

## Grand Ronde Gaming Commission Quarterly Report on regulatory activities

### Second Quarter 1996

During the second quarter of 1996, the Commission's workload was dominated by the processing of employee background investigations arising from the Legends expansion. During the quarter, the Commission acted on 268 gaming licensing agenda items. Of the applications acted on, 250 were approved, 13 denied and 5 were referred back to staff for additional investigation. Of the approvals, 25 employees were approved with limitations and/or conditions. Included in the items approved by the Commission were 4 petitions filed by the Director in which the Commission was asked to review its original licensing decision due to the application filed containing false or misleading information and 3 petitions sought the Commission's approval to modify existing conditions on an employee's gaming license. Also included in the approval number was one petition filed by the Director seeking ratification of an Emergency Suspension Order. Five individuals, whose appearances were waived by regulation, appealed the Commission's initial denial and requested another hearing. Upon reconsideration, the Commission sustained 4 denials and reversed 1, choosing to license with limitations and conditions. To address the heavy workload during the second quarter, the Commission continued to meet at least twice monthly. In addition to agenda items pertaining to personnel licensing applications, the Commission's agenda also included the following items relating to the licensure of major, minor, and sensitive procurement contractors:

#### April 19, 1996 General Session Meeting

- 1) KEM Plastic Cards, Scranton, PA  
Approved a Temporary Sensitive Procurement Contractors License until the Commission's regularly scheduled meeting on June 21, 1996.
- 2) Reliable Security, Everett, WA  
Approved a Temporary Sensitive Procurement Contractors License until the Commission's regularly scheduled meeting on June 21, 1996.

#### May 17, 1996 General Session Meeting

- 1) No Peek 21, Laughlin, NV  
Approved licensure as a Sensitive Procurement Contractor.
- 2) Mikohn Gaming, Inc., Las Vegas, NV  
In response to the vendor's licensing conditions, testimony was presented to the Commission by Mikohn representatives relating to the status of improvements in the VLT validation process and real-time validation of VLT payout slips.
- 3) Sensormatic Electronics Corporation, Deerfield Beach, FL  
Licensee's temporary gaming license was allowed to expire on May 13, 1996. The gaming facility advised the Commission that they no longer anticipate doing business with Sensormatic and was withdrawing the Letter of Intent.

#### June 19, 1996 General Session Meeting

- 1) Reliable Security, Everett, WA  
Approved an application to extend a Temporary Sensitive Procurement Contractors License 60 days until the Commission's regularly scheduled meeting on August 23, 1996.
- 2) Allied Paper Products, Inc., Omaha, NE  
Approved a 90 day Temporary Sensitive Procurement Contractors License until the Commission's regularly scheduled meeting on September 20, 1996.
- 3) Bud Jones Company, Las Vegas, NV  
Approved a 90 day Temporary Sensitive Procurement Contractors License until the Commission's regularly scheduled meeting on September 20, 1996.

### REGULATION CHANGES:

The Gaming Commission is continuing to refine the Regulations. The following modifications, amendments and additions were approved by the Commissioners during the second quarter of 1996:

#### April 19, 1996 General Session Meeting

- 5.013 Gaming by persons licensed by the Commission.**  
Regulation allowing employees to gamble at Spirit Mountain Casino was previously approved in January 1996 for a 90 day trial period. The Commission approved an extension of the regulation until July 19, 1996 subject to the following conditions:
- 1) Spirit Mountain Casino staff to submit report to Commission staff in advance of July 19, 1996 meeting reflecting the regulatory status of employee gaming.
  - 2) Within 30 days submit Policies and Procedures on how regulation will be monitored internally.

#### 5.018 Emergency suspension of a gaming license by the director.

Regulation grants authority to the Director to suspend an individual's gaming license whenever the activities of a licensee is deemed to jeopardize the integrity of gaming or security of Tribal assets and such risk is immediate and material. The concurrence of three commissioners is required within three days and the suspension order is only valid until the Commission's next regularly scheduled meeting, at which time it must be ratified by the

entire Commission. Unless renewed by the Commission, the suspension order, upon ratification, may not be for a period of time to exceed 90 days.

#### 3.030 6(a) Primary management official, high security employee, low security employee and temporary student employee.

Regulation modified to allow for Commission staff to assume a greater role in the performance of High Security Gaming License investigations.

#### 3.030 6(d) (e) Primary management official, high security employee, low security employee and temporary student employee.

Regulation was modified to allow staff additional time to receive FBI finger print responses before submitting the licensing background packages to NIGC. Regulation was also modified to establish procedures for the processing of new hires and rehires when more than 60 days has elapsed since the Commission's licensing determination.

#### 4.010 6 Application general.

Regulation was amended to provide for a new licensing category, Temporary Student Employee. The new gaming license is intended to facilitate the hiring of full time students during the summer and for intern assignments. The license has particular restrictions and is limited to 120 days.

#### 4.030 2(c) Classification of licenses, and other Commission actions for which application must be made.

Regulation modified to allow for Commission staff to assume a greater role in the performance of Low Security Gaming License investigations.

#### 4.030 2(d) Classification of licenses, and other Commission actions for which application must be made.

Regulation was amended to provide for the acceptance of applications for the licensure of Temporary Student Employees.

#### Reg. 31 CERTAIN CASH TRANSACTIONS

New regulation was adopted requiring that the casino come into compliance with Federal Internal Revenue Code Title 31. Also included in the regulation was prohibitions against certain cash for cash transactions. The purpose of the regulation is to deter money laundering transaction.

#### Reg. 6A PROHIBITED CASH TRANSACTIONS

Regulation was deleted and replaced by Reg. 31.

#### MIC Electronic Gaming Devices/Slots Video Lottery Terminal "VLT" Standards

Minimum Internal Controls were amended to require increased security measures be adopted governing storage and access to VLT paper.

#### MIC Class III Table Games

Minimum Internal Controls were added establishing certain standards for individuals to be approved as trainers in the table games area and requiring that such training include a specified number of hours of instruction and live gaming experience.

#### MIC Surveillance System Equipment Locations

Minimum Internal Controls were amended to require that fixed surveillance cameras be placed above each blackjack table.

#### May 17, 1996 General Session Meeting

#### 4.030 1(a) Classification of licenses, and other Commission actions for which application must be made.

Regulation was amended increase the Commission's quarterly licensing fee from \$80,000 to \$85,000.

#### 5A.095 Ticket Validation Requirements.

Regulation was amended to establish certain requirements for the validation of keno tickets used in a computerized game.

#### 6.090 Internal control for licensees.

Regulation was adopted establishing certain standards for the casino's accounting internal controls and providing for sanctions against the gaming property when it fails to follow its own policies and procedures.