THIRD AMENDMENT TO
TECHNICAL STANDARDS IN
TRIBAL-STATE COMPACT FOR CONTROL OF
CLASS III VIDEO GAMES OF CHANCE
ON THE
FOND DU LAC BAND OF LAKE SUPERIOR CHIPPEWA
RESERVATION IN MINNESOTA

Pursuant to Section 6.12 of the Tribal-State Compact for Control of Class III Video Games of Chance on the Fond du Lac Band of Lake Superior Chippewa Reservation in Minnesota, the State of Minnesota, by and through its Commissioner of Public Safety, and the Fond du Lac Band of Lake Superior Chippewa, agree as follows:

1. Section 6.9(6) is amended to read:

    Approved Coin and Bill Acceptors. At least one electronic or mechanical coin acceptor must be installed in or on each video game of chance. The devices may also contain bill acceptors, or cashless ticket acceptor/dispensers for denominations determined by the Band. Prior to operation with the Band, all models of coin bill acceptors and cashless ticket acceptor/dispensers installed must have been tested and approved in writing by a gaming test laboratory as provided in Section 6.

2. Section 6.9(9) is amended to read:

    Secure Cash Compartment. The coins and currency compartment shall be secured with a different key or combination than that used for the main cabinet door, except that a separate cash compartment shall not be required for coins necessary to pay prizes in a machine which pays prizes through a drop hopper or a machine that accepts cashless tickets and issues cashless tickets.

3. Section 6.9(11) is amended to read:

    Printed Record of Credits and Payouts Required. A single printing mechanism which must be capable of printing an original ticket and retaining an exact legible copy, either within the game or in a slot management/reporting system approved by the gaming test laboratory, that provides permanent sequential tracking, and which permits monitoring of error conditions on a printed medium for future use, and which records the following information: (a) the number of credits; (b) the value of the credits in dollars and cents; (c) the cash paid by the device; and (d) any other data required by the Band. Video games of chance utilizing coin drop hoppers

and that accept cashless tickets and issue cashless tickets are permitted, provided they are monitored by a slot management/reporting system of the type described in this paragraph which has been approved by an independent gaming test laboratory.

4. A new section 6.9A is hereby added:

6.9A Technical Standards for Gaming Devices that Accept Coin, Currency, or Cashless Tickets and Issue Cashless Tickets.

(1) Cashless Gaming Devices

The following technical standards are applicable for gaming devices that accept coin, currency, or cashless tickets and issue cashless tickets. Cashless gaming devices and the associated equipment must be tested and approved by a gaming test laboratory. Prior to public play on a cashless ticket gaming device, the State of Minnesota, through its Comissioner of Public Safety will test and certify the gaming device.

(2) Credit Redemption

Available credits may be collected from the gaming device by the player pressing the "COLLECT" button at any time other than during:

(A) A game being played;

(B) Audit mode;

(C) Any door open;

(D) Test mode;

(E) A Credit Meter or Win Meter incrementation, unless the entire amount is placed on the meters when the collect button is pressed; or

(F) An error condition.

(3) Cancel Credit

If credits are collected, and the total credit value is greater than or equal to a specific limit (e.g. Printer Limit for printer games), the games shall lock up until the credits have been paid, and the handpay is cleared by an attendant.

(4)   Printers

The printer shall print on a ticket and provide the data
to an on-line data system that records the following
information regarding each payout ticket printed.   The
information listed below can be obtained from the gaming
device, validation terminal, the on-line data management
system or other means:

(A)   Value of credits in U.S. currency;

(B)   Time of day the ticket was printed in twenty-four
      (24) hour format showing hours and minutes;

(C)   Date, in any recognized format, indicating the
      date, month and year;

(D)   Gaming device number or machine number; and

(E)   Unique validation number, or bar code.

The gaming device shall either keep a duplicate copy or
print only one (1) copy to the player.   Each gaming
device shall have two dedicated logs that will record
ticket histories at a minimum of: (i) thirty-five (35)
tickets printed, and (ii) thirty-five (35) tickets
redeemed.   In addition, an approved system shall be used
to validate the payout ticket and the ticket information
on the central system shall be retained at least as long
as the ticket is valid at that location.

(5)   Printer Location

The printer shall be located in a locked area of the
gaming device (e.g. require opening of the main door
access) but not in the logic area or the drop box.   This
requirement ensures that changing the paper does not
require access to the drop (cash) or logic areas.

(6)   Error Conditions

A printer shall have mechanisms to allow software to
interpret and act upon the following conditions:

(A)   Out of paper/paper low;

(B)   Printer jam/failure; and

(C)   Printer disconnected (this may only be detected
      when the software tries to print).

These conditions shall trigger an error condition to indicate the error has occurred.

(7) Ticket Validation

Payment by ticket printer as a method of credit redemption is only permissible where the gaming device is linked to an on-line data system, which allows validation of the printed ticket. Validation approval or information shall come from the host system in order to validate tickets. Tickets may be validated at the gaming device or at any validation terminal as long as it meets the standards in this section. Provisions must be made if communication is lost and validation information cannot be sent to the host system, thereby requiring the manufacturer to have an alternate method of payment.

(8) Duplicate Tickets

If the gaming device is capable of printing duplicate tickets, it must be clearly indicated that it is a duplicate ticket. The validation system must be able to identify duplicate tickets to prevent fraud by reprinting and redeeming a ticket that was previously issued by the gaming device.

(9) Metering Modifications

To account for cashless tickets accepted by a gaming device, the following electronic gaming device meters shall be incremented:

(A) Total value of all items accepted;

(B) Total number of all items accepted;

(C) The "drop" meter shall maintain a cumulative count of the number of coins that have been diverted into a drop bucket and credit value of all bills or cashless tickets inserted into the bill acceptor for play. It is acceptable to have both a coins-dropped meter and a bills drop meter. The game shall have a separate meter that accumulates the number of cashless tickets accepted, not including bills; and

(D) The gaming device or on-line data system shall have a separate meter that accumulates and increments the total value of cashless tickets accepted, not including bills which are included in section (C) above.

(10) <u>No Credit Extended</u>

As provided in Section 4.2, nothing in this amendment shall be construed to authorize the extension of credit to any person for gaming.

5. A new Section 6.9B is hereby added:

6.9B Band's Minimum Internal Control Standards for Gaming Devices that Accept Coin, Currency, or Cashless Tickets and Issue Cashless Tickets

The Band shall adopt minimum internal control standards governing cashless acceptance and dispersing devices which at minimum shall provide:

1. The customer may request a cashless ticket from the gaming machine which reflects all remaining credits. The cashless ticket shall be printed at the gaming machine by an internal document printer.

2. The cashless ticket at a minimum shall contain the following printed information:

    (A) Casino Name;

    (B) Machine Number;

    (C) Date and Time;

    (D) Alpha and numeric dollar amount of the cashout;

    (E) Voucher (cashless ticket) number;

    (F) Validation number;

    (G) Bar code;

    (H) Type of transaction; and

    (I) A phrase stating that the voucher will expire sixty (60) days after issuance.

3. Cashless ticket must be redeemed within sixty (60) days from the time of issue by the gaming device. After that period, an unredeemed cashless ticket will have no cash value. If the Reservation Business Committee approves a late payment on an expired cashless ticket, an override to the on-line date system shall be processed by an authorized supervisor or management personnel.

4. The customer shall redeem the cashless ticket at a change booth or cashiers' cage. Once presented for redemption, the cashier shall:

   (A) Scan the bar code via an optical reader or its equivalent; or

   (B) Input the cashless ticket validation number into the computer.

5. The information contained in paragraph 4 of this section shall be transmitted to the host computer. The host computer shall verify the authenticity of the cashless ticket and communicate directly to the change booth or cashier cage terminal.

6. If valid, the cashier pays the customer the appropriate amount and the cashless ticket is electronically noted "paid" in the system. After the cashless ticket is electronically validated, the system prints out a validation receipt. The receipt shall be stapled to the cashless ticket and shall remain in the cashier's bank for reconciliation purposes.

7. The validation receipt at the minimum shall contain the following printed information:

   (A) Machine number;

   (B) Operator number;

   (C) Validation number;

   (D) Issue date;

   (E) Date paid; and

   (F) Amount.

8. If invalid, the host computer shall notify the cashier that one of the following conditions exists:

   (A) Serial number cannot be found on file (stale date, forgery, etc.);

   (B) Cashless ticket has already been paid; or

   (C) Amount of cashless ticket differs from amount on file. The cashier shall refuse payment to the customer and notify a supervisor of the invalid condition. The supervisor shall resolve the dispute. If the dispute is $500 or greater the

Reservation Business Committee shall be immediately notified.

9. At the end of the cashier's shift, a "Validation Window Closer" report shall be printed. This information shall be compared to the sum of cashless tickets paid by the cashier during that cashier's sign-on period and be used to reconcile cash for the shift. The cashier and a supervisor shall sign the "Validation Window Closer" report.

10. In the event that the cashier is unable to communicate with the system for any reason, the cashless ticket is presented to an authorized supervisory or management personnel for payment. Authorized personnel will then scan the voucher at a alternative validation terminal that is located in the general proximity, but outside of the change booth or cashiers' cage. The ticket will be validated in the system and a validation receipt will print out. The receipt is then attached to the cashless ticket, and both are presented to the cashier for payment. All validation terminals shall be secured and password controlled.

11. If the on-line data system temporarily goes down, cashiers may redeem cashless tickets after recording at a minimum the following in a log:

    (A) Serial number of the cashless ticket;

    (B) Date;

    (C) Dollar amount; and

    (D) Issuing gaming machine number.

12. Cashless tickets shall be validated as expeditiously as possible when the on-line data system is restored.

13. If the on-line electronic game management system generates a jackpot slip when a jackpot occurs on a cashless gaming device, the jackpot receipt generated by the gaming device shall be stapled to either the cashier's copy of the jackpot ticket or the copy that is given to the attendant handling the payment of the jackpot. Jackpot payout internal controls shall be followed that are at least as stringent as the National Indian Gaming Commission's (NIGC) Minimum Internal Control Standards (MICS). A W-2G Form shall be completed in accordance with IRS regulations for single award payments of $1,200 or more.

14. The following Soft Count procedures shall be performed:

    (A) At least once during each week prior to the commencement of each soft count, the count team shall test the accuracy of the Duplo ticket counter with a varying sample of cashless tickets. The test shall be documented and attested to by the signatures of at least two count team members.

    (B) For each gaming device, foot the tickets removed from the bill validator drop box and agree to the system-generated report that list all of the dropped tickets for a given period.

    (C) At the end of the soft count process, all cashless tickets shall be bundled, by machine, and forwarded to accounting (revenue audit) where they shall be treated as drop for the purpose of reconciliation.

15. The following reports at a minimum shall be generated by the accounting department and reconciled to all validated/redeemed tickets, as well as to the on-line data system on a daily basis:

    (A) Ticket Liability Report;
    (B) Ticket Issuance Report; and
    (C) Ticket Redemption Report.

16. The gaming operation shall develop and implement procedures to control cashless ticket paper which shall include procedures which:

    (A) Mitigate the risk of counterfeiting of cashless ticket paper;

    (B) Adequately controls the inventory of the cashless ticket paper; and

    (C) Provide for the destruction of all unused cashless ticket paper.

17. If the cashless on-line data system is down for more than four hours, the gaming operation shall promptly notify the Reservation Business Committee.

18. All applicable accounting and auditing procedures required by NIGC MICS shall be performed.

19. The on-line data systems shall comply with all other standards (as applicable) in the NIGC MICS including, but not limited to:

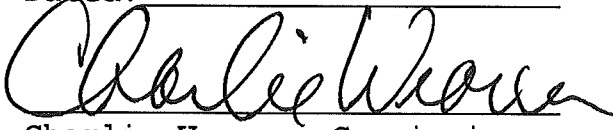(A) Standards for currency acceptor drop and count;

(B) Standards for coin drop and count.

20. The on-line data system shall be secured and password controlled. Each user shall have his or her own password and passwords shall be changed and documented at least quarterly.

STATE OF MINNESOTA

Dated: _____

Charlie Weaver, Commissioner
Minnesota Department of
Public Safety

FOND DU LAC BAND OF LAKE SUPERIOR CHIPPEWA

Dated: __2/4/02_____

Robert B. Peacock, Chairman

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