

**Tribal-State Gaming Compact
Between**

_____ **Indian Tribe**

**and the
State of Arizona**

APPENDIX D

**DEFINITIONS, OPERATIONAL
STANDARDS, SPECIFICATIONS AND
REGULATIONS GOVERNING KENO**

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APPENDIX D
DEFINITIONS, OPERATIONAL STANDARDS, SPECIFICATIONS AND REGULATIONS
GOVERNING KENO

Section 1. Definitions

- “Race”:
A Keno race is run approximately every 8-10 minutes. The race starts with a keno ticket marked by a player with up to 20 numbers. There are 80 numbers on a ticket, and 20 numbers drawn. This is a one-race ticket game which will end after 20 numbers are drawn.
- “Multi-Race”:
A keno ticket with more than one game requested by a player. There can be from 1-1000 games played on a multi-race ticket.
- “Re-Grading”:
To review a winning ticket by using the payout schedule and draw (verification) ticket.
- “Win”:
Write less payouts.
- “Write”:
The gross revenue received from Keno ticket sales.
- “Win to Write”:
Dollar ratio of the win divided by the write.
- “Win to Write”:
Win to write ratio stated in (hold percentage) percentage form.
- “Late Pay”:
A ticket paid out after another race has started.
- “Foot”:
To manually total the write of each game to ensure that it equals the computer calculation of total write for that day.
- “Payout Adjustments”:
Monies paid out to customers outside the computer. (Customer disputes, etc.)
- “Manufacturer”:
Person or entity who manufactures, produces or assembles any hardware, software or gaming supplies for use in the conduct of a live keno gaming activity.
- “Distributor”:
Person or entity who obtains keno-related hardware, software or gaming supplies from a manufacturer and who intends to furnish those materials to the community.
- “Supplier”:
Person or entity providing any services, maintenance or materials to support the conduct of live keno gaming activity.

Section II. Procurement

1. Any hardware, software or gaming supplies used in the direct or indirect operation of a live keno gaming activity shall be purchased, leased or acquired only from manufacturers, distributors, and suppliers licensed by Tribal Gaming Agency and certified by the State Gaming Agency.
2. Prior to the installation of live keno gaming hardware and software gaming operations management shall, at a minimum, report in writing to the Tribal Gaming Agency and the State Gaming Agency the following:
 - a) Names and addresses of manufacturers, distributors, and suppliers of hardware, software and gaming supplies to be used;
 - b) Any associated serial numbers of hardware;
 - c) Certification of software used in computerized keno gaming records;
 - d) Location in which game will be played;
 - e) Date of installation; and
 - f) Documentation of approval from a certified gaming laboratory.

Section III. Hardware Requirements

1. A surge protector must be installed on the line that feeds power to the gaming station computer hardware.

2. A battery back-up, or equivalent, to ensure no loss of memory or records at gaming station computers in the event of loss of primary power source, must be installed.
3. The operation of gaming station computers must not be adversely affected by static discharge or other electromagnetic interference.

Section IV. Software Procurement and Records Requirements

1. Gaming operations management shall provide the Tribal Gaming Agency with each manufacturer's certification of all software used to record gaming station transactions.
2. Each manufacturer's certification shall include a description of all record features, parameters of the software, and applicable serial number.
3. The Tribal Gaming Agency shall maintain a file of manufacturer's certifications.

Section V. Operational Standards, Specifications and Regulations Governing Keno

Maintenance

1. A gaming employee, licensed by the Tribal Gaming Agency, and if not a member of the Tribe, a person who has been certified by the State Gaming Agency, but in neither instance assigned to the Keno Department, may perform routine maintenance and service of the hardware components of the keno computer equipment. Any such maintenance and service will be conducted only after notice is provided to the Tribal Gaming Agency, which may assign an inspector to be present while routine maintenance and service are being performed. If an inspector is assigned, the Tribal Gaming Agency shall maintain a log of the events it observes. A vendor-dispatched technician only shall perform all non-routine maintenance and service of the hardware components of the keno computer equipment and any updates or upgrades of the keno computer equipment and any updates or upgrades on the keno computer software. A vendor-dispatched technician, or other third-party qualified technicians, only shall maintain and service the keno equipment. The Tribal Gaming Agency shall assign an inspector to be present during either of the categories of maintenance and service described in this paragraph. The Tribal Gaming Agency shall maintain a log of the events it observes, which shall be reviewed by non-keno gaming facility management and supervisory inspector of the Tribal Gaming Agency.
2. All Keno equipment maintenance and service shall be independent of the keno department.
3. Any malfunction or irregularity observed in the keno computer equipment or software, shall be recorded in a log maintained by keno management, keno department employees, and maintenance personnel and reported verbally to non-keno gaming facility management and to the Tribal Gaming Agency.

Game Play Standards

4. The computerized customer ticket includes the date and time of issue, game number, conditioning, ticket sequence number and the station number. The ticket indicates that it is multi-race (if applicable).
5. Concurrently with the generation of the customer ticket, the information on the ticket is recorded on restricted computer storage media. Access by keno employees to the computer storage media is precluded.
6. When it is necessary to void a ticket, the void information is entered into the computer which prints a void slip.
7. The writing and voiding of tickets after a raced [sic] has been closed, and after the number selection process for that race has begun, is prohibited.
8. The controls in effect for tickets prepared in outstations (if applicable) are identical to those in effect for the primary keno game.

Number Generation/Selection

9. Number Selection – Rabbit Ear System – Main Keno Game

A camera is utilized to record the following prior to and subsequent to the calling of a game, respectively: Rabbit ears, date/time, and game number.

The picture of the rabbit ears on the camera must provide a legible identification of the numbers on the balls drawn as well as the date/time and game number.

Keno personnel immediately enter the selected numbers in the computer and the computer documents the date, game number, the time the game was closed, and the numbers drawn.

The keno ball blower system and keno balls in play are under constant surveillance. The Casino Supervisor, Lead Shift Supervisor and/or Casino Manager are the only persons allowed access to the keno ball blower system.

Spare keno balls are maintained in a locked cabinet behind the keno desk. The key to the cabinet is maintained in the casino cage and can be accessed by casino supervisory personnel or security.

The keno balls are rotated, cleaned and inspected on a daily basis, or as they are put into play, by casino supervisory personnel.

10. Random number generated system

Note: During certain periods of operation, Casino Operations may elect to use a random number generator for ball selection. If a random number generator is used, the following procedure would apply:

A computer generated selection of twenty (20) random numbers at spaced intervals.

The random number generator is linked to the computer system and directly relays the numbers selected into the computer for preparation of a draw ticket without manual input.

Winning Ticket Verification and Payment

11. The sequence number of tickets presented for payment is input into the computer, and the payment amount generated by the computer is given to the patron.

12. Payment is precluded on tickets previously presented for payment, unclaimed winning tickets (sleepers) after a specified and published period of time, voided tickets, and tickets not yet issued.

13. All payouts are supported by the customer (computer generated) copy of the winning ticket. The payout amount is either indicated on the customer ticket or payment slip is issued.

14. A manual report is produced and [sic] maintained documenting any payments made on tickets which are not authorized by the computer.

15. Winning tickets of \$5,000.00 or greater also require the following:

- a) Approval of gaming facility management independent of the keno department evidenced by signature;
- b) Comparison of the winning customer copy of the computer report;
- c) Regarding of the customer copy using the payout schedule and draw information; and
- d) Retention of computer reports which document the performance of all of the above.

16. When the keno game is operated by one person, all winning tickets in excess of an amount to be determined by keno department management (not to exceed \$1,500.00) shall be reviewed and authorized by gaming facility management who are independent of the keno department.

17. A cash summary report (count sheet) is prepared for each shift which includes:

- a) Computation of cash proceeds for the shift by individual writer bank; and
- b) The signatures of at least two employees who have verified the cash proceeds recorded in the above computation.

Statistics

18. Records are maintained which include win, write, and win-to-write by individual writer for each shift and for each race during the shift.

19. Records are maintained which include (for each licensed game) win, write, and win-to-write hold percentage for:

- a) Each shift;
 - b) Each day;
 - c) Month-to-date; and
 - d) Year-to-date.
20. Non-keno gaming facility management shall review keno statistical data, at a minimum, on a monthly basis and investigate any large or unusual statistical variance.
21. Non-keno gaming facility statistical reviews and investigations shall be documented and maintained.

System Security Standards

22. Access to the computer system is restricted by passwords which are changed at least quarterly.
23. Keys to computer hardware in the keno area are maintained by the Tribal Gaming Agency.
24. Only an inspector from the Tribal Gaming Agency shall take such keys to the keno area, and make such observations, as are required by Section V, paragraph 1 above.

Documentation

25. Documentation of all keno transactions is generated by the computer system.
26. Computer-generated documentation is restricted to keno department management who shall transmit all or part of it to the Tribal Gaming Agency and non-keno gaming facility management upon request.
27. The transaction documentation includes, at a minimum:
- a) Ticket information A (mirror image);
 - b) Payout information;
 - c) Race information (number, ball draw, time, etc.);
 - d) System exception information, including
 - I. Voids;
 - II. Late pays; and
 - III. System parameter information (e.g., changes in pay tables, ball draws, payouts over a predetermined amount, etc.); and
 - e) Personnel access listing which includes, at a minimum:
 - I. Employee name;
 - II. Employee identification number; and
 - III. Listing of functions an individual employee can perform or the equivalent means of identifying same.

Keno Audit

28. The keno audit function is performed by income control, which functions independently of the keno department.
29. For at least one shift every other month the audit department shall perform the following:
- a) Foot the write on the restricted copy of the keno transaction report and compare the total to the total as documented by the computer.
 - b) Foot the customer copy of the payouts and trace the total to the payout report; and
 - c) Regrade at least 1% of the winning tickets using the payout schedule and draw ticket.
30. The audit department shall also perform the following:
- a) Compare net cash proceeds to the audited win/loss by shift and investigate any large cash overages or shortages (i.e., in excess of \$25);
 - b) Review and regrade all winning tickets greater than or equal to \$1,500, including all forms which document that proper authorizations and verifications were obtained and performed (including W-2G forms and 1042S forms);

- c) Review the documentation for payout adjustments made outside the computer and investigate material and frequent payments; and
 - d) Review all other pertinent documentation as applicable (e.g., system exception information, etc.).
31. Documentation (e.g., a log, checklist, etc.) shall be maintained which describes the performance of all keno audit procedures.
 32. Non-keno gaming facility management shall review keno audit exceptions, and perform and document investigations into unresolved exceptions.
 33. Copies of all keno tickets and computer storage media shall be maintained for at least seven (7) days.
 34. All copies of winning keno tickets of \$1,500 or more shall be maintained for at least five (5) years. This requirement includes restricted copies.

Multi-Race

35. Keno personnel shall be notified immediately of large multi-race winners to ensure compliance with the procedures described in paragraph 14 above.
36. An operational control shall exist to ensure that keno personnel are aware of multi-race tickets still in process at the end of a shift.