currency and credits' accounting department employees will perform all other counting, recording and comparing duties herein;

j. After completion and verification of the master game report, each count team member will sign the report attesting to the accuracy of the information recorded thereon;

10. Minimum procedures and requirements at the conclusion of the count for each gaming shift will be the following:

    a. All cash removed from each drop box after the initial count will be presented in the count room by a count team member to a cashier who, prior to having access to the information recorded on the master game report and in the presence of the count team, will count in detail all loose currency and bulk count all strapped bundles of currency, after which the cashier will sign the report evidencing the fact that both the cashier and count team have agreed on the total amount of cash counted. If an unreconciled variance of $100 or more is found, surveillance will be notified and a count team member and cashier independent of the first cashier and count team will recount the currency. If there is still a variance, a member of the gaming commission will be notified.

    b. The original copy of the master game report, after signing, and the requests for fills, the fills, the requests for credits, the credits, and the station inventory slips removed from drop boxes will be transported directly to the accounting department and will not be available to any cashier's cage personnel;

    c. If the tribal gaming operation's system of accounting and internal controls does not provide for the forwarding from the cashier's cage of the duplicate of the fills, credits, request for credits, request for fills, such documents recorded or to be recorded on the master game report will be transported from the count room directly to the accounting department.

11. The originals and copies of the master game report, request for fills, fills, request for credits, credits and station inventory slips will on a daily basis, in the accounting department be:

    a. Compared for agreement with each other, on a test basis, by persons with no recording responsibilities and, if applicable, to triplicates or stored data;

    b. Reviewed for the appropriate number and property of signatures on a test basis;

    c. Accounted for by series number, if applicable;

    d. Tested for proper calculation, summarization, and recording;

    e. Subsequently recorded; and

    f. Maintained and controlled by the accounting department.

12. No personal items are allowed into the count rooms.

13. While the soft count is in process, all personnel in the Soft Count room will wear pocketless coveralls. The coveralls will have loosely fitted sleeves and pant legs with no cuffs or collars and they will zip in the front. The zipper will be maintained fully closed at the top.

14. All trash in the count room will be placed in a transparent bag for disposal. The material will be removed at the end of the count and received by a member of the security department for disposal.

D. STANDARDS FOR ACCEPTING CASH AT TABLE GAMING STATIONS

1. The cash will be spread on the top of the table gaming station, with each bill separated from each other, by the croupier or dealer, accepting it in full view of the patron who presented it and the facility supervisor specifically assigned to such gaming station.

2. The amount of cash, if $100 or over, will be announced by the croupier or dealer accepting it in a tone of voice calculated to be heard by the patron who presented the cash and the facility supervisor specifically assigned to such gaming station.

3. Immediately after an equivalent amount of gaming chips has been given to the patron, the cash will be taken from the top of the gaming station and placed by the croupier or dealer into the drop box attached to the gaming station. After completion of the transaction, the dealer or croupier will clear their hands.

E. STATION INVENTORIES AND STANDARDS FOR OPENING STATIONS FOR GAMING

1. Whenever a gaming station is opened for gaming, operations will commence with an amount of gaming chips to be known as the "Station Inventory" and the tribal gaming operation will not cause or permit gaming chips to be added to or removed from such station inventory during the gaming day except:

   a. In exchange for cash;

   b. In payment of winning wagers and collections of losing wagers made at such gaming station;

   c. In exchange for gaming chips received from a patron having an equal aggregate face value; and

   d. In conformity with the fill and credit procedures described in these standards.

2. Each station inventory and the station inventory slip prepared in conformity with the procedures set forth in these standards will be stored during non-gaming hours in a separate locked, clear container which will be clearly marked on the outside with the game and the gaming station number to which it corresponds. The information on the station inventory slip will be visible from the outside of the container. All containers will be stored either in the cashier's cage during non-gaming hours or secured to the gaming station subject to arrangements for security approved by the Tribal Gaming Commission. If transferred to the cage, it will be done through a transfer accountability process.

3. The keys to the locked containers containing the station inventories will be maintained in a lock box that requires sign-in and sign-out by the pit supervisor. At no time will the station inventory container keys be accessible to any cashier's cage personnel or to any person responsible for transporting such station inventories to or from the gaming stations.

4. Whenever gaming stations are to be opened for gaming activity, the locked container securing the station inventory and the station inventory slip will be unlocked by the pit supervisor assigned to such station.

5. A croupier or dealer assigned to the gaming station will count the contents of the container in the presence of the pit supervisor assigned to such station and will agree the count to the opener removed from the container.

6. Signatures attesting to the accuracy of the information on the opener will be placed on such opener by the croupier or dealer assigned to the station and the pit supervisor that observed the croupier or dealer count the contents of the container.

7. Any discrepancy between the amount of gaming chips counted and the amount of the gaming chips recorded on the opener, will be immediately reported to the pit manager, assistant pit manager, or gaming facility shift manager in charge at such time, the security department and the Tribal Gaming Commission. Security will complete a security report in writing and immediately forward a copy to the Tribal Gaming Commission.

8. After the count of the contents of the container and the signing of the opener, such slip will be immediately deposited in the drop box attached to the gaming station by the croupier or dealer after the opening of such station.

F. STANDARDS FOR DISTRIBUTING GAMING CHIPS AND COINS TO GAMING STATIONS

1. A request for fill ("Request") will be prepared by a pit supervisor to authorize the preparation of a fill slip ("Fill") for the distribution of gaming chips to gaming stations. The request will be prepared in a duplicate form and restricted to pit supervisors.

2. On the original and duplicate of the request, the following information, at a minimum, will be recorded:

   a. The date, time and shift of preparation;

   b. The denomination of gaming chips or coins to be distributed to the gaming stations;

   c. The total amount of each denomination of gaming chips or coins to be distributed to the gaming stations;

   d. The game and station number to which the gaming chips or coins are to be distributed;

   e. The signature of the pit supervisor; and

   f. The signature of the security department member.

3. After preparations of the request, one part of such request will be transported directly to the cashier's cage.

4. One part of the request will be placed by the croupier or dealer in public view on the gaming station to which the gaming chips are to be received. Such duplicate copy will not be removed until the chips are received, at which time the request and fill are deposited in the drop box.

5. A fill will be prepared by a cashier whenever gaming chips are distributed to the gaming stations from the cashier's cage.

6. Fills will be serially pre-numbered forms, and each series of fills will be used in sequential order, and the series of numbers of all fills received by a gaming facility will be separately accounted. All the originals and duplicates of void fills will be marked "VOID" and will require the signature of the preparer.

7. The following procedures and requirements will be observed with regard to fills:

   a. Each series of fills will be in triplicate form to be kept in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still located in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser;

   b. Access to the triplicate copy of the form will be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of fills, placing fills in the dispensers and removing from the dispensers.

8. On the original, duplicate and triplicate copies of the fill, the preparer will record, at a minimum, the following information:

   a. The denomination of the gaming chips being distributed;

   b. The total amount of the gaming chips being distributed;

   c. The total amount of all denominations of gaming chips being distributed;

   d. The game and station number to which the gaming chips are being distributed;

   e. The date and shift during which the distribution of gaming chips occur; and

   f. The signature of the preparer.

9. Upon preparation, the time of preparation of the fill will be recorded, at a minimum, on the original and the duplicate.

10. All gaming chips distributed to the gaming stations from the cashier's cage will be transported directly to the gaming stations from the cashier's cage by a security department member who will agree the request to the fill and sign the original of the fill, maintained at the cashier's cage, before transporting the gaming chips and the original of the fill for signature.

11. The surveillance department will be notified when there is a fill so that they can monitor the transaction.

12. The container used to move the chips will be made of a clear material to include the rack that contains the actual chips.

13. Signatures attesting to the accuracy of the information contained on the original of the fills will be, at a minimum, of the following personnel at the following times:

   a. The cashier upon preparation;

   b. The security department member transporting the gaming chips to the gaming station upon receipt from the cashier of gaming chips to be transported;

   c. The croupier or dealer assigned to the gaming station upon receipt;

   d. The pit supervisor assigned to the gaming station, upon receipt of the gaming chips at such station.

14. Upon meeting the signature requirements as described in paragraph (14), the security department member that transported the gaming chips and the original copy of the fill to the station, will observe the immediate placement by the croupier or dealer of the fill and request in the drop box attached to the gaming station to which the gaming chips were transported.

15. The original and duplicate "VOID" fills, the original request and the duplicate fill will be maintained and controlled and forwarded to:

    a. The count team for agreement with the copy of the fill and copy of the request removed from the drop box after which the original and duplicate copy of the request and the original duplicate copy of the fill will be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or

    b. The accounting department on a daily basis for reconciliation and comparison of all copies of the fill/ credit slip and the request for fill/ credit.

G. STANDARDS FOR REMOVING GAMING CHIPS AND COINS FROM GAMING STATIONS

1. A request for credit ("Request") will be prepared by a pit supervisor to authorize the preparation of a credit ("Credit") for the removal of gaming chips to the cashier's cage. The request will be in duplicate form and access to such form will, prior to use, be restricted to gaming facility supervisors.

2. The surveillance department will be notified when there is a credit and observe the transaction.

3. On the original and the duplicate copy of the request the following information, at a minimum, will be recorded:

    a. The date, time and shift of preparation;

    b. The denomination of gaming chips to be removed from the gaming station;

    c. The total amount of each denomination of gaming chips to be removed from the gaming station;

    d. The game and station number from which the gaming chips are to be removed; and

    e. The signature of the pit supervisor and croupier or dealer assigned to the gaming station from which gaming chips are to be removed.

4. Immediately upon preparation of a request and transfer of gaming chips to a security department member, a pit supervisor will obtain on the original and duplicate copy of the request, the signature of the security department member to whom the gaming chips were transferred and the croupier or dealer will place one part of the request in public view on the gaming station from which the gaming chips are to be removed, and such request will not be removed until a credit is received from the fill bank at which time the request and credit are deposited in the drop box.

5. One part of the request will be transported directly to the cashier's cage by the security department member who will transport the gaming chips removed from the gaming station.

6. A credit will be prepared by a fill bank cashier whenever gaming chips are removed from the gaming stations to the cashier's cage.

7. Credits will be serially pre-numbered forms, each series of credits will be used in sequential order, and the series number of all credits received by a gaming facility will be separately accounted for.

8. The following procedures and requirements will be observed with regard to credits:

   a. Each series of credits will be a three-part form and will be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser; and

   b. Access to the triplicate will be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of credits, placing credits in the dispensers, and removing from the dispensers.

9. On the original, duplicate and triplicate copies of a credit, the preparer will record, at a minimum, the following information:

   a. The denomination of the gaming chips removed from the gaming station to the cashier's cage;

   b. The total amount of each denomination of gaming chips removed from the gaming station to the cashier's cage;

   c. The total amount of all denominations of gaming chips removed from the gaming station to the cashier's cage;

   d. The game and station number from which the gaming chips were removed;

   e. The date and shift during which the removal of gaming chips occurs; and

f. The signature of the preparer.

10. Upon preparation, the time of preparation of the credit will be recorded, at a minimum, on the original and duplicate copy.

11. Signatures attesting to the accuracy of the information contained on the duplicate copy of a credit will be, at a minimum, the following personnel at the following times:

    a The fill bank cashier upon preparation;

    b. The security department member transporting the gaming chips to the cashier's cage;

    c. The croupier or dealer assigned to the gaming station upon receipt at such station from the security department member; and

    d. The gaming facility supervisor assigned to the gaming station upon receipt at such station.

12. Upon meeting the signature requirements as described in paragraph (11), the security department member transporting one part of the credit to the gaming station, will observe the immediate placement by the croupier or dealer of the credit and the request in the drop box attached to the gaming station from which the gaming chips are removed. One part of the credit and request will be maintained together, and controlled by employees independent of the table game department.

13. The original and duplicate copy of "VOID" credits and the original request and duplicate request for credit, maintained and controlled in conformity with paragraph (12) will be forwarded to:

    a. The count team for agreement with the original credit and the duplicate request removed from the drop box, after which the original and duplicate request and the original and duplicate credit will be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or

    b. The accounting department for agreement, on a daily basis, with the duplicate copies of the credit and request removed from the drop box and the triplicate.

H. STANDARDS FOR SHIFT CHANGES AT GAMING STATIONS

1. Whenever gaming stations are to remain open for gaming activity at the conclusion of a shift, the gaming chips remaining at the gaming stations at the time of the shift change will be counted by the pit supervisor assigned to the outgoing shift, and the pit supervisor assigned to the incoming shift. Prior to leaving the table, dealers and croupier will clear their hands.

2. The gaming chips counted will be recorded on the station inventory slip by the pit supervisor assigned to the gaming station of the outgoing shift or the pit supervisor assigned to the gaming station at the time of the drop box shift change.

3. Station inventory slips will be three-part serially pre-numbered forms and on the original of the slip ("Closer"), the duplicate of the slip ("Opener"), and on the triplicate, which is maintained and controlled by the pit supervisor will record the following:

   a. The date and identification of the shift ended;

   b. The game and station number; and

   c. The total value of each denomination of gaming chips remaining at the station.

4. Signatures attesting to the accuracy of the information recorded on the station inventory slips will be of the pit supervisors assigned to the incoming and outgoing shifts.

5. Upon meeting the signature requirements as described in paragraph (4), the closer will be deposited in the drop box that is attached to the gaming station immediately prior to the change of shift at which time the drop boxes will then be removed and the opener will be deposited in the replacement drop box that is to be attached to the same gaming station immediately following the drop. The triplicate will be forwarded to the accounting department. If a shift compartment type box is used, that shift slot will be closed after dropping the closer and the next slot will be opened and the opener slip will be inserted.

I. STANDARDS FOR CLOSING GAMING STATIONS

1. Whenever the daily gaming activity at each gaming station is concluded, the gaming chips on the gaming station will be counted by the croupier or dealer and observed by a pit *supervisor* assigned to the gaming station. The closing table game inventory will be recorded or the station float will be brought back to the imprest value if required.

2. If the bank is to remain on the table, the inventory will be documented by denomination and totaled and signed by the dealer and the pit supervisor. This slip will be placed under the securing lid in a place that can be easily read through the glass. If the table inventory is to be stored elsewhere, the following procedures outlined under paragraphs 3-10 of this section apply:

3. The gaming chips counted will be recorded on a station inventory slip by the pit supervisor assigned to the gaming station.

4. Station inventory slips will be forms (closer, opener and triplicate) which are maintained and controlled by the pit supervisor who will record the following:

   a. The date and identification of the shift ended;

   b. The game and station number;

   c. The total value of each denomination of gaming chips remaining at the stations; and

   d. The total value of all denominations of gaming chips remaining at the gaming stations.

5. Signatures attesting to the accuracy of the information recorded on the station inventory slips at the time of closing the gaming stations will be of the croupier or dealer and the pit supervisor assigned to the gaming station that observed the croupier or count the contents of the station inventory.

6. Upon meeting the signature requirements specified in paragraph (4), the closer will be deposited in a drop box attached to the gaming station immediately prior to the closing of the station.

7. The triplicate copy of the station inventory slip will be forwarded to the accounting department.

8. Upon meeting the signature requirements specified in paragraph (4), the opener and the gaming chips remaining at the station will be placed in the clear container provided for that purpose as specified in these standards after which the container will be locked.

9. At the end of each gaming day, if the locked containers are transported to the cashier's cage, a cage cashier will determine that all locked containers have been returned or, if the locked containers are secured to the gaming station, a pit supervisor will account for all the locked containers.

10. The station inventory may also be removed from the table by a credit to the cage (see credit procedures).

J. TABLE GAMES COMPUTERIZED STANDARDS

1. The computer system shall be capable of generating adequate documentation of all information recorded on the source documents and transaction details.

2. This documentation shall be restricted to authorized personnel and shall include at a minimum;

   a. System exception information;

   b. Personnel access listing including employee name, identification number, and listing of functions employee can perform.

3. For any authorized computer application utilized, alternate documentation and/or procedures which provide at least the level of control described by the standards in this section will be acceptable.

K. STATISTICS

1. Records reflecting hold percentage by table and type of game shall be maintained by shift, by day, cumulative month-to-date, and cumulative year-to-date.

2. This information shall be presented to and reviewed by management independent of the pit department on at least a monthly basis.

3. The independent management shall investigate any unusual fluctuations in hold percentage with pit supervisory personnel. At a minimum, investigations are performed for all statistical percentage fluctuations from the base level for a month in variation of more than +-3%.

L. MISCELLANEOUS

1. Playing cards, and dice, not yet issued to the pit, will be maintained in a secure location to prevent unauthorized access and prevent tampering. This area will be under constant monitoring by surveillance department personnel. The exit and entrance to this area will be viewed by one fixed camera. A sign-in and sign-out sheet will be filled out by individuals entering, except by Gaming Commission personnel. Surveillance will be notified when persons request entry into this area. At no time will a single individual be allowed to enter this area alone.

2. Used cards and dice will be maintained in a secure area until permanently marked, scored, drilled or destroyed to prevent unauthorized access and the possibility of tampering. This area will be under constant monitoring by surveillance department personnel. Used cards and dice will be permanently marked, scored, drilled or destroyed within seven (7) days of being taken out of service. This process will be viewed by surveillance unless performed by the Gaming Commission.

3. Playing cards used will have only one playing cycle and this will not be any longer than 24 hours. Any playing card that is marked, altered, flawed, scratched, nicked, crimped, or discolored in any way will be permanently removed from play.

4. Gaming chips will be maintained in a secure location to prevent unauthorized access. This area will be under constant monitoring by surveillance department personnel.

5. The destruction or defacing of chips will be witnessed by representatives of the management, security and accounting departments and the documentation thereof maintained for a period of three years.

6. The Tribal Gaming Commission will assure the gaming operation maintains an ongoing perpetual inventory of cards and dice that allows for the immediate verification of balances.

7. All Class III used cards must be accounted for prior to destruction. Any discrepancies will be immediately investigated and a report forwarded to the Tribal Gaming Commission.

M. SURVEILLANCE STANDARDS - TABLE GAMES

1. All table games will have sufficient camera placement to determine chip/token/card value, a clear view of the playing area and the ability to identify patrons, employees and gaming device/station number.

2. All Class III card games will have a minimum of one fixed camera over the gaming table and PTZ coverage that has the capability of the requirements listed in standard 1 above.

3. All craps tables will have two fixed cross view cameras covering both ends of the table and one dedicated PTZ per table.

4. All roulette areas will have one overhead fixed camera covering the roulette wheel and will also have one fixed camera overview of the play of the table. There will be PTZ coverage that has the capability of the requirements listed in standard 1 above.

5. All big wheel games will have one fixed camera viewing the wheel and PTZ camera coverage that has the capability of the requirements listed in standard 1 above.

SECTION VII
VIDEO GAMING DEVICE STANDARDS

A. GENERAL

1. The purpose of these Video Lottery Terminal (VLT) Standards is to set forth the procedure for VLT certification, VLT transportation into the State of Oregon as well as the hardware and software requirements of VLT's and other electronic games of chance. Each of these procedures are relevant to the manufacture and transport of VLT's before they get to a tribal gaming facility. While the primary focus of these MICS govern gaming operations within the gaming facility, the VLT standards set forth below have been included in these MICS to better inform the Tribes on the requirements VLT's must meet in order for them to be licensed and put into play at their Tribal gaming facility.

2. Access to keys, locked cabinets, and counting areas will be limited to those people specified in writing. A list of authorized persons will be kept at the lock box where the keys are maintained. Keys issued will be signed in and out at the end of an employee's shift and not transferred directly to the on coming designated key person.

3. The Drop Team will, at a minimum, consist of three members. At least one member will be from the security department who will provide security over the drop cart. All members of the drop team will be independent of the VLT slot department.

4. Any money found in the gaming facility will be turned over to the security department and received into the vault area.

5. Any access to any video lottery terminal for any reason, will be logged on a Machine Entry Authorization Log and returned to the inside of the machine prior to securing the door. This log and entry will include the date, time, reason for access, and the legible first initial and last name of the person gaining access. These logs will be securely maintained by the tribal gaming operation for a period of one (1) year.

B. AUTHORIZED VIDEO LOTTERY GAMES

1. Video lottery terminals may offer any video lottery game that satisfies the elements of prize, chance and consideration as described in Op. Atty. Gen. No. 6336, September 25, 1989.

C. CERTIFICATION OF A VIDEO LOTTERY TERMINAL

1. A manufacturer or its distributor will not distribute a video lottery game or terminal for placement in a Tribal Gaming Facility unless the manufacturer and the game have been approved and the terminal has been certified by the Tribal Gaming Commission and the Oregon State Police. Only approved manufacturers may apply for certification of a video lottery terminal.

2. The Oregon State Police and the Tribal Gaming Commission will agree on an independent laboratory to conduct certification testing of all equipment submitted for approval. Upon request the manufacturer will submit any technical data and any other information required for testing by the State's designated laboratory.

3. Hardware that does not meet the criteria of the Compact or these standards will not receive approval.

D. QUALIFICATIONS OF INDEPENDENT GAMING TEST LABORATORY

1. To meet the qualifications of a State designated independent gaming test laboratory the laboratory will be approved by the State. The approval will be determined through a background investigation to meet the suitability requirements outlined in the Compacts, and determination of the State's satisfaction of the qualifications of the laboratory to perform the requirements of testing as set forth in the Compact and its appendices, and to determine the level of independence from possible outside influences in its testing procedures. The expenses related to this investigation will be reimbursed to the State by the gaming test laboratory subjected to the investigation.

E. TRANSPORTATION OF VIDEO LOTTERY TERMINALS WITHIN, INTO OR THROUGH THE STATE

1. The Tribe and no other person will ship or transport video lottery terminals within or into the state of Oregon without first obtaining a written authorization or notification and approval from the Oregon State Police. Transporting or shipping within the State means the starting point and termination point of a trip are both within the boundaries of the State. Transportation or shipping into the State means the starting point is outside the State and terminates in the State.

2. The Tribe and no other person will ship or transport video lottery terminals through the State without first obtaining a written authorization from the nearest port of entry immediately upon arrival in the State.

3. The written authorization required above will include:

   a. The serial number of each terminal being transported; and

b. The full name and address of the person, manufacturer, distributor or venue to whom the machines are being sent or transported and the dates of shipment or transport within, into or through the State.

4. The written authorization will accompany, at all times, the terminal or terminals in transport. A copy of this authorization will be forwarded to the Tribal Gaming Commission.

5. Once shipment has been received at a tribal gaming facility, in the event the terminals are sold or traded between compacted tribal gaming operations within the State, written notice is to be forwarded to the Oregon State Police not less than ten (10) days prior to the date written approval is requested for transportation. Verification that the machines are not altered and meet the Compact requirements are required either from a manufacturing representative or the Oregon State Police prior to the machines being placed into play at a different tribal gaming facility.

F. HARDWARE REQUIREMENTS FOR VIDEO LOTTERY TERMINALS

1. No Physical Hazard. Electrical and mechanical parts and design principles may not subject a player to any physical hazards.

2. Surge Protectors. A surge protector will be installed for all power that is fed to the device.

3. Battery Backup. A battery backup, or an equivalent, for the electronic meters will be capable of maintaining accurate reading for 180 days after power is discontinued from the device for all information regarding current and total tallies of amounts wagered and paid out, records of access to the logic board compartment, and records of access to the cash compartment. The backup device will be located within the locked logic board compartment and will not be accessible to the manufacturer or distributor after the initial installation of the equipment.

4. Power Switch. A power switch will be located in an accessible place within the interior of the game that controls the electrical current used in the operation of the game.

5. Resistance to Electromagnetic Interference. The operation of the video lottery terminal will not be adversely affected by static discharge, radio frequency interference or other electromagnetic interference.

6. Secure Cabinets. The internal space of the video game of chance will not be readily accessible when the door is closed.

7. Secure Electronic Components. Logic board and software erasable programmable read only memory chips (EPROMS) and other game logic control components will be located in a separate compartment within the video game of chance and that compartment will be locked with a different key than is used for the main cabinet door.

8. Secure Cash Compartment. The currency/coin/token compartment will be secured with a different key than is used for the main cabinet door or logic area.

9. No Hardware Modification of Pay Tables or Payouts. No hardware switches (DIP Switches) may be installed which alter the pay tables or payout percentages for the game.

10. Printed Record of Credits and Payouts Required. A single printing mechanism will be capable of printing an original ticket and retaining an exact, legible copy with the game, which records the following information when credits accrued on the game are redeemed for cash. The number of credits won and its redeemable cash value will be reflected in both written and numerical formats.

11. Video Lottery Terminals will have both electronic and electro-mechanical meters. VLT meters will have at least six digits. The VLT meters will accumulate the same values in electronic digital storage and provide the means for an on-demand display of the stored information. The cash-in meter will accumulate all cash transactions. The credit-out meter will accumulate all cash and credit transactions paid for winning combinations. The jackpots-paid meter will reflect the cumulative amounts of jackpots paid out by the machine.

12. No VLT machines may have a mechanism that causes the electronic accounting meters to clear automatically when an error occurs. A VLT's meters will be maintained at all times, regardless of whether the machine is being supplied with power. Meter readings will be recorded before and after the electronic accounting meter is cleared.

13. Electro-mechanical meters will have an accuracy rate of 99 percent or better. Electronic meters will have an accuracy rate of 99.99 percent or better.

14. A VLT will be designed so that replacement of parts or modules required for normal maintenance does not require replacement of the electro-mechanical meters.

15. The following information will be recorded and stored on meters:

    a. The number of credits wagered;

    b. The number of credits won;

    c. The number of credits available for wagering; and

    d. The number of credits based on currency, token/coins accepted.

16. Display of Rule of Play. The rules of play for a VLT will be displayed on the machine face or screen. Rules of play will be kept under glass or another transparent substance. At no time may stickers or other removable devices be placed on the terminal face except as authorized elsewhere by these standards.

17. Each video lottery terminal certified for placement in the Gaming Facility will display a Tribal Gaming Inventory Decal which certifies it conforms to the exact specifications of terminal prototypes tested and certified for the State. The decal will be affixed to the machine prior to the machine being placed into play.

18. No persons other than authorized Tribal personnel or their agents may affix or remove a Tribal Gaming Inventory Decal. The placement of the Tribal Gaming Inventory Decal represents that the terminal has been certified, inspected, and approved for the operation in the State. The placement of the Tribal Gaming Inventory Decal on any equipment by the Tribal personnel constitutes documentation that the certification has been and will be kept on file by the Tribe. No persons other than authorized Tribal personnel may affix or remove the Tribal Gaming Inventory Decal.

19. Within 10 days of the initial installation of a VLT at a Tribal Gaming Center, the Tribal Gaming Commission, or its representative, will report to the Oregon State Police the following information for each VLT, including, but not limited to:

    a. The type of VLT;

    b. The game's serial number;

    c. The games manufacturer; and

    d. The unique identification number assigned by the Tribe.

20. No terminal may be transported off Tribal land until the Tribal Gaming Inventory Decal has been removed. The Tribal Gaming Decal shall not be transferred to another machine.

21. A terminal will not be moved out of the State approved gaming facility without prior notification to the Oregon State Police.

22. The age restriction will clearly be shown on the face of the terminal.

23. The Tribe solely regulates the minimum and maximum wager of a VLT placed at a Tribal Gaming Center.

24. Each game will display the amount wagered and the amount awarded for the occurrence of each possible winning occurrence based on the number of credits wagered. Each game will provide a method for player to view payout tables.

G. WIDE AREA PROGRESSIVE VIDEO LOTTERY TERMINAL/SYSTEM

1. The wide area progressive system will be adequately restricted to prevent unauthorized access (e.g., changing passwords at least quarterly, access to EPROMS and physical access to computer hardware, etc.)

2. Procedures are developed, implemented and documented for:

   a. Reconciliation of meters and jackpot payouts;

   b. Collection/drop of video lottery terminal funds;

   c. Jackpot verification and payment procedures that include a requirement that a member of the Tribal Gaming Commission or their designee be present for independent prize verification and payment.

   d. System maintenance;

   e. System accuracy; and

   f. System security.

3. Reports adequately documenting the procedures above are generated and retained.

4. The hardware requirements of this section will not be construed to prevent the operation of the VLT as part of a network with an aggregate prize or prizes; provided:

   a. A VLT capable of bi-directional communication with external associated equipment will utilize communication protocol that insures the erroneous data or signals will not adversely affect the operation of the game. The operation of the local network will be approved by the State designated independent gaming test laboratory; and

   b. Where the network links the Tribe's VLT's to other machines at other State or State's approved Tribal Gaming Centers, each Tribe participating in the network will have in force a Class III Gaming Compact authorizing such gaming as part of a network and all segments of the network will utilize security standards agreed between the Tribes and the State.

5. Approved Token/Coin and Bill Acceptors. At least one bill acceptor for denomination determined by the Tribe will be installed in or on each VLT. The devices may also contain electronic token or coin acceptors, denominations to be determined by the Tribe. Prior to operation, all models of token/coin and bill acceptors installed will have been tested and approved in writing by the gaming laboratory designated by the State.

6. Restrictions on Hopper and Token/Coin Drop. No VLT's in the State, or at any Tribal Gaming Center will be equipped with a token/coin hopper which enables the device to dispense any winnings of token or coin directly to the player of such device.

7. All VLT's operated in approved tribal gaming facilities will be equipped with a door open light or candle. While the door is open a light will be visible on top of the machine visible to surveillance cameras.

H. IN-HOUSE PROGRESSIVE CONTROLLER NETWORK

1. Any progressive system that links one or more electronic gaming devices must meet the same standards set forth in this section for Software Requirements for Electronic Games of Chance. Those include the requirement for testing by an independent laboratory, randomness testing for systems with a random number generator, and the ability to verify the EPROM through assigned signatures.

2. During the normal mode of progressive electronic gaming devices, the progressive controller, or other approved device must continuously monitor each machine on the link for inserted funds by a patron and must multiply the accepted funds by the rate of progression and denomination in order to determine the correct amounts to apply to the progressive jackpot. The progressive display must be constantly updated to display the accumulated progressive jackpot amounts.

3. Each progressive controller system must be housed in a secure compartment requiring locking entry and authorization logs in a manner approved by the gaming Commissions.

4. In addition to other funding requirements for gaming facilities, each gaming facility will maintain an amount sufficient to fully fund the present value of all amounts currently reflected on the progressive displays.

I. SOFTWARE REQUIREMENTS FOR ELECTRONIC GAMES OF CHANCE

1. Randomness testing. Each electronic game of chance will have a microprocessor based random number generator that will determine the occurrence of the specific card, symbol, number or stop position to be displayed. A selection process will be considered random if it meets all the following requirements:

   a. Chi-square Analysis. Each card, symbol, number or stop position which is wholly or partially determinative of the outcome of the game satisfies the 99 percent confidence limit using the standard chi-square analysis;

b. Runs Test. Each-card, symbol, number or stop position does not as a significant statistic produce predictable patterns of game elements or occurrences. Each card, symbol, number, or stop position will be considered random if it meets the 99 percent confidence level with regard to the "runs test" or any generally accepted pattern of testing statistic;

c. Correlation Analysis. Each card, symbol, number or stop position is independently chosen without regard to any card, symbol, number, or stop position, drawn within that game play. Each card, symbol, number, or stop position is considered random if it meets the 99 percent confidence level using standard correlation analysis;

d. Serial Correlation Analysis. Each card, symbol, number, or stop position is independently chosen without reference to the same card, number, or stop position on the previous game. Each card, number, or stop position is considered random if it meets the 99 percent confidence level using standard correlation analysis; and

e. Live Game Correlation. Electronic games of chance that are representatives of live gambling games will fairly and accurately depict the play of the live game.

2. Software Requirements for Continuation after Game Malfunction. Each game will be capable of continuation of the current game with all current game features after a game malfunction is cleared. This provision does not apply if the game is rendered totally inoperable; however, the current wager and all player credits prior to the malfunction will be returned to the player.

J. TESTING OF ELECTRONIC GAMES OF CHANCE

1. Testing and approval of VLT's. No VLT may be purchased, leased or otherwise acquired by the Tribe unless:

   a. The VLT or prototype thereof, has been tested, approved or certified by the State's designated test laboratory as meeting the requirements and standards as set forth herein. For purposes of these standards, a gaming test laboratory will be designated by the State as competent and qualified to conduct scientific tests and evaluations of VLT's and related equipment.

2. If required by the gaming test laboratory, the State will require the manufacturer or distributor to transport not more than two working models of the electronic games of chance and related equipment to a location designated by the laboratory for testing, examination, and analysis. In addition, the manufacturer or distributor will supply copies of illustrations, schematics, block diagrams, circuit analysis, technical and operation manuals, program object and source codes, hexadecimal dumps (the compiled computer program represented in the base-16 format), and any other

information requested by the gaming laboratory. The State will require the manufacturer or distributor to pay for any and all costs for the transportation, testing, examination, and analysis. The testing, examination, and analysis may include the entire dismantling of the VLT's and related equipment and some tests may result in damage or destruction to one of more electronic components of the devices. If required by the laboratory, the State will require the manufacturer to provide specialized equipment or the services of an independent technical expert to assist the testing, examination, and analysis.

3. Report of Test Results. At the conclusion of each test, the laboratory will provide to the State and Tribal Gaming Commission designee a report that contains findings, conclusions, and determination that the VLT and related equipment conforms or fails to conform to the hardware and software requirements of these standards. If modifications can be made which would bring the VLT or related equipment into compliance, the report may contain recommendations for such modifications. A report from the laboratory stating that the machine is an eligible VLT gaming device under the technical standards defined herein will qualify for application to the State for shipment to an authorized gaming facility.

4. Modifications of Approved VLT's. No modification to the assembly or operational functions of any VLT or related equipment may be made after testing and installation unless a gaming test laboratory certifies to the State that the modified VLT conforms to the standards set herein. Any proposed modifications will be subject to the requirements of the paragraphs above, before the modification may be implemented.

K. CHANGING/REPLACING VLT's ERASABLE PROGRAMMABLE READ ONLY MEMORY (EPROM) CHIPS.

1. After being tested through the independent gaming test laboratory as meeting the requirements of the Compact and these standards, the approved EPROM chips may be shipped by the manufacturer or distributors directly to the Tribal Gaming Commission. Once received the possession and security of the EPROM chips will be the responsibility of the Tribal Gaming Commission.

2. Prior to being installed or replaced and placed into play in a VLT, the Tribal Gaming Commission or representative of the Oregon State Police, will verify the EPROM internal signature as assigned by the manufacturer and verified by the independent laboratory is accurate.

3. The EPROM chip will be placed on the VLT logic board under the direct supervision of the Tribal Gaming Commission or an Oregon State Police representative. The EPROM chip will be sealed with a uniquely numbered tape by the State or Tribal Gaming Commission.

4. The security tape will be secured and available to only the Tribal Gaming Commission personnel, or Oregon State Police members. The agency installing the EPROM chip will maintain accurate and complete records including the following:

   a. The serial number of the machine the EPROM is being installed in;

   b. The date;

   c. The machine type and manufacturer;

   d. The Tribal Gaming Center;

   e. The EPROM chip type;

   f. The approved signature result;

   g. The name and authority of person conducting testing; and

   h. The Tribal Gaming Inventory Decal number.

5. Documentation of initial EPROM chip installation or replacement conducted by the Tribal Gaming Commission along with the required information will be forwarded to the Oregon State Police within 10 days after completion. Nothing in this section is meant to restrict the access of either the Tribal Gaming Commission or the State from random access and verification of EPROM chip security.

L. EPROM DUPLICATION

1. If duplication of gaming device program storage media is performed and approval has been obtained, or the gaming facility is a licensed manufacturer, procedures are developed and implemented for the following:

   a. Removal of EPROMS from devices, the verification of the existence of errors as applicable, and the correction via duplication from the master game program EPROM;

   b. Copying one gaming device program to another approved program;

   c. Verification of duplicated EPROMS prior to being offered for play;

   d. Destruction, as needed, of EPROMS with electrical failures; and

   e. Securing the EPROM duplicator and master game EPROMS from unrestricted access.

2. The master game program number, par percentage and the pay table are verified when initially received from the manufacturer to the par sheet.

3. Video lottery terminals with potential jackpots in excess of $100,000 will have the circuit boards locked and physically sealed. If a seal is used to secure the board to the frame of the gaming device, it will be pre-numbered.

4. Prior to being installed or replaced and placed into play in a VLT, the Tribal Gaming Commission or representative of the Oregon State Police, will verify the EPROM internal signature as assigned by the manufacturer and verified by the independent laboratory is accurate.

5. The EPROM chip will be placed on the VLT logic board under the direct supervision of the Tribal Gaming Commission or an Oregon State Police representative. The EPROM chip will be sealed with a uniquely numbered tape by the State or Tribal Gaming Commission.

6. The security tape will be secured and available to only the Tribal Gaming Commission personnel, or Oregon State Police members. The agency installing the EPROM chip will maintain accurate and complete records including the following:

   a. The serial number of the machine the EPROM is being installed in;

   b. The date;

   c. The machine type and manufacturer;

   d. The Tribal Gaming Center;

   e. The EPROM chip type;

   f. The approved signature result;

   g. The name and authority of person conducting testing;

   h. The Tribal Gaming Inventory Decal number.

M. CONFORMITY TO TECHNICAL STANDARDS

1. The State will require the manufacturer or distributor to certify, in writing, that upon installation each VLT:

   a. Conforms precisely to the exact specifications of the electronic game of chance or prototypes tested and approved by the gaming test laboratory; and

b. Operates and plays in accordance with the technical standards set forth in these provisions.

N. VLT RECORDS

1. Records shall be maintained for each video lottery terminal, which shall include the following:

   a. Date installed

   b. Manufacture's serial number

   c. Manufacture's name

   d. Program number

   e. Disposition of permanently removed EPROM's

   f. Seal #, if applicable

   g. Current denomination of machine

   h. Any changes to the machine number or denomination

   i. Theoretical Hold percentages

O. THEORETICAL/ACTUAL HOLD

1. Accurate and current theoretical hold work sheets are maintained for each video lottery terminal.

2. For those video lottery terminals or groups of identical machines with differences in theoretical payback percentage exceeding a four percent (4%) spread between the minimum and maximum theoretical payback, and which contain meters require:

   a. On a quarterly basis, read the meters that records the number of plays by wager (i.e., one coin, two coins, etc.);

   b. On an annual basis, calculate the theoretical hold percentage based on the distribution of plays by wager type; and

   c. On an annual basis, adjust the machine(s) theoretical hold percentage in the video lottery terminal statistical report to reflect this revised percentage.

3. Records are maintained for each machine which indicate the dates and type of changes made and the recalculation of theoretical hold as a result of the changes.

4. Records are maintained for each machine which indicate the date the machine was placed into service, the date the machine was removed from operation, the date the machine was placed back into operation, and any changes in machine numbers and designations.

5. For those video lottery terminals that accept coin or tokens will contain a functioning "coin-in" meter.

6. All currency acceptors will contain functioning "bill-in" meters that record the dollar amounts or number of bills accepted by denomination.

7. Video lottery terminal in-meter readings are recorded, manually or electronically, at least weekly immediately prior to or subsequent to a video lottery terminal drop. Exception: the time between readings may extend beyond one week in order for a reading to coincide with the end of an accounting period only if such extension is for no longer than six days.

8. The employee who records the in-meter readings either is independent of the hard count team or is assigned on a rotating basis unless the in-meter readings are randomly verified quarterly for all video lottery terminal currency acceptors by someone other than the regular in-meter reader.

9. Upon receipt of the meter-reading summary, the accounting department reviews all meter readings for reasonableness using pre-established parameters.

10. Prior to final preparation of statistical reports, meter readings that do not appear reasonable are reviewed with slot department employees, and exceptions documented, so that meters can be repaired or clerical errors in the recording of meter readings can be corrected.

11. A report is produced at least monthly showing month-to-date and year-to-date actual hold percentage computations for individual machines and a comparison to each machine's theoretical hold percentage previously discussed.

    a. If practicable, the report should include the actual hold percentage for the entire time the machine has been in operation.

    b. Each change to a video lottery terminals theoretical hold percentage, including progressive percentage contributions, results in that machine being assigned a new number and treated as a new machine in the statistical reports.

    c. Actual hold = dollar amount of win divided by dollar amount of coin in.

12. The statistical reports are reviewed by both slot department management and management employees independent of the slot department on at least a monthly basis.

13. Large variances in excess of 3% between theoretical hold and actual hold are investigated and resolved with the findings documented in a timely manner.

14. Computerized video lottery terminal monitoring system data file maintenance will be performed by a department independent of the slot department or may be performed by slot supervisory employees if sufficient documentation is generated and it is randomly verified by employees independent of the slot department on a monthly basis.

15. Updates to the computerized video lottery terminal monitoring system to reflect additions, deletions or movements of video lottery terminals are made at least weekly prior to in-meter readings and the weigh process.

P. PAYMENT OF PRIZES

1. No payment for prizes awarded on a terminal may be made unless the cash slip meets the following requirements:

    a. It is fully legible and meets all the Tribe's security requirements;

    b. It will not be mutilated, altered, unreadable, or tampered with in any manner;

    c. It will not be counterfeit in whole or part; and

    d. It has been presented by a person authorized to play under the terms of the Tribal/State Compact and these standards.

2. The Tribal Gaming operation shall develop and implement procedures to control VLT ticket paper. These procedures shall include;
    a. Inventory control of the VLT ticket paper; and

    b. Destruction of all unused VLT ticket paper.

Q. METHOD OF PAYMENT

1. The gaming management will designate employees authorized to redeem cash slips during the Tribe's business hours of operation. Prizes will be immediately paid in cash, by check or by established annuity payment after verification of the jackpot occurrence and jackpot amount when a player presents a cash slip for payment meeting the requirements of these standards. No prizes may be paid in tokens or chips.

R. HAND PAY JACKPOT PAYOUT STANDARDS

1. For hand pay jackpot payouts a three-part payout form/documentation will be used that includes:

   a. Date and time;

   b. Machine number;

   c. Dollar amount of payout (both alpha and numeric);

   d. Game outcome (including reel symbols, card values and suits, etc) and type of jackpot;

   e. Signatures of at least two employees verifying and witnessing the payout;

   f. Preprinted or concurrently-printed sequential numbers;

   g. Jackpot payouts over $500 require the additional signature and verification of a member of the security department; and

   h. Jackpot payouts over $10,000 require the additional signature and verification of a security department supervisor and member of the Tribal Gaming Commission or if required by the Gaming Commission, a signature of a management member independent from security or the slot departments.

2. For short pays of $20 or more, the payout form will include:

   a. Date and time;

   b. Machine number;

   c. Dollar amount of payout (alpha and numeric); and

   d. Signatures of at least two employees verifying and witnessing the payout;

3. Computerized jackpot systems will be restricted to prevent unauthorized access and fraudulent payouts by one individual.

4. Payout forms will be controlled and routed in a manner that precludes any one individual from producing a fraudulent payout by forging signatures, or by altering the amount paid out subsequent to the payout, and misappropriating the funds.

S. VIDEO LOTTERY TERMINAL - STORAGE & RELOCATION

1. The Tribal Gaming Commission will be notified by the Tribal Gaming Operation if video lottery terminals are moved, taken out of service, placed back in service or if there is a change in the denomination. Hard and soft meter readings will be taken and forwarded to the accounting department with notification of the change. No video lottery terminal printer paper or EPROM will remain in any machine that is taken out of play. VLT terminal printer paper will be either returned to inventory or destroyed.

2. When machines are temporarily removed from the floor, slot loads are protected to preclude the misappropriation of stored funds.

3. When machines are permanently removed from the floor, the slot loads are counted and recorded by at least two employees with appropriate documentation being routed to the accounting department for proper recording.

4. The Oregon State Police will have access to any storage area for video lottery terminals or any part thereof.

5. Detailed perpetual inventory records of video lottery terminal printer paper inventory will be maintained at all times. Video lottery terminal printer paper stock cases will be hand numbered with a sequential identification number in indelible ink upon storage.

6. Payout printer paper will be stored under lock and key with access limited only to authorized personnel.

7. Effective controls will exist for the secure storage and accounting of EPROM chips, logic boards, printer paper and other sensitive device items when machines are taken out of play or stored off the gaming floor for any reason.

8. Effective controls will exist for the secure storage, accounting and destruction of EPROM chips, logic boards, printer paper and other sensitive device items.

9. Each Tribe will maintain a current listing of all gaming devices (leased or owned) including the game type, game serial number, EPROM chip identification number, tribal identification number and location.

T. CURRENCY/COIN/TOKEN ACCEPTOR DROP BOXES

1. Each video lottery terminal in the gaming facility will have a locked container known as a "Currency Acceptor Drop Box" or "Coin/Token Drop Box", in which will be deposited all cash, coin or token resulting from the play of the device.

2. Each video lottery terminal will have a lock securing the drop box cabinet. These keys, and any duplicates, will be maintained and controlled by a department independent of the VLT slot department. Two employees (separate from key custodian) are required to accompany these keys and observe each time slot machine drop cabinets are accessed, unless surveillance is notified each time keys are checked out and surveillance observes the person throughout the period.

3. Each such drop box will have:

   a. One separate lock securing the contents placed into the drop box, the key to which will be different from any other key;

   b. A separate lock securing the drop box to the gaming device, the key to which will be different from the key to the lock securing the contents of the drop box; and

   c. Permanently imprinted or impressed thereon, and clearly visible a number corresponding to the video lottery terminal to which it is attached.

4. The key utilized to unlock the drop boxes from the gaming devices will be maintained and controlled by a department independent of the VLT slot department. Persons authorized to drop VLT boxes are precluded from having access to drop box contents keys. Only persons authorized to remove drop boxes from VLT's are allowed access to the release keys.

5. The key to the lock securing the contents of the drop boxes will be maintained and controlled by a department independent of the VLT slot department. Only authorized count team members are allowed access to drop box contents keys and only during the count process.

6. The physical custody of the keys needed to access stored full drop box contents requires involvement of persons from two separate departments.

7. Access to the drop box content keys at other than scheduled count times shall require the involvement of at least three persons from separate departments, including management, and the reason for access shall be documented with signatures of all participants and observers.

8. A person independent of the VLT slot department is required to accompany drop box storage rack keys and observe each time drop boxes are removed from or placed in storage racks. Persons authorized to obtain drop box storage rack keys are precluded having access to drop box contents keys (with the exception of the count team.)

9. All duplicate keys will be maintained in a manner that provides the same degree of control as is required for the original keys.

10. At least three count team members are required to be present at the time count room and other count keys are issued for the count.

11. Logs will be maintained to document authorization of personnel accessing keys.

U. DROP BOX, TRANSPORTATION TO AND FROM GAMING DEVICES AND STORAGE IN THE COUNT ROOM

1. All drop boxes removed from the gaming devices will be transported, at a minimum, by three persons, two of which must be security department members or Tribal Gaming Commission directly to, and secured in, the count room. Only one bank of video lottery terminals will be subject to a drop team at any one time.

2. The security department member will remain with the drop cart/trolley and receive full drop boxes and dispense empty drop boxes.

3. Security will advise surveillance upon the start of the drop, when the drop cart/trolley is moved, and when the cart is secured in the soft count room.

4. All drop boxes, not attached to a gaming device, will be stored in the count room, or other secure location, in an enclosed storage cabinet or trolley and secured in such cabinet or trolley.

5. The drop cart/trolley will be secured after being emptied and upon being filled by a locking system.

6. The entire drop process will be monitored and taped by the surveillance department. Drop tapes will be held for at least seven days. If an unusual incident occurs during the drop the tape will be placed in evidence until a full review of the incident is concluded.

7. If an emergency occurs during the drop process, the drop box will be returned to the soft count room and secured.

8. At no time, other than in an emergency, will a soft count team member be replaced by a new member after the count has commenced.

9. Drop and count team authorized persons shall maintain separate duties.

V. STANDARDS FOR COUNTING AND RECORDING CONTENTS OF BILL VALIDATOR BOXES (SOFT COUNT)

1. The contents of bill validator boxes will be counted and recorded in the count room in conformity with these standards.

2. The tribal gaming operation will notify the Tribal Gaming Commission whenever the contents of bill validator boxes removed from gaming stations are to be counted and recorded, which should be once each gaming day. The gaming operation may satisfy this standard by providing the Gaming Commission with a schedule in advance of drop/count times. Any variance of the scheduled times requires notification to the Tribal Gaming Commission.

3. The opening, counting and recording of the contents of bill validator boxes will be by three or more employees assigned by the tribal gaming operation for the conduct of the count ("Count Team") who have incompatible functions. The Count Team will be rotated so that the count team members are not the same for more than seven (7) consecutive days.

4. Immediately prior to the opening of the bill validator boxes, the doors to the count room will be securely locked.

5. Except in an emergency, those persons allowed to enter or leave the count room during the count process will not do so until unverified cash is counted and recorded.

6. Members of the Tribal Gaming Commission will be allowed immediate access to the count room during the count process. Members of the Tribal Gaming Section will not be denied access in an emergency situation during the count process.

7. Immediately prior to the commencement of the count, one count team member will notify surveillance that the count is about to begin. Surveillance will make an audio-video recording, with the time and date inserted thereon, of the entire counting process which will be retained by the surveillance department for at least seven days from the date of recording unless otherwise directed by the Tribal Gaming Commission.

8. Minimum procedures and requirements for conducting the count will be the following:

   a. As each bill validator box is placed on the count table, one count team member will announce, in a tone of voice to be heard by all persons present and to be recorded by the audio recording device, the bill validator box number. This sub-paragraph is not applicable to an automated count system.

b. The contents of each bill validator box will be emptied and counted separately on the count table, which procedures will be at all times conducted in full view of the closed circuit television cameras located in the count room;

c. Immediately after the contents of a bill validator box are emptied onto the count table, the inside of the box will be held up for a minimum of two seconds to the full view of a closed circuit television camera, and will be shown to at least one other count team member to confirm that all contents of the box have been removed, after which the box will be locked and placed in the storage area for bill validator boxes;

d. The contents of each bill validator box will be segregated by a count team member into separate stacks on the count table by denominations of currency. This sub-section is not applicable to an automated count system.

e. The bill validator boxes shall be individually emptied and counted to prevent the commingling of funds with other drop boxes until the count has been recorded.

f. As the contents of each bill validator box is counted, one count team member will record in ink on a count sheet, cash tally slip or other report, by box number the total amount of currency counted. Corrections to information originally recorded by the count team on bill validator count documentation will be made by crossing out the error, entering the correct figure, and then obtaining the initials of two other count team member who verify the change. Crossing out errors will be made in ink and be done with one line in a manner that leaves the crossed out portion visible. Initials will be placed in a manner not to interfere with the legibility of the document.

g. After the contents of each bill validator box have been counted and recorded, the count sheets will be added together and all of the cash will be strapped and counted. The total cash should equal the total of the count sheets. Any unreconciled discrepancies of $100 or more will be immediately brought to the attention of the Controller and a report generated to the Tribal Gaming Commission. The surveillance tape of the count will be secured by surveillance and stored in evidence until the discrepancy is corrected.

h. After completion and verification of the count, each count team member will sign a report attesting to the accuracy of the information recorded thereon.

7. Minimum procedures and requirements at the conclusion of the count for each gaming shift will be the following:

   a. All cash removed from each bill validator box and the count sheets after the initial count will be presented in the count room by a count team member to a cashier who, prior to having access to the information recorded on the final count report and in the presence of the count team, will re-count, either manually or mechanically, the cash received, after which the cashier will sign the report evidencing the fact that both the cashier and count team have agreed on the total amount of cash counted. If an unreconciled variance of $100 or more is found, surveillance will be notified and a count team member and cashier independent of the initial cashier and count team will recount the currency. If there is still a variance, a member of the Tribal Gaming Commission will be called to investigate the variance.

   b. The original copy of the final count report, after signing, will be transported directly to the accounting department and will not be available to any cashier's cage personnel;

8. The originals and copies of the final count report, will on a daily basis, in the accounting department be:

   a. Compared for agreement with each other, on a test basis, by persons with no recording responsibilities and, if applicable, to triplicates or stored data;

   b. Reviewed for the appropriate number and property of signatures on a test basis;

   c. Accounted for by series number, if applicable;

   d. Tested for proper calculation, summarization, and recording;

   e. Subsequently recorded; and

   f. Maintained and controlled by the accounting department.

9. No personal items are allowed into the count rooms.

10. While the soft count is in process, all personnel in the Soft Count room will wear pocketless coveralls provided by the Tribal Gaming Operation. The coveralls will have loosely fitted sleeves and pant legs with no cuffs or collars and they will zip in the front. The zipper will be maintained fully closed at the top.

11. All trash in the count room will be placed in a transparent bag for disposal. The material will be removed at the end of the count and received by a member of the security department for disposal.

W. COIN/TOKEN DROP EQUIPMENT STANDARDS (HARD COUNT)

1. A weigh scale calibration module is secured to prevent unauthorized access (e.g., pre-numbered seal, lock and key etc.).

2. Someone independent of the cage, vault, slot and count team function is required to be present whenever the calibration module is accessed.

3. Such access is documented and maintained.

4. If a weigh scale interface is used, it is adequately restricted to prevent unauthorized access (passwords, keys, etc.).

5. If the weigh scale has a "zero adjustment mechanism," it is either physically limited to minor adjustment (e.g. weight of a bucket) or physically situated so that any unnecessary adjustment to it during the weigh process would be observed by other count team members.

6. The weigh scale and weigh scale interface (if applicable) are tested by someone else who is independent of the cage, vault, and slot departments and count team at least semi-annually. The above test is performed by internal audit in accordance with the internal audit standards.

7. During the slot count at least two employees verify the accuracy of the weigh scale with varying amounts of previously counted coin for each denomination to ensure the scale is properly calibrated. (Varying weights/coin from drop to drop is acceptable).

8. The preceding weigh scale and weigh scale interface test results are documented and maintained.

9. If a mechanical coin counter is used (instead of a weigh scale), procedures are equivalent to those described in the standards 5, 6, and 7.

X. VIDEO LOTTERY TERMINAL - HARD COUNT AND WRAP STANDARDS

1. The contents of coin/token drop boxes will be counted and recorded in the count room in conformity with these standards.

2. The hard drop and count will be conducted by a separate count team and as a distinctly separate activity from the soft drop and count.

3. The tribal gaming operation will notify the Tribal Gaming Commission whenever the contents of coin drop boxes removed from gaming stations are to be counted and recorded, which should be once each gaming day. The gaming operation may satisfy this standard by providing the Gaming Commission with a schedule in advance of drop/count times. Any variance of the scheduled times requires notification to the Tribal Gaming Commission.

4. The recording of the contents of the coin drop buckets will be performed by three or more employees assigned by the tribal gaming operation for the conduct of the count. One member of the count team will be from the accounting department. The Count Team will be rotated so that the count team members are not the same for more than seven (7) consecutive days.

5. Immediately prior to the weighing of the coin drop buckets, the doors to the count room will be securely locked. Persons entering and exiting the count room will be scanned or searched by a metal detection device.

6. Members of the Tribal Gaming Commission and of the Oregon State Police will be allowed immediate access to the count room during the count process.

7. The initial weigh/count is performed by a minimum of three employees.

8. The slot count team is independent of the generation of the slot revenue and the subsequent accountability of slot count process.

9. The following functions are performed in the counting of the slot drop:

   a. Recorder function that involves the recording of the initial slot count;

   b. Count team supervisor function that involves the control of the slot weigh and wrap process; and

   c. The amount of the slot drop from each machine is recorded in ink on a slot count document by the recorder or mechanically printed by the weigh scale. If a weigh scale interface is used, the slot drop figures are transferred via direct line or computer storage media.

10. The recorder and at least one other count team member sign the slot count document or weigh tape attesting to the accuracy of the initial weigh/count.

11. At least three employees who participate in the weigh/count and/or wrap process sign the slot count document or a summary report to attest to their presence. If all other count team members do not sign the slot count document or a summary report, they sign a supplemental document evidencing their participation in the weigh/count and/or wrap.

12. The coins/tokens are wrapped and reconciled in a manner that precludes the commingling of slot drop coin/token with coin/token (for each denomination) from the next slot drop.

13. At least three employees are present throughout the wrapping of the slot drop. If the slot count is conducted with a continuous mechanical count meter which is not reset during the count and is verified in writing by at least three employees at the start and end of each denomination count, then this requirement is not applicable.

14. If the coins/tokens are not wrapped immediately after being weighed/counted, they are secured and not commingled with other coin. The term "wrapped slot drop" includes wrapped, bagged (with continuous metered verification), and racked coin/tokens.

15. If the coins/tokens are transported off the property, a second (alternative) count procedure will be performed before the coins leave the property and any variances are documented.

16. Transfers out of the count room during the slot count and wrap process are either strictly prohibited, or if transfers are permitted during the count and wrap, each transfer is recorded on a separate multi-part pre-numbered form (used solely for slot count transfers) which are subsequently reconciled by the Accounting Department to ensure the accuracy of the reconciled wrapped slot drop.

17. Transfers, as noted above, are counted and signed for by two members of the count team, and by someone independent of the count team who is responsible for authorizing the transfer.

18. If the count room serves as a coin room and coin room inventory is not secured so as to preclude access by the count team, then the next two requirements (#19 & 20) are satisfied:

19. At the commencement of the slot count the following standards are met:

    a. The coin room inventory is counted by at least two employees, one who is a member of the count team and the other is independent of the weigh/count wrap procedures.

    b. The above count is recorded on an appropriate inventory form.

20. Upon completion of the wrap of the slot drop, the following standards are met:

    a. At least two members of the count team (wrap team), independently from each other, count the ending coin room inventory;

    b. The above counts are recorded on a summary report(s) which evidences the calculation of the final wrap by subtracting the beginning inventory from the sum of the ending inventory and transfers in and out of the coin room;

    c. The same count team members as discussed above compare the calculated wrap to the initial weigh/count, recording the comparison and noting any variances on the summary report;

    d. A member of the cage/vault department counts the ending coin room inventory by denomination. This count is reconciled to the beginning inventory, wrap, transfers and initial weigh/count on a timely basis by the cage/vault or other department independent of the slot department and the weigh/wrap procedures; and

    e. At the conclusion of the reconciliation, two count/wrap team members, and the verifying employee sign the summary reports(s) attesting to its accuracy.

    f. If the count room is segregated from the coin room, or if the coin room is used as a count room and the coin room inventory is secured to preclude access by the count team, the following requirement is satisfied:

21. Upon completion of the wrap of the slot drop:

    a. At least two members of the count/wrap team count the final wrapped slot drop independently from each other;

    b. The above counts are recorded on a summary report;

    c. The same count team members as discussed above (or the accounting department) compare the final wrap to the weigh/count, recording the comparison and noting any variances on the summary report;

    d. A member of the cage/vault department counts the wrapped slot drop by denomination and reconciles it to the weigh/count;

    e. At the conclusion of the reconciliation, at least two count team members and the cage/vault employee sign the summary report attesting to its accuracy; and

    f. The wrapped coins (exclusive of proper transfers) are transported to the cage, vault or coin vault after the reconciliation of the weigh/count to the wrap.

22. Large or unusual variances between the weigh/count and wrap in excess of 2% are investigated by management personnel independent of the slot department, count team and the cage/vault functions on a timely basis. Any such variances will be immediately brought to the attention of the Controller and a report generated to the Tribal Gaming Commission.

23. The results of such investigation are documented and maintained and subject to review by the Oregon State Police.

24. All slot count and wrap documentation, including any applicable computer storage media, is immediately delivered to the accounting department by other than the cashier's department. Alternatively, it is adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved or received by the accounting department.

25. Corrections on slot count documentation are made by crossing out the error, entering the correct figure, and then obtaining the initials of one other count team employee. If a weigh scale interface is used, corrections to slot count data are made using the following method:

    a. Crossing out the error in ink on the slot document, entering the correct figure, and then obtaining the initials of at least two count team employees. Crossing out the error is done with one line in a manner that leaves the crossed out portion visible. Initials will be placed in a manner not to interfere with the legibility of the document. If this procedure is used, an employee independent of the slot department and count team enters the correct figure into the computer system prior to the generation of related slot reports;

    b. During the count process, correct the error in the computer system and enter the passwords of at least two count team employees. If this procedure is used, an exception report is generated by the computer system identifying the slot machine number, the error, the correction and the count team employees testifying to the correction; and

26. The hard count will be recorded on videotape by the Surveillance Department in the same manner as the soft count process.

27. No personal items are allowed into the count rooms.

28. While the hard count is in process, all personnel in the count room will wear pocket less coveralls provided by the Tribal Gaming Operation. The coveralls will have loosely fitted sleeves and pant legs with no cuffs or collars and they will zip in the front. The zipper will be maintained fully closed at the top.

29. All trash in the count room will be placed in a transparent bag for disposal. The material will be removed at the end of the count and received by a member of the security department for disposal.

Y. SURVEILLANCE STANDARDS - VIDEO LOTTERY TERMINALS

1. Every video lottery terminal located in the gaming facility will be able to be viewed by at least one pan-tilt-zoom camera.

2. The top of every video lottery terminal will contain a number readily observable by a surveillance camera for the purpose of identifying a particular device.

3. Fixed cameras will be placed to view all banks of two or more progressive electronic gaming devices to include clarity to identify game play and jackpot results. This video footage will be taped on a 24-hour basis to a dedicated recording device.

4. The locked and secure storage area for slot printer paper stock and EPROM's will be under a fixed camera.

Z. SLOT AUDIT PROCEDURES

1. For computerized jackpot/fill systems, accounting/auditing employees will perform the following procedures at least one day per month:

   a. Foot jackpot and fill slips for all cashiers and trace totals to those produced by the system; and

   b. Review all slips written (from the restricted copy) for continuous sequencing.

2. For computerized player tracking systems, an accounting/auditing employee will perform the following procedures at least one day per month:

   a. Foot all points-redeemed documentation and trace to the system-generated totals.

   b. Review all points-redeemed documentation for propriety.

3. For computerized slot monitoring systems, procedures are performed at least monthly to verify the continuing accuracy of the meter readings as recorded in the slot statistical report.

4. For weigh scale interface systems, for at least one-drop period per month, accounting/auditing employees will compare the weigh tape to the system-generated weigh, as recorded in the slot statistical report, in total. Discrepancies should be resolved prior to generation/distribution of slot reports.

5. For currency acceptors, for each drop period, accounting/auditing personnel will compare the "bill-in" meter reading to the currency acceptor drop amount. Discrepancies should be resolved prior to generation/distribution of slot statistical reports.

6. Accounting/auditing employees review exception reports for all computerized slot systems on a daily basis for propriety of transactions and unusual occurrences.

7. All slot auditing procedures and any follow-up performed is to be documented and retained for a minimum of twelve months.

SECTION VIII
CHIPS AND TOKEN INTEGRITY

A. CHIPS AND TOKENS

1. Use of Chips and Tokens: Chips and tokens are solely representative of value which evidence a debt owed to their custodian by the Tribe that issued them and are not the property of anyone other than the Tribe.

2. A Tribe that utilizes chips or tokens at its gaming establishment will:

   a. Issue chips or tokens only to patrons of its gaming establishment;

   b. Promptly redeem its own chips and tokens from its patrons by cash or check drawn on an account of the Tribe;

   c. Post conspicuous signs at its establishment notifying patrons that the use of the Tribe's chips or tokens outside the establishment for any monetary purpose whatever is prohibited, and that the chips or tokens issued by the Tribe are the property of the Tribe only; and.

   d. Promotional chips and tokens may be used for promotions and tournaments as long as each chip and token (with a numerical figure) conspicuously bears the inscription "No Cash Value".

B. REDEMPTION AND DISPOSAL OF DISCONTINUED CHIPS AND TOKENS

1. A Tribe that permanently removes from use or replaces chips or tokens at its gaming establishment, or that ceases operating its gaming establishment, will redeem within the period designated by the Tribe discontinued chips or tokens that remain outstanding at the time of discontinuance.

2. The destruction or defacing of chips and tokens will be witnessed by representatives of the management, security and accounting departments and the documentation thereof maintained for three years.

SECTION IX
KENO (MANUAL)

A. PHYSICAL CONTROLS OVER EQUIPMENT UTILIZED

1. The keno write and desk area is restricted to specified.

2. There is effective periodic maintenance planned to service keno equipment.

3. Keno equipment maintenance is independent of the keno function.

4. Keno maintenance reports irregularities to management personnel independent of keno, either in writing or verbally.

B. GAME PLAY STANDARDS

1. The individual-controlling inside tickets either:

   a. Is precluded from writing and making payouts, including during writers break periods; or

   b. Has all winning tickets written by him with payouts exceeding $25 verified, re-graded, and compared to the inside ticket by another keno employee. Additionally, this individual writes tickets out of his own writer's station and bank (unless a community bank is used).

2. At no time shall a keno game with annual write greater than $500,000 be operated by one person.

3. Both inside (ticket presented by customer for play) and outside (receipt ticket given customer by keno writer) keno tickets are stamped with the date, ticket sequence number, and game number (as applicable to the system being used). The ticket will indicate that it is a multi-race ticket (if applicable).

4. The game openers and closers are stamped with the date, ticket sequence number, and game number. An alternative that provides the same controls is acceptable.

5. Controls exist to ensure that inside tickets have been received from outstations prior to calling of a game.

6. Controls exist to prevent the writing and voiding of tickets after a game has been closed. A ticket may be canceled or voided provided it is canceled from the system prior to the start of the game.

7. A legible restricted copy of written keno tickets is created (carbonized locked box copy, microfilm, videotape, etc.) for, at a minimum, all winning tickets exceeding $30. If there are no restricted copies of winning tickets of $30 or less, then the desk person does not write tickets.

8. Procedures are established for locking out or closing down all mechanisms for ticket writing/filming and time stamp equipment while keno balls for that race are being selected.

9. When it is necessary to void a ticket that contains the sequence number, the ticket is designated as "VOID" and initialed or signed by at least one person.

C. NUMBER SELECTION

1. A video camera is utilized to film the following both prior to, and subsequent to, the calling of a game: Empty rabbit ears, date and time, game number, and full rabbit ears.

2. The videotape picture of the rabbit ears on the camera provides a legible identification of the numbers on the balls drawn. These tapes will be maintained for a minimum of seven days.

3. Keno personnel will produce a draw ticket as numbers are drawn, and such tickets contain the race number, numbers drawn and date. The draw ticket is verified to the balls drawn by a second keno employee.

4. Procedures are in effect that prevents unauthorized access to keno balls in play.

5. Backup keno ball inventories are secured in a manner to prevent unauthorized access.

6. Effective procedures are established for inspecting new keno balls put into play as well as for those in use.

D. WINNING TICKET VERIFICATION AND PAYMENT

1. All winning tickets are compared with the draw ticket by the writer before being paid, marked with evidence that the ticket was "paid" and marked with the amount of payout.

2. Payouts over a predetermined amount (not to exceed $30) are verified by actual examination of the inside ticket.

3. Winning tickets $1,500 and over also require the following:

   a. Approval of management personnel independent of the keno department evidenced by their signature;

   b. Examination of videotape of "rabbit ears" prior to and after the game is called to determine that the same numbers called were not left up from the prior game and to verify the accuracy of the draw ticket;

   c. Regrading of the inside ticket and comparison of both the winning ticket presented for payment and the inside ticket to the restricted copy (machine copy, microfilm, videotape, etc.); and

   d. Procedures described above are documented for later verification and reconciliation by the keno audit process on a ball check form.

4. Published payoff schedules will be made available to the public at all times throughout the facility and in a conspicuous place immediately adjacent to the game.

5. A player is eligible to receive only the highest prize per game played on a ticket.

E. CHECK OUT STANDARDS

1. A cash summary report (count sheet) is prepared for the end of every shift that includes:

   a. Computation of cash proceeds for the shift by bank (i.e., community bank or individual writer banks, whichever is applicable); and

   b. Signatures in ink of two employees who have verified the cash proceeds recorded in the above computation.

F. STATISTICS

1. Records are maintained which include (for each game) win, write, and win-to-write hold percentage for:

   a. Each shift;

   b. Each day;

   c. Month-to-date; and

   d. Year-to-date.

2. Non-keno management reviews keno statistical information at least on a monthly basis and investigates any large or unusual statistical fluctuations.

3. Such investigations are documented and maintained for a minimum of twelve months.

G. KEY CONTROL

1. Keys to locked box tickets are maintained by a department independent of the keno function.

2. A member of the security department is required to accompany such keys to the keno area and observe repairs or refills each time locked boxes are accessed.

3. The master panel, which safeguards the wiring that controls the sequence of the game is locked at all times to prevent unauthorized access.

4. Master panel keys are maintained by a department independent of the keno function.

5. A member of the security department is required to accompany such keys to the keno area and observe repairs, etc., each time the master panel is accessed.

6. Microfilm machine keys are maintained by personnel who are independent of the keno writer function.

7. A member of the security department is required to observe each time the microfilm machine is accessed by keno personnel.

8. Keno equipment discussed above is always locked when not being accessed. The keys to this locked area will be maintained in a double lock box designated for key storage.

9. All electrical connections are wired in such a manner to prevent tampering.

10. Duplicate keys to the above areas are maintained independently of the keno department.

H. KENO AUDIT

1. The keno audit function is independent of the keno department.

2. Keno audit personnel foot write (either inside ticket or restricted copy) and payouts (customer copy) to arrive at an audited win/loss by shift.

3. Keno audit personnel obtain an audited win/loss for each bank (i.e., individual writer or community bank).

4. The keno receipts (net cash proceeds) are compared with the audited win/loss by keno audit personnel.

5. Major cash variances (i.e., overages or shortages in excess of $25) noted in the proceeding comparison are investigated on a timely basis.

6. On a sample basis (for at least one race per shift or ten races per week) keno audit personnel perform the following, where applicable:

   a. Re-grade winning tickets utilizing the payout schedule and draw tickets and compare winning tickets (inside and outside) to restricted copies (locked box copy; developed microfilm, videotape, etc.) for 100% of all winning tickets of $100 or greater and 25% of all winning tickets under $100 for those races selected; and

   b. Either review sequential numbering on inside tickets (microfilm and videotape systems) to ensure that tickets have not been destroyed to alter the amount of write, or computer write from developed film and compare to write computed from inside tickets.

   c. Review restricted copies for blank tickets and proper voiding of voids.

7. In addition to the above audit procedures, when a keno game is operated by one person:

   a. At least 25 percent (25%) of all other winning tickets are regraded;

   b. At least 10 percent (10%) of all tickets are traced to the restricted copy; and

   c. Film of rabbit ears is randomly compared to draw tickets for at least 25 percent (25%) of the races.

8. Draw tickets are compared to "rabbit ears" film for at least five races per week with payouts that do not require draw ticket verification independent of the keno department. (The draw information can be compared to the rabbit ears at the time the balls are drawn provided it is done without the knowledge of keno personnel and it is subsequently compared to the keno draw ticket.)

9. Documentation (e.g., logs, checklists, etc.) is maintained evidencing the performance of all keno audit procedures.

10. Non-keno management reviews keno audit exceptions, performs investigations into unresolved exceptions and documents results.

I. MISCELLANEOUS

1. Copies of all keno tickets and the videotape of the rabbit ears are maintained for at least seven (7) days.

2. All copies of winning keno tickets of $1,500 or more are maintained for a minimum of twelve months. This includes restricted copies and ball check forms.

J. MULTI-RACE

1. Procedures are established to notify keno personnel immediately of large multi-race winners to ensure compliance with Standard #D.3. - Winning Ticket Verification and Payment.

2. Controls exist to ensure that keno personnel are aware of multi-race tickets still in process at the end of a shift.

SECTION X
KENO (COMPUTERIZED)

A. MAINTENANCE

1. There is effective maintenance planned to service keno equipment, including computer program updates, hardware servicing, and keno ball selection equipment (e.g., service contract with lessor).

2. Keno equipment maintenance (excluding keno balls) is independent of the keno function.

3. Keno maintenance reports irregularities to management personnel independent of keno.

B. GAME PLAY STANDARDS

1. The computerized customer ticket includes the date, game number, conditioning, ticket sequence number and the station number (including multi-race if applicable).

2. Concurrently with the generation of the ticket the information on the ticket is recorded on a restricted transaction log or computer storage media.

3. When it is necessary to void a ticket, the void information is input in the computer and the computer documents the appropriate information pertaining to the voided wager (i.e., void slip is issued or equivalent documentation is generated).

4. Controls exist to prevent the writing and voiding of tickets after a race has been closed and after the number selection process for that race has begun. A ticket may be canceled or voided provided it is canceled from the system prior to the start of the game.

5. The controls in effect for tickets prepared in outstations (if applicable) are identical to those in effect for the primary keno game.

6. Keno tickets will be sold only during the hours of operation of the gaming facility. The selection of winning numbers will take place at established intervals.

C. NUMBER SELECTION: RABBIT EAR SYSTEM

1. A video camera is utilized to film the following both prior to, and subsequent to, the calling of a game:

   a. Empty rabbit ears;

   b. Date and time;

   c. Game number; and

   d. Full rabbit ears.

2. The videotape picture of the rabbit ears on the camera provides a legible identification of the numbers on the balls drawn.

3. Keno personnel immediately input the selected numbers in the computer and the computer documents the date, game number, the time the game was closed and the numbers drawn.

4. Procedures are in effect that prevents unauthorized access to keno balls in play.

5. Backup keno ball inventories are itemized and secured in a manner to prevent unauthorized access. When a complete set of keno balls is replaced, the used balls will be destroyed.

6. Effective procedures are established for inspecting new keno balls put into play as well as for those in use.

D. NUMBER SELECTION: RANDOM NUMBER GENERATOR

1. The random number generator is linked to the computer system and directly relays the numbers selected into the computer for preparation of a draw ticket without manual input.

2. The number generating device will meet the requirements of the Tribal-State Compact and these minimum standards pertaining to contracts with manufacturers and suppliers, security, terminal specifications, equipment testing, procurement, duties of manufacture and requirements for randomness testing.

E. WINNING TICKET VERIFICATION AND PAYMENT

1. The sequence number of tickets presented for payment is input into the computer, and the payment amount generated by the computer is given to the patron.

2. Procedures are established to preclude payment on tickets previously presented for payment, unclaimed winning tickets (sleepers) after a specified period of time, voided tickets, and tickets which have not been issued.

3. All payouts are supported by the customer (computer-generated) copy of the winning ticket (payout amount is indicated on the customer ticket or a payment slip is issued.)

4. A manual report is produced and maintained documenting any payments made on tickets that are not authorized by the computer.

5. Winning tickets $1,500 and over also require the following:

   a. Approval of a department supervisor independent of Keno evidenced by their signature.

   b. Retention by surveillance of the tape for seven days in order to verify the legitimacy of the draw and the accuracy of the draw ticket.

   c. Comparison of the winning customer copy to the computer reports.

   d. Regrading of the customer copy using the payout schedule and draw information.

   e. Documentation of the performance of all of the above on a ball check (or proof of win) form. Alternatively, if the computer adequately records the above, the resulting documentation may be substituted.

6. When one person operates the keno game, all winning tickets in excess of an amount to be determined by management (not to exceed $1,500) will be reviewed and authorized by someone independent of the keno department.

7. Published payoff schedules will be made available to the public at all times throughout the facility and in a conspicuous place immediately adjacent to the game.

8. A player is eligible to receive only the highest prize per game played on a ticket.

F. CHECK OUT STANDARDS

1. A cash summary report (count sheet) is prepared for each shift which includes:

   a. Computation of cash proceeds for the shift by bank (i.e., community bank or individual writer banks, whichever is applicable); and

   b. The signature of at least two employees who have verified the cash proceeds recorded in the above computation.

G. STATISTICS

1. Records are maintained which include win and write by either individual writer for each shift or for each race during the shift.

2. Records are maintained which include win, write, and win-to-write hold percentage for:

   a. Each shift;

   b. Each day;

   c. Month-to-date; and

   d. Year-to-date.

3. Non-keno management reviews keno statistical information at least on a monthly basis and investigates any large or unusual statistical fluctuations.

4. Such investigations are documented and maintained.

H. SYSTEM SECURITY STANDARDS

1. Access to the computer system is adequately restricted (i.e., passwords are changed at least quarterly, access to computer hardware is physically restricted, etc.).

2. Keys to sensitive computer hardware in the keno area are maintained by a department independent of Keno.

3. A member of the security department is required to accompany such keys to the keno area and observe changes or repairs each time the sensitive areas are accessed.

I. DOCUMENTATION

1. Adequate documentation of all pertinent keno information is generated by the computer system.

2. This documentation is restricted to authorized personnel.

3. The documentation is to include, at a minimum:

   a. Ticket information duplicated;

   b. Payout information;

   c. Race information (number, ball draw, time, etc.);

   d. System exception information, including:

      I. Voids;

      ii. Late pays; and

      iii. Appropriate system parameter information (i.e., changes in pay tables, ball draws, payouts over a predetermined amount, etc.).

   e. Personnel access listing that includes at a minimum:

      I. Employee name;

      ii. Employee identification number; and

      iii. Listing of functions employee can perform or equivalent means of identifying the same.

J. KENO AUDIT

1. The keno audit function is independent of the keno department.

2. For at least one shift every other month keno audit performs the following:

   a. Foot the customer copy of the payouts and trace the total to the payout report.

   b. Re-grade at least one percent (1%) of the winning tickets using the payout schedule and draw ticket. (This procedure can be reduced if an adequate alternative software analysis is performed to the satisfaction of the Audit Division).

3. Keno audit also performs the following:

   a. On a sample basis (a minimum of five races per week) compare the film of the rabbit ears to the draw ticket (or equivalent document) and computer transaction summary;

   Note: If a random number generator is used, then at least weekly the number generator report is reviewed for potential numerical patterns.

   b. Compare net cash proceeds to the audited win/loss by shift and investigate any large cash overages or shortages (i.e., in excess of $25);

   c. Review and re-grade all winning tickets greater than or equal to $3,000, including all forms that document that the proper authorizations and verifications were obtained and performed;

   d. Review the documentation for payout adjustments made outside the computer and investigate large and frequent payments; and

   e. Review all other pertinent documentation, as applicable (i.e., system exception information, etc.).

4. When one person operates the keno game:

   a. All winning tickets in excess of $100 and at least five percent (5%) of all other winning tickets (inside and customer copies) are re-graded and traced to the computer payout report;

   b. Videotape of rabbit ears is randomly compared to computer draw tickets for at least ten percent (10%) of the races during the shift (not applicable for a random number generator); and

   c. Keno audit personnel review winning tickets for proper authorization pursuant to Standard #E.5. - Winning Ticket Verification and Payment.

5. In the event any person performs the writer and deskman functions on the same shift, the procedures described in Standard 4 (a) and 4 (b) above (using the sample sized indicated) are performed on tickets written by that person.

6. Documentation (i.e., a log, checklist, etc.) is maintained evidencing the performance of all keno audit procedures.

7. Non-keno management reviews keno audit exceptions, and performs and documents investigations into unresolved exceptions.

K. MISCELLANEOUS

1. Copies of all keno tickets, computer storage media, and the videotape of rabbit ears are maintained for at least seven days.

2. All copies of winning keno tickets of $1,500 or more are maintained for inspection. This includes restricted copies.

L. MULTI-RACE

1. Procedures are established to notify keno personnel immediately of large multi-race winners to ensure compliance with Standard #E.5. - Winning Ticket Verification and Payment.

2. Controls exist to ensure that keno personnel are aware of multi-race tickets still in process at the end of a shift.

SECTION XI
PARI-MUTUEL & OFF-TRACK

A. SYSTEM SECURITY STANDARDS

1. Access to the computer system is adequately restricted (e.g., passwords are changed at least quarterly, access to computer hardware is physically restricted, etc.).

2. Procedures have been developed for use in case of hardware failure, power failure, fire, etc.

B. BETTING TICKET AND EQUIPMENT STANDARDS

1. All Pari-Mutuel and Off-Track wagers will be transacted through a computer system.

C. WAGERING STANDARDS

1. Whenever a betting station is opened for wagering or turned over to a new writer/ cashier, the betting ticket writer/ cashier signs on and the computer documents the writer's/ cashier's identity, the date and time, and the fact that the station was opened on either the unused ticket that is first in sequence or in a separate report.

2. Whenever the betting station is closed or the writer/ cashier is replaced, the writer/ cashier signs off and the computer documents the date and time, and the fact that the station was closed out on either the unused ticket that is next in sequence after the last ticket written or in a separate report.

3. Upon accepting a wager a betting ticket is created which consists of at least three parts:

   a. An original which is transacted and issued through a printer and given to the patron; and

   b. A copy which is recorded concurrently with the generation of the original ticket either on paper or other storage media (e.g., tape or diskette); and

   c. An internally recorded copy to which access by employees is adequately restricted.

4. If a writer/ cashier voids a betting ticket then:

   a. The word "void" is immediately written/stamped and the date and time at which the ticket was voided is stamped on the original; and

   b. The writer/ cashier and the supervisor sign the ticket at the time of voiding.

5. The computer system will adequately document supervisory approval for appropriate transactions, as applicable.

D. PAYOUT STANDARDS

1. Prior to making payment on a ticket the writer/ cashier shall input the ticket for verification and payment authorization.

2. Upon computer authorization of payment the patron is paid, the patron's copy is marked "paid," noted with the amount of payment, and date stamped.

E. CHECKOUT STANDARDS

1. For each writer/ cashier station:

   a. The system indicates the amount of cash that should be in a given drawer.

   b. Writers/ cashiers are not permitted access to this information without supervisory approval.

2. For each writer/ cashier station a summary report is completed at the conclusion of each shift including:

   a. Computation of net cash proceeds for the shift; and

   b. Signatures of two employees who have verified the cash turned in for the shift.

3. For each writer/ cashier station a summary report is completed at the conclusion of each shift including:

   a. Computation of cash turned in for the shift; and

   b. Signatures of two employees who have verified the cash turned in for the shift.

F. COMPUTER REPORTS

1. At least the following types of reports are maintained (if applicable):

   a. Write transaction report;

   b. Payout transaction report;

   c. Results report;

   d. Futures report;

   e. Unpaid winners report;

   f. Exception report (e.g., past-post voids, past-post writes, voids, odds changes);

   g. Daily recap report; and

   h. Personnel access listing.

G. ACCOUNTING AND AUDIT FUNCTIONS

1. The Pari-Mutuel and Off-Track accounting and audit procedures shall be performed by personnel who are independent of the transactions being audited/accounted for.

2. Documentation shall be maintained evidencing the performance of all accounting and auditing procedures performed.

SECTION XII
GLOSSARY

Accounting Department
Is that established in the tribal gaming operation's system of organization in accordance with these standards.

Actual Hold
Means coins-in and cash-in less coins-out and cash ticket payouts, less manual payouts less hopper fills.

Bank (Bankroll)
The inventory of currency, coins, chips and tokens in the cage, pit area, change booths, electronic gaming devices and on the playing tables used to make change and pay winning bets.

Base Jackpot
The fixed, minimum amount of a progressive gaming or electronic gaming device payout for a specific combination.

Base Level
The table games hold percentages that are calculated from the previous business year and are used to compare current table games hold percentages.

Bill Validator Box
Means a locked container securely attached to the electronic gaming device for the purpose of collecting bills. The machine number is clearly visible on the box.

Bill Validator Box Rack
Means a locked cabinet or rack where bill validator boxes are securely stored when not attached to an electronic gaming device.

Booth Cashier
An employee who is the custodian of a change booth fund.

Boxman
A pit supervisor assigned to an individual craps table.

Cage
A secure work area within the gaming facility for cashiers and a storage area for the gaming facility bankroll.

Cage Cashiers
Are the cashiers performing any of the functions in the Cashier's Cage as set forth in these standards.

Calibration Module
The section of a weigh scale used to set the scale to a specific amount or number of coins to be counted.

Card Game
A game in which the gaming facility is not party to wagers and from which the gaming facility receives compensations in the form of a rake-off, a time buy-in, or other fee or payment from a player for the privilege of playing, and include but is not limited to the following: poker, bridge, whist, solo and panguingui.

Cash Count Sheet
The form used to record the contents of the bankroll as they are counted.

Cash Equivalent
Means a treasury check, personal check, travelers check, wire transfer of funds, money order, certified check, cashiers check, a check drawn on the tribal gaming operation payable to the patron or to the tribal gaming operation, or a voucher recording cash drawn against a credit card or charge card.

Cash Loads
The initial currency, coins, chips, and tokens issued from a bankroll to a gaming table or an electronic gaming device.

Cashier's Count Sheet (check out sheet)
An itemized list of the components that make up the cage accountability.

Cashier's Count Sheet Reconciliation
A detailed reconciliation of the beginning to the ending cage accountability.

Change Booth
A booth or small cage in the gaming area that is used to provide change to customers, store change banks, make electronic gaming device fills, account for jackpot payouts, and make gaming receipt payouts.

Change Person
A person who has an imprest fund of coins, tokens and currency for making change for customers.

Chip
Means a non-metal or partly metal representative of value issued by a Tribe for use at table games.

Chip and Token Float
Means the dollar value of chips and tokens held by customers.

Class II
Means Class II gaming as defined in the Indian Gaming Regulatory Act.

Class III
Means Class III gaming as defined in the Indian Gaming Regulatory Act.

Closer
Means the original of the table inventory slip upon which each table inventory is recorded at the end of each shift.

Coins-In
Means the total amount wagered which includes physical coins-in and credits played. See also Handle.

Combined Pari-Mutuel Pools, or "Combined Pools"
Means the pari-mutuel wagers at one or more off-track wagering facilities being contributed into the pari-mutuel pools of a host association.

Commission
Means the Tribal Gaming Commission.

Compact
Means the Tribal-State of Oregon Gaming Compact adopted pursuant to the Indian Gaming Regulatory Act, 25U.S.C. s2706 et seq.

Count
The total funds counted for a particular game, electronic gaming device, shift, or other period.

Counter Game
Means keno, race and sports book and off-course mutuel wagering.

Credit
Means the smallest unit of value that may be used to play a game on an electronic game of chance or that may be redeemed in currency.

Credit Slip (known as a "Credit")
Is the document reflecting the removal of gaming chips from a gaming station in accordance with these standards.

Customer Deposits
The amounts placed with a cage cashier by customers for the customers' use at a future time.

Dealer
An employee who conducts a table game in a gaming facility.

Distributor
Means a person who obtains an electronic game of chance from a manufacturer and who intends to furnish it to the Tribe.

Drop
In table games, it is the total amount of cash and chips contained in the drop box. In electronic gaming devices, the "drop is the total amount of money removed from the drop bucket and bill validator box.

Drop Box
Is the metal container attached to a gaming station for deposit of cash drop/rake and certain documents received at a gaming station as provided by these standards. The game type, table number, and shift are indicated on the box.

Drop Bucket
A container located beneath an electronic gaming device for the purpose of collecting coins and tokens from the device.

Drop Count Card
A document prepared by the count team to record the amount of cash or chips by denomination, in a drop box.

Electronic Gaming Device
Means a microprocessor-controlled electronic device which allows a player to play games of chance, some of which are affected by skill, which device is activated by the insertion of a coin, token or currency, or by the use of a credit, and which awards game credits, cash, tokens, or replays, or a written statement of the player's accumulated credits, which written statements are redeemable for cash. A video lottery terminal.

Electronic Gaming Devices Supervisor
An individual with responsibility for electronic gaming device area and jackpots but does not include a person within the security department.

EPROM
Means an erasable programmable read only memory chip.

False Drop
The amount of cash or cash equivalents used to purchase chips at a gaming table at which the customer does not play.

Fill
A transaction whereby a supply of chips, coins and tokens is transferred from a bankroll to a table or an electronic gaming device.

Fill Slip (known as a "fill")
Is the document reflecting the distribution of gaming chips to a gaming station as provided in these standards.

Fiscal Year
Means the annual period used by a Tribe for internal accounting for its gaming operations.

Floor Person
For tables games, the first-level supervisor responsible for the operation and conduct of a game. In electronic gaming devices, the supervisor who approves jackpots and observes floor activity.

Foreign Chips
Chips that are redeemed for money or house chips by other than the issuing gaming facility.

Game Bankroll (table bankroll)
The inventory of gaming chips and tokens stored in the chip tray for each table game. Game bankrolls may be under the control of the bankroll or under separate general ledger controls.

Gaming Facility
Means any gaming facility as defined in the Compact in which a tribal gaming operation is conducted.

Gaming Facility Supervisor
Is a reference to a person in a supervisory capacity and required to perform certain functions under these standards, including but not limited to, Slot Managers, Slot Shift Supervisors, Lead Slot Technicians, Keno Managers, Keno Supervisor, Pit Bosses, Gaming Facility Shift Managers, the Assistant Gaming Facility Manager and the Gaming Facility Manager.

General Manager
Is the senior executive of the tribal gaming operation exercising the overall management or authority over all the operations of the tribal gaming operation and the carrying out by employees of the tribal gaming operation of their duties'.

Gross Gaming Revenue
The net win from gaming activities, which is the difference between gaming wins and losses before deducting costs and expenses.

Handle
The total amount wagered.

Hard Count
The count of the contents in a drop bucket.

Hold
See gross gaming revenue.

Hold Percentage
The relationship of hold to drop or handle.

Host, Host Association, or Host Track
Means the racetrack conducting a licensed race meet that is being simulcast.

House
A gaming facility.

House Bank Game
Each player opposes the gaming facility and the gaming facility opposes each player on behalf of the Tribe.

Imprest Basis
Means the basis on which Cashier's Cage funds are replenished from time to time by exactly the amount of the net expenditures made from the funds and amounts received and in which a review of the expenditure is made by a higher authority before replenishment.

Incompatible Function
Means a function, for accounting and internal control purposes, that places any person or department in a position to both perpetrate and conceal errors or irregularities in the normal course of his or her duties. Anyone both recording transactions and having access to the relevant assets is in a position to perpetrate errors or irregularities.

Independent Accountant
Means a professional accountant suitably qualified and sufficiently independent to act as auditor of the tribal gaming operation.

Inspector
Means an employee of the Tribal Gaming Commission duly appointed by the Commission as an inspector.

Intrastate Wagering
Means pari-mutuel wagering at an off-track wagering facility on Oregon racing events being run at an Oregon host association.

Jackpot Payout
The portion of a jackpot paid by gaming facility personnel. The amount is usually determined as the difference between the total posted jackpot amount and the machine payout. May also be the total amount of the jackpot.

Jackpot Payout Slip
A form on which the portion of a jackpot paid by gaming facility personnel is recorded.

Junket Office
A satellite office of a gaming facility that organizes trips (travel) to the gaming facilities.

Key Control Ledger
A ledger which authorized personnel sign to receive keys to sensitive areas, such as drop boxes, count room and cashier's cage.

Key Employee
As defined by the Tribal-State Compact agreement.

Leakage Current
Means an electrical current which flows when a conductive path is provided between exposed portions of an electronic gaming device and the environmental electrical ground when the electronic gaming device is isolated from the normal AC power ground.

Limit
The maximum amounts that a customer may wager at a particular table.

Logs
Document used for recording and tracking information and activity.

Machine Payout
The amount paid out to the customer by a coin/currency operated gaming device as the result of a winning combination.

Manufacturer
Means a person who manufactures, produces, or assembles an electronic game of chance, and who intends to furnish it to a distributor or the Tribe.

Master Game Report
(Game count sheet, stiff sheet, pit report) a form used to record, by shift and day, each table games' winnings and losses. This form reflects the opening and closing table inventories, the fills and credits, and the drop and win.

Matrix
Computer operated unit used to receive video signals from a camera and then routes those signals to a viewing monitor.

Meter
An electronic or a mechanical apparatus in an electronic gaming device. May record the number of coins wagered, the number of coins dropped, the number of times the handle was pulled, or the number of coins paid out to winning players.

Meter Reading Summary
A report reflecting the meter readings on electronic gaming devices. The number is recorded when the drop bucket and/or bill validator is removed from the cabinet.

Monitor
Television type viewing unit used specifically for closed circuit television.

Non-House Banking Card Game
Means a card game where the house does not participate in or have any interest in the outcome of the wager.

Off-Track Wagering
Means pari-mutuel wagering conducted on a race at a location other than the racecourse where the race is actually held.

Off-Track Facility, Intrastate Wagering Facility or Extended Wagering Facility
Means physical premises utilized for the conduct of pari-mutuel wagering on racing events being run elsewhere.

Opener
Means the duplicate copy of the table inventory slip upon which each table inventory is recorded at the end of each shift and serves as the record of each table inventory at the beginning of the next succeeding shift.

Oregon State Police
Means those members of the Oregon State Police, or their designated agents, specifically assigned by the Superintendent of State Police to tribal gaming regulatory duties.

Paid Outs
The total amount of money paid to customers as winnings on various games.

Pan-Tilt-Zoom (PTZ)
A camera that has the capabilities of panning 360 degrees right to left, up and down, and focusing closer to specific area.

Par Sheet
Means a document, provided by the electronic gaming device manufacturer, which depicts the possible outcomes from the play of an electronic gaming device, the probability of occurrence of each, and the contribution of each winning outcome to the payback percentage of the electronic gaming device.

Payout
The amount paid out on a winning wager.

Payout Schedule
(Award schedule card, award schedule) a statement printed on cards, paper, Plexiglas, and so on, of the payoffs or awards applicable to a particular game or device.

Pit
Means the area enclosed or encircled by an arrangement of table gaming stations in which gaming facility personnel administer and supervise the games played at the tables by the patrons located on the outside perimeter of the area.

Pit Clerk
Can be an employee in the pit who reports to the cage cashier and who prepares documentation such as requests for fills and credits, etc.

Pit Supervisor
The employee who supervises all games in a pit.

Player
Means one person to whom a hand has been dealt.

Policy
A plan or course of action designed to influence and determine decisions and actions.

Procedure
A way of performing, or a method used, in dealing with the affairs of a business.

Progressive Controllers
A progressive controller is any collateral or support equipment that links two or more electronic gaming devices to create a value representation on the screen of the gaming device different from the normal values. Progressive jackpot means a gaming machine payoff that increases and over time, solely as a function of funds played on a machine or group of machines.

Progressive Electronic Gaming Machine
An electronic gaming machine, with a payoff indicator, in which the payoff increases as it is played.

Race
Means the individual pari-mutuel race event.

Race Meet
Means the duration of a pari-mutuel race season at each individual racetrack.

Rake
Means the fee the gaming facility charges a customer for using a position at a gaming table.

Ram or "Random Access Memory"
Means the electronic component used for computer work space and storage of volatile information in an electronic gaming device.

Randomness
Means the unpredictability and absence of patter in the outcome of an event or sequence of events.

Random Number Generator
Means hardware, software, or combination of hardware and software devices for the generating number values that exhibit characteristics of randomness.

Recording Device
A video cassette recorder used to record video footage from a camera.

Reel Strip Settings
Setting positions on electronic gaming machine reels so that they correspond to the calibrations regulating winning combinations and payoffs.

Request For Credit
A document prepared by a pit supervisor or pit clerk to authorize the preparation of a credit slip.

Request For Fill
Is the document reflecting the request for the distribution of gaming chips to a table gaming station as provided in these standards.

ROM or "Read Only Memory"
Means the electronic component used for storage of non-volatile information in an electronic gaming device, including programmable ROM and erasable programmable ROM.

Runner
Means a gaming employee who transports chips/cash to and from a gaming table to a cashier.

Runs Test
Means a mathematical statistic that determines the existence of recurring patterns within a set of data.

Security Department
Means a department within, or utilized by, a gaming operation whose employees assist in maintaining compliance with all internal controls but do not participate in operating table games or electronic gaming devices, and do not participate in cashier cage operations.

Security Department Member
Means any person who is a member of the Security Department as provided in the organization of the tribal gaming operation in accordance with these standards.

Shift Boss
(Manager) the executive with overall responsibility for gaming facility operations during a shift.

Shill
Individuals used to encourage poker or other non-house banking card games play or maintain the minimum number of players required to sustain the game. Also, called a proportional player.

Short Pay
A payoff from an electronic gaming device that is less than the listed amount.

Simulcast or Simulcasting
Means live audiovisual electronic signals emanating from a race meeting and transmitted simultaneously with the running of the racing events at that meeting, and includes the transmission of pari-mutuel wagering odds, amounts wagered and payoff on such events, and other racing programming relating to the race animals or participants.

Slip Dispenser (Whiz machine)
A locked device used primarily in a cage to dispense fill and credit slips in numerical sequence.

Slot
A term often used to describe an electronic video lottery terminal.

Soft Count
The count of the contents in a drop box or bill validator.

Standard Chi-Squared Analysis
Means the sum of the squares of the difference between the expected result and the observed result.

Standard Operating Procedure
Refers to an established procedure to be followed in a given situation. Give step by step instructions so that anyone coming into the operation would be able to follow the instructions and actually perform the task.

Stationary Camera
A camera fixed into a set position and can only be moved manually.

Surveillance/Observation Room
Designated area to monitor surveillance equipment.

System of Internal Control
Plan of organization and all of the coordinated methods and measures adopted within a business to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

Table Chip Tray
A container used to hold coins and chips at a gaming table.

Table Game
Means any Class III game allowed under this Compact except video lottery games, keno, off-race course mutuel wagering, and race and sports book.

Table Game Drop
Means the sum of the total amounts of currency removed from a drop box.

Table Game Win or Loss
Is determined by adding the amount of cash, the amount recorded on the loser, removed from a drop box, plus credits, and subtracting the amount recorded on the opener and the total of the amounts recorded on fills removed from a drop box.

Table Inventory
Total coins and chips at a table.

Theoretical Hold
The intended hold percentage or win of an individual electronic gaming device as computed by reference to its payout schedule and reel strip settings.

Theoretical Hold Sheet (Par Sheet)
A form that lists the characteristics of an individual electronic gaming device, such as reel settings, award schedule, number of coins that may be played, number of reels, theoretical hold, and other data applicable to an electronic gaming device.

Tilt Condition
Means a programmed error state for an electric gaming device which occurs when the electronic gaming device detects an internal error, malfunction, or attempted cheating. The electronic gaming device ceases processing the further input, output, or display information other than that indicating the tilt condition itself.

Token
A metal representative of value issued by a tribe for use in electronic gaming devices or at table games at the tribal gaming facility.

Tribal Gaming Operation
Means the economic entity that is licensed by the Tribe, operates the games, receives the revenues, issues the prizes, and pays the expenses involving the Class III games authorized under the Tribal-State Compact. A gaming operation may be operated by a tribe directly; by a management contractor; or, under certain conditions, by another person or other entity.

Tribe
The respective federally recognized Tribe, Band, Nation, Pueblo, Rancheria or any of its authorized entity(s), body(s), official(s), agent(s) or representative(s).

Vault
A secure area within the gaming facility where currency, coins, chips and other sensitive items are stored.

Video Gaming Device/Video Lottery Terminal/VLT
Means gaming equipment that is electric or electronic which plays a game involving an element of prize, chance and consideration, some of which are affected by skill, which device is activated by insertion of currency, or by the use of credit, and which awards game credits, which are redeemable by a written statement or ticket redeemable for cash. The gaming equipment may be linked to a central computer for purposes of security, monitoring, and auditing. An electronic gaming device. (Video gaming device, video lottery terminal, and VLT are all interchangeable.)

Wager
A sum of money or thing of value risked on an uncertain occurrence.

Weigh Count
The value of coins and currency counted by a weigh machine.

Weigh Scale
A scale that calculates (by weight) the amount of money in a given bucket/bags from an electronic gaming device/slot.

Work Papers
Documents containing the evidence to support the auditors or Compact compliance review findings, options, conclusions, and judgements.

Wrap
The procedure of wrapping coins. May also refer to the total amount or value of the wrapped coins.