INTERACTIVE GAMING

Note 1: Pursuant to Regulation 5A.140, interactive gaming is limited to the game of poker. Furthermore, the Card Games MICS do not apply to interactive gaming.

Note 2: Unless otherwise specified, all Information Technology for Interactive Gaming MICS apply to an interactive gaming application, the underlying database, operating system, and network layer.

Note 3: An operator of interactive gaming must specify in their written system of internal control pursuant to Regulation 6.090 which functions (if any) are performed by a service provider. Operators remain responsible for the proper design and operational effectiveness of all required minimum internal control standards, regardless of who is performing the function.

Note 4: For these MICS, a system password is acceptable as the "signature" of the employee authorizing a transaction through the interactive gaming system. An "electronic signature" is allowed only when being used as part of a Board-authorized interactive gaming system. The "electronic signature" is to be linked with an electronic document which identifies the individual entering the "signature." An "electronic signature" may also be attached to some biometric measurement. For instance, fingerprints or iris patterns are common biometric measurements.

Note 5: As used in these MICS, "interactive gaming account" has the same meaning as "wagering account" as defined in Regulation 5.225, as applicable.

Note 6: An operator of interactive gaming must also comply with IT MICS #1 - #3, #37, #38, #51, #52, #54, and #66 - #68.

Information Technology for Interactive Gaming

Note 1: As used in these MICS, the following terms have the same meanings as delineated in Regulation 14 Technical Standard 6.010, as applicable: authorized player system, critical components, game session, player session, and table session.

Note 2: Definitions. The following terminology and respective definitions are used in these MICS unless the context requires otherwise:

"Backup system log" is an event log, a job log, or an activity file created by the program or batch process that performs backups of application and data files. These event logs, job logs, or activity files usually provide detail on the type of backup performed, success or failure of the operation, and a list of errors.

"Default accounts" are user accounts with predefined access levels usually created by default at installation for operating systems, databases, and applications. These accounts tend to be used for training purposes.

"Generic user accounts" are user accounts that are shared by multiple users (using the same password) to gain access to any component of an interactive gaming system: application, database, or operating system. User accounts established by/for and used by manufacturers of the system for vendor support purposes are not considered to be generic accounts.

"Group membership" (group profile) is a method of organizing user accounts into a single unit (by job position) whereby access to application functions may be modified at the unit level and the changes take effect for all user accounts assigned to the unit. A user account may be assigned to one or more groups.

"Hosting center" means a facility hosting on its premises any part(s) of Board regulated hardware or software. The hosting center must be registered with the Board pursuant to Regulation 5.230.

INTERACTIVE GAMING

"IT personnel" are employees of the operator or an IT service provider who are independent of the operation of interactive gaming; and who have been designated to perform the information technology function for the operation of critical components of the interactive gaming system.

"IT service provider" is a person engaged by the licensee/operator to provide system management, system administration, support, security, or disaster recovery services.

"Secured repository" is a secured environment that is used to store software source code once it has been approved for introduction into the production (live) environment. The repository is secured such that developers cannot modify code once it has been stored. In this way, the repository provides a history of a given software system ordered by version.

"Service accounts" are accounts on which automated system functions (services) are dependent to execute. A service account does not correspond to an actual person. These are often built-in accounts that an automated system function (service) uses to access resources they need to perform its activities. However, some automated services may require actual user accounts to perform certain functions, and may be employed using domain accounts to run services.

"System administrator" is the individual(s) responsible for maintaining the stable operation of the IT environment (including software and hardware infrastructure and application software) and/or has system authorization/access to perform the following administrative function(s):

- Add, change, or delete user accounts and associated user provisioning for database, operating system, and network layers (may also include user access administrator function for an application layer);
- Modify operating system, database, and application security and policy parameters;
- Add, change, or delete system exception logging information; or
- Add, change, or delete permissions to data files and folders.

Physical Access and Maintenance Controls

1. The interactive gaming section of the written system of internal control pursuant to Regulation 6.090 delineates the physical location of each component of the interactive gaming system, including the location of staff (e.g., operator, service provider, or datacenter operator if the datacenter is maintained by an independent party).

2. System documentation for all in-use components of the interactive gaming system (versions of application, database, network hardware, and operating system) is maintained, including descriptions of both hardware and software (including version numbers), operator manuals, etc.

3. The interactive gaming section of the written system of internal control pursuant to Regulation 6.090 delineates the responsibilities of staff (e.g., operator, service provider, or datacenter operator if the datacenter is maintained by an independent party) for operation, service, and maintenance of interactive gaming system and/or its components.

4. The critical components of the interactive gaming system are maintained in a secured area. The area must be equipped with controls to provide physical protection against damage from flood, fire, earthquake, and other forms of natural or manmade disasters and include at a minimum:

    a. Redundant power sources to reduce the risk of data loss in case of interruption of power.

    b. Adequate climate control and fire suppression equipment.

    c. Other measures to ensure physical protection of hardware and software.

    d. Adequate security mechanisms, such as traditional key locks, biometrics, combination door lock, or electronic key card system to prevent unauthorized physical access to areas housing critical components of the interactive gaming system.

INTERACTIVE GAMING

Note: The interactive gaming section of the written system of internal control pursuant to Regulation 6.090 is to delineate the methods, processes, and practices used in meeting the requirements of MICS #4 (a through d).

5. Access to areas housing critical components of the interactive gaming system is restricted to authorized IT personnel. Non-IT personnel, including the manufacturers of the interactive gaming system's computer equipment, are allowed access to the areas housing critical components of the interactive gaming system only when authorized and accompanied by IT personnel and with continuous monitoring by IT personnel during each access. A record of each access by non-IT personnel is maintained with the name of the visitor(s), time and date of arrival, time and date of departure, reason for visit, and the name of IT personnel authorizing such access.

6. The administration of the physical access security mechanism used to secure areas housing the interactive gaming critical components, is performed by authorized IT personnel.

7. The IT department maintains current documentation with respect to the network topology (e.g., flowchart/diagram), deployment of server(s) housing application and database, and inventory of software and hardware deployed (available upon request by authorized internal and external auditors and by Board personnel). The employee responsible for maintaining the current documentation on the network topology must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

Network Security

8. Production networks serving an interactive gaming system and its components are secured from outside traffic (e.g., firewall or routers) and systems are configured to detect and report security-related events. The employee responsible for the documentation indicating the procedures for detecting and reporting security-related events must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

Note: A suggested method for complying with this MICS is to configure the system to log unauthorized logins, failed login attempts, and other security-related events; and block all unused ports and any in-bound connections originating from outside the network.

9. Network shared drives containing application files and data for interactive gaming system are secured such that only authorized personnel may gain access.

10. Login accounts and passwords required to administer network and other equipment are secured such that only authorized IT personnel may gain access to these devices. The passwords for these accounts meet the security parameters of MICS #23, and accounts are immediately disabled when IT personnel are terminated.

Remote Access

Note: For the purposes of the following standards, remote access allows a user access to the operator's network from outside of this network through some form of a data link. Remote access typically involves the use of the Internet, a dial-up modem, and/or Virtual Private Network (VPN) or similar technology.

11. Remote access to the interactive gaming system components (i.e., production servers, operating system, network infrastructure, application, database, other components) should be limited to authorized IT department personnel employed by the operator of the interactive gaming system.

12. Remote access by vendor personnel to any component of the interactive gaming system is allowed for purposes of support or updates and is enabled only when approved by authorized IT personnel employed by the interactive gaming system operator. If the remote access to a database is performed by unlicensed vendor personnel, the remote access must be continuously monitored by IT personnel employed by the operator of the interactive gaming system.

INTERACTIVE GAMING

13. When the interactive gaming system or its components can be accessed remotely for purposes of vendor support, the interactive gaming section of the written system of internal control pursuant to Regulation 6.090 must specifically address remote access procedures including, at a minimum:

    a. The component(s) of an interactive gaming system requiring vendor support and vendor name(s).

    b. The method and procedures used to gain access remotely, including the use of passwords and other logical controls.

    c. The procedures to be used by IT personnel employed by the operator of the interactive gaming system to further control and monitor access, and to ensure that vendors have only the access needed to perform authorized support and update functions.

14. In the event of remote access by a vendor, a complete record of the access must be created and include at a minimum:

    a. Name or identifier of the licensee's/operator's employee authorizing access;

    b. Name of the vendor;

    c. Name or identifier of the vendor employee accessing the system;

    d. Name of user account through which the vendor employee accessed the system;

    e. System component(s) accessed by the vendor;

    f. Adequate and detailed description of work performed; and

    g. Date, time, and duration of access.

15. Vendor accounts must be restricted through logical security controls to have the ability to access only the application(s) and/or database(s) that are necessary for the purposes of support or providing updates/upgrades.

16. The interactive gaming operator must employ security methods in addition to passwords to verify the identity of vendor personnel prior to authorizing any remote access for that vendor.

17. User accounts used by vendors must remain disabled on all operating systems, databases, network devices, and applications until needed by such vendor. Subsequent to an authorized use by a vendor, the account is returned to a disabled state.

18. Remote access may be allowed for non-IT personnel (management personnel or other authorized employees of the interactive gaming operator), but must be limited to only the application functions necessary to perform their job duties. Non-IT personnel must be precluded from directly accessing any databases or operating systems of any of the interactive gaming system and other production environment servers. Additional security methods must be employed beyond passwords for user accounts to ensure that the interactive gaming system application and data integrity are maintained and secure. These additional security methods must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

19. Any instance of remote access to the interactive gaming system components (by vendor, IT personnel, management personnel, or other authorized employee) is automatically logged by a device or software where it is established. At a minimum, the log is to indicate the date and time of such access and the identification of the individual accessing the interactive gaming system.

20. For at least one day each quarter, the remote access log required by MICS #19 is to be reviewed for remote access for the selected day by accounting/audit personnel. The review is to reasonably ensure that:

    a. Each remote access session by a vendor has been appropriately documented, as required by MICS #14; and

b. Each remote access by non-vendor personnel (IT employee, management personnel, or other authorized employee) is performed by an individual who has been authorized to have such access.

Note: The interactive gaming section of the written system of internal control pursuant to Regulation 6.090 is to delineate the procedures and documentation used to perform the review.

21. Evidence of the review of remote access logs is to be maintained. The evidence is to include at a minimum:

    a. Date and time of review;

    b. Name and title of person performing the review;

    c. The remote access log reviewed; and

    d. Any exceptions, follow-up, and resolution of exceptions.

System Parameters

22. The interactive gaming system, including application software, is logically secured through the use of passwords, biometrics, or other means approved by the Board.

23. Security parameters for passwords shall meet the following minimum requirements:

    a. Passwords are changed at least once every 90 days.

    b. Passwords are at least 8 characters in length and contain a combination of at least two of the following criteria: upper case letters, lower case letters, numeric, and/or special characters.

    c. Passwords may not be re-used for a period of 18 months; or passwords may not be re-used within the last ten password changes.

    d. User accounts are automatically locked out after 3 consecutive failed login attempts.

    Note 1: The interactive gaming section of the written system of internal control pursuant to Regulation 6.090 is to delineate the methods used to comply with MICS #23(b) and (c).

    Note 2: MICS #23 does not apply to service accounts and generic user accounts.

    Note 3: For MICS #23(d), the system may automatically release a locked out account after 30 minutes has elapsed. If an employee assists with releasing a locked out account and is reasonably certain of no unauthorized user access, the elapse time of 30 minutes is not applicable. The involvement of an employee assisting in the release of a locked out account must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

24. A system event log or series of reports/logs for operating systems (including the database layer and network layer) and applications is configured to track at least the following events:

    a. Failed login attempts;

    b. Changes to live data files occurring outside of normal program and operating system execution;

    c. Changes to operating system, database, network, and application policies and parameters;

    d. Audit trail of information changed by administrator accounts;

e. Changes to date/time on master time server;

f. Significant periods of unavailability of the interactive gaming system or any critical component of the interactive gaming system; and

Note: A significant period may be any length of time when a transaction cannot be performed.

g. Other significant events (the interactive gaming section of the written system of internal control pursuant to Regulation 6.090 is to delineate what other events are to be logged).

25. All critical components of the interactive gaming system are to be operational in order for the interactive gaming system to operate and commence interactive gaming. The interactive gaming system detects and records information regarding the failure or non-operation of any component within the interactive gaming system. A log of this event is generated.

26. Daily system event logs are reviewed at least once a week (for each day of the entire previous week) by IT personnel, other than the system administrator, for events listed in MICS #24 and #25. The system event logs are maintained for a minimum of seven days following the review.

27. The review described in MICS #26 must be documented, and evidence of this review must be maintained. The evidence is to include:

a. Date and time of review;

b. Name and title of person performing the review;

c. Any exceptions noted; and

d. Follow-up and resolution of exceptions.

Note 1: Compliance with MICS #26 and #27 may involve the use of an automated tool that "flags" the events for the interactive gaming system and provides the person assigned to complete the review with notification. A record of the notification should include the date and time of the notification.

Note 2: If an IT service provider is utilized on behalf of the licensee/operator:

- The review of the logs is to be performed by IT personnel who are employees of the licensee/operator; or
- If an automated tool is used as discussed in Note 1, the notification is to be provided to IT personnel employed by the licensee/operator.

28. Exception reports for the interactive gaming system are configured to track the following events that require employee intervention including, but not limited to:

a. Adjustments to an authorized player's interactive gaming account balance;

b. Changes made to information recorded in an authorized player's interactive gaming account;

c. Changes made to an authorized player's self-exclusion limits;

d. Changes made to game parameters (e.g., game rules, payout schedules, or rake percentage);

e. Changes made to payout parameters;

f. Voids, overrides, corrections, and adjustments;

g. Mandatory deactivation of an authorized player's wagering account; and

h. Any other activity requiring employee intervention and occurring outside of the normal scope of system operation.

29. Exception reports produced for the interactive gaming system for the events listed in MICS #28 include at a minimum:

    a. Date and time of the exception event;

    b. Unique transaction identifier;

    c. Identification of user who performed and/or authorized alteration;

    d. Data or parameter altered;

    e. Data or parameter value prior to alteration; and

    f. Data or parameter value after alteration.

Information Technology Department

30. The IT department is independent of all gaming departments (e.g., cage, pit, count rooms, or interactive gaming) and operational departments subject to live entertainment tax.

31. IT personnel are precluded from having access to any physical forms/documentation associated with patron accounts and interactive gaming (e.g., deposit/withdrawal slips or checks).

Administrative Access

Note: Administrative access means access that would allow a user (i.e., system administrator) to:

- Add, change, or delete user accounts and associated user provisioning;
- Modify operating system, network, database, and application layers' security and policy parameters;
- Add, change, or delete system exception logging information; or
- Add, change, or delete permissions to data files, folders, libraries, tables, or databases.

32. Access to administer the network, operating system, applications, and database security and system parameters is limited to:

    a. Supervisory and/or management employees of the IT department; or

    b. IT employees under the supervision of supervisory and/or management employees of the IT department; or

    c. Employees of operator/service provider of interactive gaming under the supervision of supervisory and/or management employees of the IT department; or

    d. Employees of IT service provider.

    Note: The interactive gaming section of the written system of internal control pursuant to Regulation 6.090 is to delineate the assignment of administrative access and function for various components of the interactive gaming system.

33. The interactive gaming system and its components being administered are enabled to log all administrative account's activity. Such logs are to be maintained and include time, date, login account name, description of event, the value before the change, and the value after the change.

INTERACTIVE GAMING

34. Administrative access at the operating system level for all servers that support or are part of the interactive gaming system must be reviewed quarterly. Reviews are performed by personnel independent of the IT department and include a complete review of all user accounts with administrative access. The reviewer performs the following:

    a. Review all administrative groups and groups with elevated privileges to ensure membership is appropriate.

    b. Review the last login date and time for all administrative accounts to determine whether any "stale" accounts exist (e.g., users on extended leave or terminated IT employees remain active in the system).

    c. Review administrative accounts to ensure that passwords have been changed at least once every 90 days.

    d. Examine user list to determine whether IT personnel utilize normal user accounts for regular use and administrator accounts for administrative functions.

    e. Documentation of the results of the review is maintained and includes the date, time, name and title of the person performing the review, the exception(s) noted, and the follow-up performed.

User Accounts

35. A system administrator is to establish user accounts for new employees and employees who transfer to a new department. Provisioning for user accounts consists of assigning application functions matching the employee's current job responsibilities, unless otherwise authorized by management personnel, to ensure adequate segregation of duties. The transferred employees must have access appropriate for the new position only when the access for the previous position has been removed or disabled.

36. The access provisioning process must be documented; documentation must evidence authorization by the appropriate management personnel, original user access, and each subsequent change to user account; documentation must be maintained and made available upon request.

37. A "User Access Listing" report must be produced by the interactive gaming system and contain at a minimum:

    a. Employee name and title or position.

    b. User login name.

    c. Full list and description of application functions that each group/user account may execute.

        Note: This list for MICS #37(c) may be available in a separate report if the menu functions are easily referenced between the user access listing report and the menu function report.

    d. Date and time account created.

    e. Date and time of last login.

    f. Date of last password change.

    g. Date and time account disabled/deactivated.

    h. Group membership of user account, if applicable.

38. "User Access Listing" reports for the interactive gaming system are to be retained for at least one day of each month for the most recent five years. The reports may be archived electronically if the listing is written to unalterable media (secured to preclude alteration). The list of users and user access for an interactive gaming system must be available in electronic format that can be analyzed by analytical tools (e.g., spreadsheet or database) that may be employed by Board agents.

INTERACTIVE GAMING

39. When multiple user accounts are used for one employee within a single application, only one user account may be active (enabled) at a time if the concurrent use of the multiple accounts by the employee could create a segregation of duties deficiency. Additionally, the user account has a unique prefix/suffix to easily identify the users with multiple user accounts within one application.

40. The system administrator is notified when an employee/individual is known to be no longer employed or no longer requires user access (e.g., termination of employment or end of service contract). Upon notification, the system administrator changes the status of the user account from active to inactive/disabled status:

    a. Immediately for an employee/individual with remote access;

    b. As soon as possible (not to exceed 48 hours) for a system administrator, IT personnel, or an employee of a service provider; and

    c. Within a reasonable period of time as established by management (not to exceed five days) for all other individuals not described in (a) and (b).

    Note 1: The period of time for notification of the system administrator is to be set such that it is unlikely that the terminated employee would gain remote access within the notification period.

    Note 2: The interactive gaming section of the written system of internal control pursuant to Regulation 6.090 delineates the process in notifying the system administrator, updating the user account, and the procedures established in preventing the employee/individual from having unauthorized access to the system during that time period.

41. "User Access Listing" reports produced at the application layer are reviewed quarterly by personnel independent of the authorization and user provisioning processes. The review consists of examining a sample of at least 10% (with a maximum of 25) of the users included in the listing. The reviewer maintains adequate evidence to support the review process, which includes the selected user accounts reviewed, documentation of the results of the review, and e-mails or signatures and dates indicating the individual(s) performing the review and when the user access listing was reviewed. For each of the randomly selected users, determine whether:

    a. The assigned system functions are being used as authorized (i.e., system functions are appropriate for user's job position);

    b. The assigned functions provide an adequate segregation of duties;

    c. Terminated employees' user accounts have been changed to inactive (disabled) status;

    d. Passwords have been changed within the last 90 days; and

        Note: The review for password changes within 90 days applies regardless of whether the system parameter has been configured to have the password changed at least once every 90 days.

    e. There are no inappropriate assigned functions for group membership, if applicable.

    Note 1: MICS #41(e) applies to a review of the assigned functions for the selected user account with group membership.

    Note 2: The sample selected for review must be representative of the population. The objective is to include as many different user job positions or group membership profiles as possible.

INTERACTIVE GAMING

Generic User Accounts, Service, and Default Accounts

42. Generic user accounts at the operating system level, if used, are configured such that the user is automatically brought to the application logon screen immediately upon logging into the operating system. The generic user accounts must also be configured such that the user is logged out of the operating system automatically upon exiting the application.

43. Generic user accounts at the application level are prohibited unless user access is restricted to inquiry only functions.

44. Service accounts, if used, are utilized in a manner to prevent unauthorized and inappropriate usage to gain logical access to an application and the underlying databases and operating system. The employee responsible for the documentation indicating the method used to prevent unauthorized and inappropriate usage of these service accounts (available upon request by authorized internal and external auditors and by Board personnel) must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

    Note: Suggested methods include: (1) Service accounts are configured such that the account cannot be used to directly log-in to the console of a server or workstation; (2) Service account passwords are to be changed at least once every 90 days, and immediately upon termination of system administrators; (3) Service account log-in and password information is restricted to a limited number of authorized employees.

45. User accounts created by default (default accounts) upon installation of any operating system, database, or application are configured to minimize the possibility that these accounts may be utilized to gain unauthorized access to system resources and data. The employee responsible for the documentation indicating the procedures implemented to restrict access through the use of default accounts (available upon request by authorized internal and external auditors and by Board personnel) must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

46. Any other default accounts that are not administrator, service, or guest accounts should be disabled unless they are necessary for proper operation of the system. If these accounts must remain enabled, the passwords are changed at least once every 90 days.

47. System administrators maintain a current list of all enabled generic, system, and default accounts. The employee(s) responsible for maintaining the list must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090. The documentation includes, at a minimum, the following:

    a. Name of system (i.e., the application, operating system, database).

    b. The user account login name.

    c. A description of the account's purpose.

    d. A record (or reference to a record) of the authorization for the account to remain enabled.

48. The current list is reviewed by IT management in addition to the system administrator at least once every six months. The employee(s) responsible for maintaining the list must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090. The current list is used to perform procedures necessary to:

    a. Identify any unauthorized or outdated accounts;

    b. Ensure that all service, generic, and default accounts are not enabled for remote access; and

    c. Determine that the method applied is a properly designed control process and is effectively operating to secure the generic, service, and default accounts from unauthorized usage.

INTERACTIVE GAMING

Backup and Recovery Procedures

49. Daily backup and recovery procedures are in place and, if applicable, include:

    a. Application data.

    b. Application executable files (unless such files can be reinstalled).

    c. Database contents and transaction logs.

50. Upon completion of the backup process, the backup media is immediately transferred to a location separate from the location housing the servers and data being backed up (for temporary and permanent storage). The storage location is secured to prevent unauthorized access and provides adequate protection to prevent the permanent loss of any data.

    Note: Backup data files and programs can be maintained in a secured manner in another building on the premises that is physically separated from the building where the system's hardware and software are located. They may also be stored in the same building as the hardware/software, but not in the same immediate area, as long as they are secured in a fireproof safe or some other manner that will ensure the safety of the files and programs in the event of a fire or other disaster.

51. Backup system logs are reviewed daily by IT personnel or individuals authorized by IT personnel to ensure that backup jobs execute correctly and on schedule. The backup system logs are maintained for the most recent 30 days.

52. The employee responsible for the documentation indicating the procedures implemented for the backup processes and for restoring data and application files (available upon request by authorized internal and external auditors and by Board personnel) must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

53. Quarterly, IT personnel test the recovery procedures. A record is to be maintained indicating the date a test of the recovery procedures was performed and the results of the recovery test.

Electronic Storage of Documentation

Note: For MICS #54 through #59 the interactive gaming section of the written system of internal control pursuant to Regulation 6.090 must delineate the name and components of the electronic storage system, all procedures used for electronic document retention and the titles for all employees responsible for administering and maintaining the system.

54. Reports and other documents/records may be directly written to an electronic document retention system in a portable document format (PDF), stored to a Board approved document retention system, or scanned to an electronic document retention system into either a portable document format or standard image format provided that the system:

    a. Is properly configured to maintain the original version along with all subsequent versions reflecting all changes to the document;

    b. Maintains a unique "hash" signature for each version of the document, including the original;

    c. Retains and reports a complete log of changes to all documents including who (user ID and name) performed the changes and when (date and time);

    d. Provides a method of complete indexing for easily locating and identifying the document including at least the following (which may be input by the user):

        1) Date and time document was generated;

2) Application or system generating the document;

3) Title and description of the document;

4) Name and title of the user/employee generating the document; and

5) Any other information that may be useful in identifying the document and its purpose.

e. Is configured to limit access to add or modify documents to the system through logical security of specific user accounts; and

f. Is configured to provide a complete audit trail of all administrative user account activity.

55. If scanned, documentation must be verified by at least one additional person when being added to the electronic document storage system to ensure that the scanned version is identical to the original document. The second person must provide an electronic signature or other method of sign-off verification with the date and time to demonstrate that the review was performed prior to the document being added to the system.

56. Electronic document retention systems may utilize CD-ROM, DVD-ROM, Hard Drive, or other types of storage, but the system must be properly secured through use of logical security measures (e.g., user accounts with appropriate access, proper levels of event logging, or documentation of the version control) and the system must be physically secured with all other critical components of the interactive gaming system.

57. Electronic document retention systems must be equipped to prevent disruption of document availability and loss of data through hardware and software redundancy best practices and backup processes.

58. On a quarterly basis, accounting/audit personnel perform the following procedures:

a. Review a minimum of 20 documents added to the electronic retention system to determine that:

1) The documents are accurate reproductions of the original and the hash signatures match to the signatures recorded when the documents were added to the system;

2) The documents are readable and version control is functioning properly (i.e., all changes after the original was added are reflected in subsequent versions); and

3) Indexing is correct (i.e., all information is accurate and the document is easily identified);

b. Verify that user access to add or modify documents is set to an appropriate level of access to administer the electronic document retention system, and no terminated employees have active user accounts on the system;

c. Verify that event recording and reporting is functioning as designed and logs are being reviewed by appropriate personnel regularly; and

d. Verify that redundancy exists and is adequately functional to limit the risk that an outage or loss of records may occur in the event of hardware failure or other unforeseen event.

59. Evidence of all reviews and verifications listed in MICS #58 above must be available upon request in accordance with Regulation 6.060.

Production Environment Change Control Processes

60. The interactive gaming system operator must adopt a comprehensive and robust change control process to prevent unauthorized changes from being incorporated into the production environment at any layer. The process must include

all changes to the interactive gaming production environment (i.e., operating system, network, databases, and applications). The change control process, including the titles of individuals responsible for all key decision points in the process, must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090. The change control process includes, at a minimum:

a. Proposed changes to the production environment are evaluated sufficiently for the impact on all aspects of production environment and authorized by management personnel prior to implementation;

b. Proposed changes are properly and sufficiently tested prior to implementation into the production environment;

c. A strategy for reverting back to the last implementation (rollback plan) if the install is unsuccessful, including a test of the rollback plan prior to implementation to the production environment; and

d. Sufficient documentation is maintained evidencing management evaluation, approvals, testing procedures and results, rollback plans, and any issues/resolutions encountered during implementation.

61. All changes must be sufficiently documented and maintained and are to include at a minimum:

    a. The date the program was placed into service;

    b. The nature of the change, if applicable;

    c. A description of procedures required in order to bring the new or modified program into service (e.g., conversion or input of data or installation procedures); and

    d. An indication of who performed all such procedures.

62. A copy of the associated equipment reporting form must be submitted to the Board pursuant to Regulation 14 for each new program or program change, and a record indicating Board approval must be maintained.

63. Quarterly, audit/accounting personnel review a sample of changes made during the prior period to determine that such changes were properly approved, adequately documented, properly tested, and that issues were resolved and rollback procedures were applied. Evidence of the review is to be documented and maintained and is to include at a minimum the date of the review, the name of the individual(s) who performed the review, the exceptions noted, and any related follow-up.

64. If the interactive gaming system operator develops any software that interfaces with the interactive gaming application, or develops any or all source code for the interactive gaming application modules, then the operator must adopt and document in its system of internal control a comprehensive and robust software development change control process. The software development change control process must incorporate the following requirements:

    a. Source code is maintained in a secured repository for code history and version control;

    b. Technical documentation, including all regulatory submission and approval forms must be maintained and available upon request. Technical documentation must include approvals, development, testing, results of testing, and implementation into production. Documentation also includes a record of the final program or program changes, including evidence of user acceptance, date placed in service, programmer sign-off, and explanation of the changes;

    c. The production environment is logically and physically segregated from the test/development environment(s);

    d. All enhancements and changes are reviewed and approved by management prior to development, and the review and approval process is documented. Review and approval documentation, along with technical documentation, is maintained by an individual independent of the development process;

e. Developers are precluded from having access to promote code changes into the production environment. All changes must be promoted into production by someone independent of the development and testing function;

f. End user documentation is maintained and remains current to reflect the most recent software changes. This documentation may be available electronically to the end user;

g. Adequate segregation of duties exists among developers, testing personnel, administrators, personnel who may promote changes into production, personnel who may access frozen code, etc.;

h. An evaluation of the impact of changes on all parts of the production environment and interactive gaming application is performed, and a rollback plan has been developed in case of failed promotion into production; and

i. Analysis and verification processes are performed to establish the integrity of data when conversion or migration occurs as part of the development process.

General Operation of Interactive Gaming

65. All domains, points of access, and communication media for remote interactive gaming operations conducted must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

66. All compensation received by the operator of interactive gaming and/or the interactive gaming service provider resulting from interactive gaming and reported as gross revenue pursuant to Regulation 5A.170 is deposited into a segregated, separate bank account.

67. The amount collected by the operator of interactive gaming as gross revenue pursuant to Regulation 5A.170 is calculated for each 24-hour day. The term "gaming day" as used in these MICS refers to an interval of 24 hours as defined by the operator of interactive gaming. The operator's end time of a gaming day must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

68. Procedures are established to reasonably ensure that an operator shall neither extend credit to an authorized player nor allow the deposit of funds derived from the extension of credit by affiliates or agents of the operator into a patron's interactive gaming account. Such procedures must be delineated within the interactive gaming interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

69. Procedures are established to ensure an authorized player has sufficient available funds prior to processing the authorized player's wagering transaction.

Casino Account Transfers

Note: A "casino account" is defined as an authorized player's funds on deposit in any safekeeping, front money, or wagering account being maintained at a gaming establishment operated by the operator of interactive gaming.

70. A transfer of funds between an authorized player's interactive gaming account and the player's casino account (i.e., to and from a player's casino account) is to be transacted through a Board approved mechanism designed to facilitate electronic commerce transactions.

71. A transfer transaction between an interactive gaming account and a casino account is to be recorded in the "Daily Interactive Gaming Player's Funds Transactions Report".

72. For a transfer transaction between an interactive gaming account and a casino account in which an authorized player makes an in-person transfer request at a gaming establishment, a transfer document is prepared and maintained which includes:

a. Authorized player's name, casino account number, and interactive gaming account number;

b. Date and time of transfer;

c. Type of transfer (deposit/withdrawal to/from casino account);

d. Dollar amount of transfer;

e. Signature of authorized player; and

f. Signature of employee handling the transaction.

Registering Authorized Players

73. The operator shall establish procedures to register an individual as an authorized player and to create an interactive gaming account for the individual pursuant to the requirements of Regulation 5A.110. Such procedures must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

74. The information obtained to initially create an authorized player's interactive gaming account is recorded and maintained. The information includes:

    a. Authorized player's name and authorized player's fictitious name(s) to be used while engaged in interactive gaming (if applicable);

    b. Date information provided by authorized player;

    c. Authorized player's date of birth showing that the individual is 21 years of age or older;

    d. Authorized player's physical address where the individual resides;

    e. The last four digits of the authorized player's social security number, if a United States resident;

    f. That the authorized player had not previously self-excluded and otherwise remains on the operator's self-exclusion list;

    g. That the authorized player is not on the list of excluded persons established pursuant to NRS 463.151 and Regulation 28; and

    h. Authorized player's e-mail address, if used as medium of communication with authorized player.

75. Within 30 days of an authorized player providing registration information, the operator of interactive gaming shall perform procedures to verify the information provided by the authorized player, and the operator is to limit interactive gaming account activity during the operator's verification of information period pursuant to the requirements of Regulation 5A.110. The operator may involve a service provider's verification process. Such verification procedures must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090. The verification procedures performed by the operator of interactive gaming are to be documented and maintained, which are to include the following information:

    a. If a service provider performs the verification process, the service provider's verification results and verification date;

    b. If not using a service provider or if the player's registration information does not result in a positive verification, the type of identification credential provided by the authorized player, the last four digits of the relevant credential number, expiration date of credential, and date credential was examined; and

    c. Source used to verify the accuracy of the information provided for the authorized player's date of birth and the physical address where the authorized player resides.

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76. Pursuant to Regulation 5A.110, the operator of interactive gaming is to establish procedures for handling the unsuccessful verification of the information provided by an individual who is registering as an authorized player. Such procedures must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090. The operator of interactive gaming is to record and maintain the following information:

    a. Authorized player's name and account number;

    b. Date the account was suspended from further interactive gaming by the authorized player;

    c. Date the account was closed;

    d. Amount of winnings retained which were attributable to the authorized player; and

    e. Balance of amount refunded to the authorized player.

Identification and Verification of Authorized Players

77. The operator shall establish procedures to verify the identity of an authorized player to prevent those who are not authorized players from engaging in interactive gaming. Such procedures must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

    Note: The procedures are to involve robust identification methods to mitigate the risks of non face-to-face transactions inherent in interactive gaming.

Protection of the Interactive Gaming Accounts

78. An authorized player may hold only one interactive gaming account with the operator of interactive gaming.

79. Procedures are established to reasonably ensure that no authorized player shall occupy more than one position at a game at any given time. The procedures established must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

80. An interactive gaming account cannot be set up with an anonymous or fictitious name, but may be associated with one or more fictitious "screen names" or may remain anonymous while engaging in interactive gaming provided that the operator complies with MICS #74(a).

81. The interactive gaming section of the written system of internal control pursuant to Regulation 6.090 is to delineate:

    a. Procedures established for the use of a payment processor to allow the operator of interactive gaming to fund an authorized player's interactive gaming account;

    b. The deposit methods available to authorized players to fund accounts and a complete description of the entire process for each deposit method, including situations where additional information must be requested prior to completing the deposit transaction; and

    c. Procedures performed to not allow an authorized player's interactive gaming account to be overdrawn unless caused by payment processing issues outside the control of the operator (e.g., chargebacks).

82. The routing procedures for deposits by mail (e.g., checks, cashier's checks, or money orders) require that the mail deposits are received by a department independent of the interactive gaming department.

83. Interactive gaming account deposits received via mail are documented on a listing indicating the following:

a. Authorized player's name on account and account number to which the deposit is being applied and the name of individual making the deposit (if made by other than the authorized player);

b. Amount of deposit;

c. Nature of deposit (if other than a check); and

d. Date deposit was received.

84. Direct access to an active authorized player's interactive gaming account to withdraw funds is restricted to the authorized player who owns the interactive gaming account and who is confirmed to be the owner by using positive authorized player identification methods such as a PIN number or password.

Note: The operator may be able to reset the PIN number or password for an interactive gaming account in the system to permit a person with legal authority to gain access to the interactive gaming account when the owner of the account is incapacitated or deceased. For this occurrence, sufficient records are maintained evidencing the reason for resetting the PIN number or password.

85. Indirect access (i.e., authorized player is not providing a PIN number or password) to an active authorized player's interactive gaming account to withdraw funds involves assisted access by an employee of the operator of interactive gaming whether online or by other means. The employee who is assisting with an indirect access is to use challenge questions to identify the person making remote access or employ a sufficient alternative process to ensure that the person is accurately identified as the owner of the interactive gaming account. If challenge questions are used, the responses to challenge questions should be obtained during the registration process for an authorized player interactive gaming account. Such procedures must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

86. An authorized player's request for withdrawal of funds (i.e., deposited and cleared funds, funds won) is completed by the operator of interactive gaming, unless there is a pending unresolved player dispute or investigation. Funds for withdrawal may be withheld from withdrawal until the funding instrument clears or the chargeback period ends. Promotional funds with conditions may not be withdrawn unless all conditions are met.

87. For withdrawals, a wire transfer of funds from an authorized player's interactive gaming account to an account with a financial institution is to be made to an account in the name of the authorized player. If a check is used as payment for a withdrawal of funds, the check is to be made payable to the authorized player and forwarded to the authorized player's address on file.

88. If an authorized player makes an in-person withdrawal request at a gaming establishment, documentation of the withdrawal is prepared and maintained. The withdrawal document contains the following information:

a. Authorized player's name and account number;

b. Date and time of withdrawal;

c. Dollar amount of withdrawal;

d. Nature of withdrawal (e.g., check, wire transfer, or cash);

e. Signature of employee handling the withdrawal transaction; and

f. Signature of authorized player.

89. Addition or removal of funds from an interactive gaming account other than an authorized player's deposit or withdrawal transactions must be sufficiently recorded (including substantiation of reasons for increases/decreases) and authorized/performed by supervisory personnel. Job title of supervisory personnel must be delineated within the

interactive gaming section of the written system of internal control pursuant to Regulation 6.090. The "Daily Interactive Gaming Account Balance Adjustment Report" is randomly verified by accounting/audit personnel on a quarterly basis.

Note: On a daily basis, supervisory personnel may authorize multiple transactions occurring within a gaming day. Evidence of supervisory authorization for multiple transactions is to be recorded and maintained. The interactive gaming section of the written system of internal control pursuant to Regulation 6.090 is to delineate the authorization process for multiple transactions rather than authorizing each individual transaction.

90. Changes to an authorized player's password are performed in a manner that ensures that the change is properly authorized by the authorized player. If e-mail is a component of this process, the procedures for the secure use of e-mail as a medium for communicating secure information must be documented in the licensee's written policies. The licensee shall develop alternative procedures for use in the event that an authorized player no longer has access to the e-mail address on record. The interactive gaming section of the written system of internal control pursuant to Regulation 6.090 shall delineate the title of the person responsible for the documentation of these procedures.

91. Any change made to an interactive gaming account that affects an authorized player's personal information or account funds requires notification to the authorized player through e-mail, mail, or other method to reasonably ensure the authorized player has been properly notified.

92. The operator shall document in the interactive gaming section of the written system of internal control pursuant to Regulation 6.090 a description of procedures used to ensure full compliance with the reserve requirements of Regulation 5A.125 and Regulation 5.225 to ensure prompt availability of patron funds for authorized withdrawals.

93. Funds in authorized players' interactive gaming accounts may not be used as security by the operator of interactive gaming and/or the interactive gaming service provider for any financial transactions.

94. Winnings awarded to players are posted immediately to the appropriate interactive gaming account upon completion of the authorized player's game session. Large winning are to be posted following the win verification procedures. For large wins, the interactive gaming section of the written system of internal control pursuant to Regulation 6.090 is to define the amount of a large win requiring verification, describe the verification process, and indicate the amount of time needed to perform the verification process.

95. An authorized player shall not electronically transfer funds to any other authorized player.

Interactive Gaming Engaged between Human Individuals

96. The operator shall establish procedures to reasonably ensure interactive gaming is conducted only between human individuals. Such procedures must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

Responsible Interactive Gaming

97. The operator shall establish procedures to promote responsible interactive gaming. Such procedures must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

98. The operator's website is to provide information and/or a link to information on player protection and responsible gaming.

99. The operator shall establish procedures to allow authorized players the ability, through their interactive gaming account, to select responsible gambling options that include a loss limit, a deposit limit, a tournament limit, a buy-in limit, a play time limit, and a time-based exclusion from gambling settings. Such procedures must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

INTERACTIVE GAMING

100. The operator shall establish procedures to comply with the requirements of Regulation 5A.130 regarding self-exclusion and such procedures must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

101. The operator shall establish procedures to reasonably ensure a player under the age of 21 is prohibited from participating in interactive gaming and such procedures must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

Protection of Authorized Player's Personally Identifiable Information

102. The operator shall establish procedures and policies to protect the authorized player's personally identifiable information consistent with the requirements specified in Regulation 5A.070. Such procedures and policies must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

103. The designation of one or more senior company official(s) with primary responsibility for the design, implementation, and ongoing evaluation of the procedures related to the protection of the authorized player's personally identifiable information must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090. If more than one senior company official is designated, then the responsibilities assigned to each official are to be specified in the system.

Closed/Inactive Accounts

104. The operator shall suspend an interactive gaming account if the account has not been used to make any wagers for a consecutive 16-month period.

105. The operator may re-activate a suspended interactive gaming account only after re-verifying the information required by Regulation 5.225 and upon the authorized player presenting a current government issued picture identification credential.

106. The terms and conditions agreed upon between an operator of interactive gaming and any authorized player is to be made available upon request to authorized internal and external auditors and to Board personnel.

107. A monthly "Closed/Inactive Interactive Gaming Accounts Report" is generated and maintained indicating the interactive gaming accounts which were closed and not available for an authorized player to access for wagering transactions. Access to closed/inactive interactive gaming account information is restricted to those positions which require access and are so authorized by management. Such access must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090. The report is to include, at a minimum:

    a. The authorized player's name and account number;

    b. User ID and name of employee handling the closure/inactivation of the account, if not an automated process and employee is involved;

    c. Date and time account was opened;

    d. Last date authorized player logged into account;

    e. Number of days since authorized player logged into account;

    f. Last date authorized player placed a wager;

    g. Date and time account was closed/inactivated; and

    h. Balance of account when closed/inactivated.

INTERACTIVE GAMING

Authorized Player Disputes

108. The operator shall establish procedures to handle disputes with authorized players. Such procedures must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

Contests/Tournaments

Note: Only authorized players may register for contests and tournaments.

109. An authorized player is to register prior to being allowed to participate in an interactive gaming contest/tournament.

110. Procedures are to be performed to verify that a player registering to participate in an interactive gaming contest/tournament is 21 years of age or older and only engages in interactive gaming from a jurisdiction that does not prohibit a registered player from engaging in interactive gaming contests/tournaments.

111. Interactive gaming contest/tournament rules are available to a registered player on the website where the interactive gaming contest/tournament is being conducted. The rules must include at a minimum:

    a. All conditions registered players must meet to qualify for entry into, and advancement through, the contest/tournament.

    b. Specific information pertaining to any single contest/tournament, including the dollar amount of money placed in the prize pool.

    c. The distribution of funds based on specific outcomes.

    d. The name of the organization (or persons) registered pursuant to NRS 463.169 that conducted the contest/tournament on behalf of, or in conjunction with, the operator if applicable.

112. The contest/tournament entry fees, rebuys, and payouts are summarized and posted to the accounting records on at least a monthly basis.

    Note: For this standard, it is acceptable to post on a monthly basis to the general ledger, one entry, in total, for contest/tournament entry fees, rebuys, and payouts.

113. The results of each contest/tournament, held during the prior two gaming days, are recorded and available on the operator of interactive gaming's website for the participants to review. Subsequent to being posted on the website, the results of each contest/tournament are available upon request. The recording includes the name of the event, date(s) of event, total number of entries, dollar amount of entry fees/rebuys, total prize pool, and the dollar amount paid for each winning category. The name of each winner is recorded and maintained but not made available to the participants unless authorized by management personnel.

    Note: For free contests/tournaments (i.e., registered player does not pay an entry fee/rebuy), the information required by the above MICS must be recorded except for the number of entries, dollar amount of entry fees/rebuys and total prize pool.

114. For interactive gaming contest/tournament prize pools where the amount of the pool is determined through registered player contributions from poker pots, the daily contributions and the total contributions are recorded in the "Interactive Gaming Contests/Tournaments Detail Report."

115. The aforementioned interactive gaming contest/tournament records are maintained for each event.

INTERACTIVE GAMING

Promotional Pool, Progressives, Promotional Payouts, Drawings, and Giveaway Programs

Note 1: Promotional pools, as defined in Regulation 5A.020, are the total funds contributed by the operator (i.e., seed money) and by authorized players which are used to fund all types of interactive gaming promotions. The interactive gaming promotional pool must be given back to an operator's authorized players and are to be used solely for interactive gaming promotions

Note 2: A progressive is, pursuant to Regulation 5A.145, a progressive payoff schedule and must be handled in accordance with the regulation.

Note 3: MICS #116 - #119 apply to any payout (including the disbursement of free play) resulting from a promotional payout, drawing, or giveaway program disbursed by the interactive gaming department. The promotional payout, drawing, or giveaway programs subject to these MICS are associated with gaming activity or a promotional scheme to encourage the patron to participate in gaming activity.

116. The dollar amount of funds contributed by authorized players into the promotional pool or progressive(s) is returned when won in accordance with the posted rules with no commission or administrative fee withheld.

    Note 1: The payout may be in the form of personal property (e.g., car).

    Note 2: A combination of a promotional pool and progressive(s) may be offered.

117. The conditions for participating in a promotional pool, progressives, drawings, giveaway programs, and any other promotion are available to a registered player on the website where the interactive gaming promotion is being conducted.

118. Rules governing a promotional pool or progressives are available to a registered player on the website where the interactive gaming promotional pool or progressive is being conducted, and designate:

    a. For progressives:

        1) The amount of funds to be contributed from each pot;

        2) How/when the contributed funds are added to the progressive;

        3) What outcome it takes to win the progressive;

        4) The percentages used to calculate the payout amounts;

        5) Amount/percentage of funds allocated to primary and secondary (reset) progressives, if applicable.

    b. For promotional pools:

        1) The amount of funds to be contributed from each pot;

        2) What types of promotions the funds will be used for.

        Note: Each promotion that the funds are used for must have specific rules available that include how the funds are given back to the card games patron(s).

119. The dollar amount of progressives must be conspicuously displayed on the website where the interactive gaming progressive is being conducted. At least once a day, the progressive payout schedule displayed on the website, if applicable, is increased and decreased based upon the amount of funds contributed and won by players.

INTERACTIVE GAMING

Authorized Player Promotional Account

Note 1: Compliance with MICS #120 - #125 is required only for authorized player promotional accounts, player tracking, and promotional and external bonusing systems that accumulate points that are subsequently redeemed by the authorized player for cash, merchandise, etc. These MICS do not apply to player rating only systems (i.e., the evaluation of an authorized player's wagering activity and the choice and/or dollar amount of complimentaries provided to an authorized player are solely the result of an employee's judgment).

Note 2: As used in these Interactive Gaming MICS, the term "point" or "points" is a generic term and refers to a representative of value awarded to an authorized player based upon specific criteria established by the operator of interactive gaming. Commonly, points are earned by an authorized player placing wagers or any other specified criterion. Authorized player promotional accounts are used to track points earned/awarded to authorized players.

120. The addition/deletion of points to player promotional accounts other than through an automated process related to actual play must be sufficiently recorded (including substantiation of reasons for increases) in the "Interactive Gaming Authorized Player Promotional Account Balance Adjustment Report" and authorized/performed by supervisory personnel of the player promotions, or interactive gaming department. The "Interactive Gaming Authorized Player Promotional Account Balance Adjustment Report" is randomly verified by accounting/audit personnel on a quarterly basis.

    Note: The above MICS does not apply to the deletion of points related to inactive or closed accounts through an automated process.

121. Patron player promotional accounts (active, inactive, and closed) are controlled in a manner that precludes any one individual from misappropriating the points. Such procedures must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

122. The licensee shall establish procedures for reactivating inactive or closed player promotional accounts. Such reactivation requires the involvement of at least two employees. Documentation evidencing the involvement of two employees is created and maintained for each account reactivated. Such procedures must be delineated within the interactive gaming section of the written system of internal control pursuant to Regulation 6.090.

123. Changes to the player promotional account parameters, such as point structures and employee access, must be performed by supervisory personnel independent of the interactive gaming department. Alternatively, changes to player promotional account parameters may be performed by interactive gaming supervisory personnel if sufficient documentation is generated and the propriety of the changes is randomly verified by personnel independent of the interactive gaming department on a quarterly basis.

124. All other changes to the player promotional account must be appropriately documented.

125. Rules and policies for player promotional accounts including the awarding, redeeming, and expiration of points are available to a registered player on the website where the interactive gaming player promotional activity is being conducted.

Celebrity Player

Note: Pursuant to Regulation 5A.140, a "celebrity player" is an authorized player under agreement with the operator whereby the celebrity player is paid a fixed sum by the operator to engage in interactive gaming and who may or may not use their own funds to engage in interactive gaming.

126. The use of a celebrity player in an interactive game session is to be clearly identified to all participating authorized players on the website where the interactive game session is being conducted.

INTERACTIVE GAMING

127. A report is to be prepared and maintained indicating the date, time, type of game session, name of the celebrity player, and compensation amount paid to a celebrity player by the operator for participation.

    Note: For this standard, it is acceptable to maintain a non-system generated report (e.g., Excel).

Documentation

Note: The following reports are to be created and maintained by each operator of an interactive gaming system.

128. An "Interactive Gaming Account Transaction Detail Report" is to be created on demand, and at least daily, indicating by authorized player the detailed, sequential activity as follows:

    a. Date of activity;

    b. Authorized player's name and account number;

    c. Date and time authorized player's session started;

    d. State or foreign jurisdiction where authorized player is located while logged into session;

    e. Unique transaction number;

    f. Type of game (e.g., Texas hold 'em) and table session number, if transferred to/from a table;

    g. Date and time of each transaction;

    h. Amount of each transaction;

    i. Type of each transaction (i.e., type of credit as defined by Regulation 5.225(11) and type of debit as defined by Regulation 5.225(12));

    j. Name of authorized player's financial institution and last four digits of account number for deposit and withdrawal transactions, if applicable;

    k. Nature of deposit/withdrawal (e.g., cash, debit instrument, prepaid access instrument or credit card, personal check, cashier's check, wire transfer, money order, or transfer to/from casino account);

    l. User ID and employee name handling the transaction, if assisting authorized player;

    m. Amount of outstanding account balance before and after each transaction;

    n. Date and time authorized player session ended;

    o. Subtotals by transaction type; and

    p. Ending account balance at the end of the authorized player's session.

129. The "Interactive Gaming Account Transaction Detail Report" is to be maintained:

    a. For authorized players through on-line access to their interactive gaming account, at a minimum, for the prior 180-day period.

    b. For authorized players through off-line access to interactive gaming account records, at a minimum, for the prior five-year period.

INTERACTIVE GAMING

130. An "Interactive Gaming Account Balance Summary Report" is to be created on demand, and at least daily, indicating by authorized player with an account balance the following information:

    a. Date of activity;

    b. Authorized player's name and account number;

    c. Status of account (e.g., active, inactive, closed, or suspended);

    d. Date account was opened;

    e. Date registration information provided by authorized player;

    f. Date registration information verified by operator of interactive gaming;

    g. Date of last wagering activity;

    h. Amount of beginning account balance;

    i. Total amount of each type of credit (as defined by Regulation 5.225(11));

    j. Total amount of each type of debit (as defined by Regulation 5.225(12)); and

    k. Amount of ending account balance.

131. A "Daily Interactive Gaming Player's Funds Transactions Report" is generated and maintained indicating by authorized player the deposit/withdrawal/adjustment transactions to a player's interactive gaming account which includes:

    a. Authorized player's name and account number;

    b. Amount of beginning account balance;

    c. Unique transaction number;

    d. Date and time of deposit/withdrawal or account balance adjustment;

    e. Amount of deposit/withdrawal or account balance adjustment;

    f. Nature of deposit/withdrawal (e.g., cash, debit instrument, prepaid access instrument or credit card, personal check, cashier's check, wire transfer, money order, or transfer to/from casino account);

    g. Reason/description of adjustment to account balance, if applicable;

    h. User ID and name of employee handling the deposit, withdrawal, or account balance adjustment transaction, if assisting authorized player;

    i. User ID and name of supervisor authorizing an adjustment to the account balance, if applicable;

    j. Totals for each type of transaction; and

    k. Amount of ending balance.

132. A "Daily Interactive Gaming Account Balance Adjustment Report" is generated and maintained indicating by authorized player the adjustment transactions to a player's interactive gaming account which includes:

    a. Authorized player's name and account number;

b. Date and time of account balance adjustment;

c. Unique transaction number;

d. User ID and name of employee handling the account balance adjustment transaction, if applicable;

e. User ID and name of supervisor authorizing an adjustment to the account balance;

f. Amount of account balance adjustment;

g. Type of account adjustment; and

h. Reason/description of adjustment to account balance.

133. An "Interactive Gaming Game Play Report" by game type (e.g., Texas hold 'em) is generated and maintained by day with a cumulative month-to-date total and includes the following information:

a. Date of activity;

b. Table session;

c. Time table session started for gaming day;

d. Time for each table session transaction;

e. Type of table session transaction;

f. Amount of table session transaction;

g. Contribution amount to jackpot pool or progressive, if applicable;

h. Compensation amount collected by operator of interactive gaming as gross revenue pursuant to Regulation 5A.170;

Note: Pursuant to Regulation 5A.135, any compensation received by the operator of interactive gaming is to be no more than 10% of all sums wagered in each hand.

i. Compensation amount collected by authorized player and state or foreign jurisdiction, if applicable for taxation purposes;

j. Amount of jackpot win, if applicable;

k. Other amounts collected by operator of interactive gaming;

l. Description of other amounts collected;

m. Amounts refunded;

n. Description of amounts refunded;

o. Date and time table session ended for gaming day; and

p. Total amount by transaction type.

134. An "Interactive Gaming Revenue Report" by game type (e.g., Texas hold 'em), for cash games, that is generated and maintained by day with a cumulative month-to-date total and includes the following information:

a. Date;

b. Type of game (e.g., Texas hold ‘em);

c. Total wagered;

d. Total amount contributed to the progressive pool, if applicable;

e. Compensation amount collected by operator of interactive gaming pursuant to Regulation 5A.170;

f. Other amounts collected by operator of interactive gaming;

g. Description of other amounts collected;

h. Amounts refunded; and

i. Description of amounts refunded.

135. An “Interactive Gaming Contests/Tournaments Detail Report” is generated and maintained for each contest/tournament conducted which includes the following information:

a. Beginning and ending date of contest/tournament;

b. Name and unique identifier of each contest/tournament;

c. Name of each authorized player and account number, amount of entry fees/rebuys paid, and the date paid;

d. Total amount of entry fees/rebuys received by the operator of interactive gaming;

e. Name of each winning authorized player and account number, amount paid to a winner, and the date paid; and

f. Total amount of winnings paid to participants.

136. An “Interactive Gaming Contests/Tournaments Summary Report” is generated and maintained for each contest/tournament, as of the end of each month, which includes the following information:

Note 1: This report should contain liability information for all contests/tournaments that are still in progress as of the end of the month and the revenue calculation for all contests/tournaments that concluded during the month.

Note 2: A contest/tournament is considered “in progress” once entry fees have been received by the operator of interactive gaming.

a. Beginning and ending date of each contest/tournament;

b. Name and unique identifier of each contest/tournament;

c. Total amount of entry fees/rebuys received by the operator of interactive gaming to date;

d. Total amount of winnings paid to participants; and

e. For contests/tournaments that concluded during the month, total amount of contest/tournament revenue.

137. A monthly “Interactive Gaming Revenue Deposit Report” is generated and maintained by day, with a cumulative month-to-date total which includes:

a. Month/year of activity;

b. Bank account number;

c. Date of deposit; and

d. Amount of gaming day gross revenue collected from the operation of interactive gaming pursuant to Regulation 5A.170.

138. An "Interactive Gaming Daily Jackpot Pool and Progressive Activity Report" is generated and maintained which includes:

Note: The report required by this MICS applies to a progressive pool amount being offered by one operator of interactive gaming. It does not apply to a progressive pool amount being offered by a service provider to more than one operator of interactive gaming.

a. Jackpot pool or progressive name or other unique identifier;

b. Beginning balance;

c. Total wagers from each game(s);

d. Contributions to primary pool;

e. Contributions by hidden/secondary pool, as applicable;

f. Date and time of payout;

g. Winning authorized player(s) name and account number;

h. Payout amount(s);

i. User ID and name of the employee handling the payout, if applicable;

j. Jackpot pool or progressive reset amount after payout;

k. Jackpot pool or progressive adjustment amount;

l. User ID and name of employee performing an adjustment to the pool amount, for other than an authorized player winning the pool amount, during table session play;

m. Reason/description for employee making an adjustment to the pool amount;

n. Date and time of jackpot pool or progressive amount adjustment; and

o. Ending balance.

139. An "Interactive Gaming Authorized Player Promotional Account Summary Report" is generated and maintained which includes:

a. Authorized player's name and account number;

b. Beginning balance by promotion type;

c. Total amount of awards by promotion type;

d. Total amount used by promotion type;

e. Total amount expired by promotion type;

f. Total adjustment amount by promotion type; and

g. Ending balance by promotion type.

140. An "Interactive Gaming Authorized Player Promotional Account Daily Activity Report" is generated and maintained by authorized player which includes:

a. Authorized player's name and account number;

b. Date;

c. Activity type (e.g., usage, award, expired, or adjusted);

d. Game type (e.g., Texas hold 'em) and table session, if applicable;

e. Amount; and

f. Subtotals by activity type.

141. An "Interactive Gaming Authorized Player Promotional Account Balance Adjustment Report" is generated and maintained by authorized player which includes:

a. Authorized player's name and account number;

b. Date and time of adjustment;

c. User ID and name of employee performing the adjustment, if applicable;

d. User ID and name of supervisor authorizing the adjustment;

e. Amount of adjustment; and

f. Reason/description of adjustment.

Accounting/Audit Standards

142. The interactive gaming audit is conducted by someone independent of the interactive gaming operation.

143. Daily, audit/accounting personnel are to use the "Interactive Gaming Daily Jackpot Pool and Progressive Activity Report" to reconcile the amount indicated on the payout amount displayed to the authorized player and on the website where the interactive gaming jackpot pool and progressive is being conducted to the amount received from interactive gaming play and the payouts made for each jackpot pool and/or progressive. This reconciliation must be sufficiently documented (including substantiation of differences, adjustments, etc.).

Note: The report and reconciliation required by this MICS applies to a jackpot pool and/or a progressive amount being offered by one operator of interactive gaming. It does not apply to a jackpot pool and/or progressive amount being offered by a service provider to more than one operator of interactive gaming.

144. Daily, accounting/audit personnel perform the following procedures using the reports provided by the interactive gaming system:

a. For cash games:

1) For a sample of table sessions, verify the accuracy of the compensation amount (i.e., rake) indicated on the "Interactive Gaming Game Play Report" that resulted from wagering activity.

2) Reconcile the total daily compensation amount (i.e., rake) indicated on the "Interactive Gaming Game Play Report" by game type to the compensation amount indicated for the same game type on the "Interactive Gaming Revenue Report."

3) For each game type, trace other amounts collected and refunds, from the "Interactive Gaming Game Play Report" to the amounts on the "Interactive Gaming Revenue Report."

4) For each type of game, verify the gross revenue calculation is properly calculated on the "Interactive Gaming Revenue Report."

b. For contests/tournaments:

1) For a sample of contests/tournaments, reconcile the total daily amount or entry fees/rebuys received by the operator and winnings paid indicated on the "Interactive Gaming Contests/Tournaments Detail Report" to the amounts indicated for the same contest/tournament on the "Interactive Gaming Contests/Tournaments Summary Report."

2) For a sample of contests/tournaments that were concluded during the day, verify the gross revenue computation on the "Interactive Gaming Contests/Tournaments Summary Report" is accurate.

c. Reconcile the total daily gross revenue amounts indicated on the "Interactive Gaming Revenue Report" and the "Interactive Gaming Contests/Tournaments Summary Report" to the monthly "Interactive Gaming Revenue Deposit Report."

d. Reconcile the total amount of interactive gaming account deposit, withdrawal, and account adjustment transactions indicated in the "Interactive Gaming Account Balance Summary Report" to the amount recorded in the "Interactive Gaming Player's Funds Transactions Report."

e. Review the interactive gaming system's exception reports for propriety of transactions and unusual occurrences. All noted improper transactions or unusual occurrences are investigated with the results documented.

145. At least annually, the interactive gaming system is reviewed by personnel independent of the individual who sets up or makes changes to the system parameters. The review is performed to determine that the configuration parameters are accurate and have not been altered without appropriate management authorization (e.g., verify the accuracy of the compensation %, or flat rate to collect on wagering activity). The test results are documented and maintained.

146. At least monthly, reconcile the dollar amount of the gross revenue collected and deposited as recorded in the monthly "Interactive Gaming Revenue Deposit Report" to the dollar amount indicated in the bank account records.

Note: Due to the various payment processors which may be used by an operator, the reconciliation process will need to be performed to address the uniqueness of each of the payment processors. Furthermore, the reconciliation may need to take into consideration funds that are in transit.

147. A monthly interactive gaming revenue recap report is prepared and maintained which includes the daily and month-to-date interactive gaming revenue (pursuant to Regulation 5A.170). Additionally, the monthly interactive gaming revenue recap report shows a reconciliation of the taxable interactive gaming revenue from the month-end "Interactive Gaming Revenue Report" and "Interactive Gaming Contests/Tournaments Summary Report" to the monthly total interactive gaming revenue amount reported on the NGC tax return. Any adjustment to the revenue amount indicated in the interactive gaming revenue recap report, with supporting documents, may need to be reflected in this reconciliation.

INTERACTIVE GAMING

Note: For this standard, it is acceptable to maintain a non-system generated report (e.g., Excel).

148. At least monthly, reconcile the total outstanding balance of interactive gaming accounts indicated in the "Interactive Gaming Account Balance Summary Report" to the dollar amount indicated in the bank account records.

149. At least monthly, review the "Interactive Gaming Account Balance Summary Report" for accounts with a negative account balance to determine whether an authorized player's interactive gaming account is overdrawn due to a reason other than being caused by a payment processing issue outside the control of the operator (e.g., chargebacks).

150. For one day each month, accounting/audit personnel reconcile the total amount of the listing of interactive gaming account deposits received via mail with the deposit amount indicated in the bank account records.

151. For all interactive gaming contests/tournaments, promotional payouts (including payouts from player promotional accounts), drawings, and giveaway programs conducted on the operator of interactive gaming's website, the following information is made available upon request to authorized internal and external auditors and to Board personnel:

    a. Information provided on the website to the registered players describing the contests, tournaments, and promotional payouts;

    b. Effective dates;

    c. Accounting treatment, including general ledger accounts, if applicable;

    d. For interactive gaming tournaments and contests, a list of the registered players; and

    e. For interactive gaming tournaments and contests, the name of the organization (or person) registered pursuant to NRS 463.169 that conducted the contest/tournament on behalf of, or in conjunction with, the operator of interactive gaming, if any. The extent of responsibilities (including MICS compliance responsibilities) each organization and the operator of interactive gaming had in the contest/tournament (e.g., ABC company is to receive 100% of the entry fees and provide noncash prizes to the winners with the operator of interactive gaming collecting entry fees, dealing the tournament, and distributing prizes to winners) will also be documented.

152. For one day each week, accounting/audit personnel will randomly select two concluded interactive gaming contests/tournaments and for the winners of the selected interactive gaming contests/tournaments, accounting/audit personnel will review the appropriate "Interactive Gaming Contests/Tournaments Detail Report" to determine whether, based on the entry fees/rebuys collected, the payouts made, and the amounts withheld by the operator of interactive gaming, if applicable, were distributed in accordance with the contest/tournament rules.

153. Monthly, accounting/audit personnel review a sample of payouts for contests, tournaments, promotional pools, progressives, or other promotions to determine proper NGC tax accounting treatment and proper interactive gaming revenue computation.

154. Annually, accounting/audit personnel perform procedures to reasonably ensure that contests/tournaments, promotional pools, progressives, or other promotions are conducted in accordance with conditions provided to the patrons. The procedures must include a review of the information provided on the interactive gaming website along with employee interviews and/or observations.

155. For player promotional accounts, an accounting/audit employee shall perform the following procedures at least one day per quarter:

    a. Review the "Interactive Gaming Authorized Player Promotional Account Balance Adjustment Report" for all point addition/deletion, other than for point additions/deletions made through an automated process, for propriety.

    b. Review exception reports for propriety of transactions and unusual occurrences. The review should include, but is not limited to, transfers between accounts.

c. Review documentation related to reactivating inactive and closed accounts created in MICS #122 for the involvement of two employees.

156. At least annually, the computerized interactive gaming player promotional account system is reviewed by personnel independent of the individuals who set up or make changes to the system parameters. The review is performed to determine that the configuration parameters are accurate and have not been altered without appropriate management authorization (e.g., verify the accuracy of the awarding of points based on the dollar amount wagered). The system should also be tested, if possible, to further verify the accuracy of the configuration parameters (e.g., simulate activity to verify the accuracy of the amount of points awarded). The test results are documented and maintained.

157. At least one day per calendar quarter, the "Interactive Gaming Account Balance Summary Report" is reviewed, for Regulations 5.225 and 5A.125 compliance purposes, to ensure that the amount of the reserve being maintained shall not be less than the greater of $25,000 or the sum of all authorized players' funds held in the interactive gaming accounts. Additionally, cash in the sum of the following must be maintained:

a. 25% of the total amount of authorized players' funds held in interactive gaming accounts, excluding those funds that are not redeemable for cash; and

b. The full amount of any progressive jackpots related to interactive gaming.

Note: In calculating the sum of all patrons' funds held in wagering accounts when such wagering accounts are used for multiple types of wagering, patrons' funds are not required to be tallied more than once.

158. At least monthly, review the "Interactive Gaming Account Balance Summary Report" to verify that an authorized player's provided registration information has been verified within 30 days by the operator of interactive gaming.

159. Annually, review a sample of active wagering accounts to identify accounts that have not had any wagering activity for a consecutive 16-month period to ensure that such accounts have been suspended. Document and maintain all follow-up related to this review.

160. For all game sessions in which a celebrity player participates, accounting/audit personnel review the amount of compensation paid to the celebrity player by the operator for participation to determine whether or not the amount compensated meets the terms of the agreement established between the operator and celebrity player; and that the amount of compensation paid to the celebrity player is a fixed sum.

161. Accounting/audit personnel review the "Interactive Gaming Game Play Report," as applicable, to verify that the operator does not profit beyond the amount of compensation (e.g., rake) when a celebrity player participates in a game session.

162. Documentation (e.g., log, checklist, notation on reports, and tapes attached to original documents) is maintained evidencing the performance of interactive gaming audit procedures, including any reviews, the exceptions noted, and follow-up of all interactive gaming audit exceptions.

Inter-operator Poker Network

Note 1: The following Interactive Gaming MICS apply to an operator of interactive gaming who the commission is allowing to use an inter-operator poker network (includes a multi-state shared liquidity system) pursuant to Regulation 5A.140(1)(e). The interactive gaming poker elements of an operator of interactive gaming's data center are merged into one shared data center. The participating operators of interactive gaming will be sharing the poker gaming platform to enable shared liquidity.

Note 2: "Clearing House" means any person who maintains the interactive gaming data and provides clearing house reports indicating the net movements of player funds between the operators of interactive gaming participating in a multi-operator shared liquidity system (includes a multi-state shared liquidity system).

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Note 3: The Chair may approve alternative reports and procedures that meet the intent of the inter-operator's reporting requirements and standards as described by MICS #163 through #168.

163. The following reports are obtained from the Clearing House and maintained by the operator of interactive gaming:

a. A "Clearing House – Operator/Brand Daily Summary" for the gaming day with daily and cumulative month-to-date totals for each operator/brand and for all operators/brands that includes:

1) Date of activity;

2) Operator;

3) Brand;

4) Total bets by players of each participating operator;

5) Total wins by players of each participating operator;

6) Compensation amount collected from players of each participating operator as gross revenue pursuant to Regulation 5A.170 (i.e., rake);

Note: Pursuant to Regulation 5A.135, any compensation received by the operator of interactive gaming is to be no more than 10% of all sums wagered in each hand.

7) Compensation amount collected from players of each participating operator in a contest/tournament pursuant to Regulation 5A.170 (i.e., fee);

8) Net amount of funds to be received or paid to each participating operator;

Note: "Net" = "bets" (-) "wins" (-) "rake" (-) "fee"

9) Tournament shortfall amount for each participating operator;

10) Net amount excluding the tournament shortfall amount for each participating operator;

Note: "Net" (excludes tournament) = "Net" (-) "tournament shortfall"

11) Total amount of "bets" and "wins" for tournament play and for cash games for all operators/brands; and

12) Grand total amounts.

b. A "Clearing House – Daily Tournament Summary" for the gaming day with amounts by tournament for each operator/brand that includes:

1) Date of activity;

2) Operator;

3) Brand;

4) Tournament ID;

5) Tournament name;

6) Total number of participating players in tournament;

7) Total buy in amount for tournament;

8) Total payout amount for tournament;

9) Total tournament shortfall amount;

10) Number of participating players of each operator/brand;

11) Tournament shortfall amount for each operator/brand;

12) Total tournament shortfall amount for all tournaments for each operator/brand; and

13) Grand total amounts.

c. A "Clearing House – Operator Transfer of Funds" for the settlement period with amounts by operator/brand that includes:

1) Period of activity;

2) Operator;

3) Brand;

4) "Amounts received" by each operator/brand;

5) "Amounts paid" by each operator/brand;

6) Net amount of funds to be received or paid to each participating operator;

Note: "Net" = "amounts received" ["amounts received" = "bets"] (-) "amounts paid" ["amounts paid" = "wins" + "rake" + "fee"]

7) Tournament shortfall amount for each participating operator;

8) Net amount excluding the tournament shortfall amount for each participating operator; and

Note: "Net" (excludes tournament) = "Net" (-) "tournament shortfall"

9) Grand total amounts.

164. For audit reconciliation procedures, the end time for a gaming day of the operator is to be the same as the end time of a gaming day of the Clearing House.

165. For the operator participating in an inter-operator poker network, the accounting/audit personnel will perform the following audit procedures:

a. Daily, obtain and maintain the following reports from the Clearing House:

1) The "Operator/Brand Daily Summary;" and

2) The "Daily Tournament Summary."

b. Daily, reconcile the total daily compensation amount for "rake related to cash games" indicated on the "Interactive Gaming Revenue Report" to the compensation amount indicated on the "Operator/Brand Daily Summary."

c. Daily, reconcile the total daily revenue amount for "fees related to contest/tournament play" indicated on the "Interactive Gaming Contests/Tournaments Summary Report" to the compensation amount indicated on the "Operator/Brand Daily Summary."

d. Daily, randomly select two contests/tournaments, for each contest/tournament selected reconcile the number of players participating as indicated on the "Interactive Gaming Contests/Tournaments Detail Report" to the number of players indicated for each contest/tournament in the "Daily Tournament Summary."

166. For each settlement period for the transfer of funds between participating operators, the operator will obtain and maintain the "Operator Transfer of Funds" report from the Clearing House.

167. The accounting/audit personnel will perform the following audit procedures:

a. For the settlement period, reconcile the "amounts received" and the "amounts paid" on the "Operator Transfer of Funds" report to the amounts indicated on the "Operator/Brand Daily Summary."

b. For the settlement period, reconcile the amounts of the "Sum of Tournament Shortfall" on the "Operator Transfer of Funds" report to the amounts indicated on the "Daily Tournament Summary."

c. For the "Net" amount (after the "sum of tournament shortfall") on the "Operator Transfer of Funds" report, review the accuracy of amounts being transferred to the other participating operators.

168. Documentation (e.g., log, checklist, notation of reports, and tapes attached to original documents) is maintained evidencing the performance of interactive gaming audit procedures performed for the amounts reported by the Clearing House, the exceptions noted, and follow-up of the audit procedures performed.