



Internal controls will be a key aspect of the proposed financial and business policies and procedures of the Applicant's proposed Gaming Facility. The Applicant's consultant, Global, has extensive experience with these internal controls. The Applicant, based upon recommendations from Global, currently contemplates the specific internal controls described below; such policies and procedures described below, however, may be modified in particular resulting from the promulgation of regulations by the Commission.

### ***Compliance Director***

The Applicant currently contemplates having a Compliance Director who will work with senior management and report to among others the President/General Manager of the Gaming Facility. The Compliance Director will support the Gaming Facility's compliance with all relevant laws, regulations, and internal procedures.

### ***External Audit***

The Applicant plans to engage an independent external audit to be performed annually in order to evaluate the organization's operations, governance, internal controls, and financial reporting. This audit will be conducted in accordance with auditing standards generally accepted in the U.S. The purpose of the external audit will be to provide an objective and knowledgeable assessment of the control environment and financial health of the organization.

### ***Internal Audit***

The Applicant plans to conduct an internal audit semi-annually in order to evaluate and improve the organization's risk management, control and governance processes. The audit and follow up audit will be performed to objectively analyze, review, and evaluate existing procedures and activities, report on conditions, and recommend changes for consideration. The audit will cover the evaluation of risk management, control and governance systems, information security, and regulatory compliance.

### ***Separation of Accounting and Cage Processes for Independent Verifications***

The Applicant believes that segregation of duties is an integral aspect of internal controls. The Applicant plans to have several layers of separation to ensure that cage and money handling processes are not concentrated within one individual or department. The casino drop would likely consist of four separate and independent processes: (1) the drop, (2) soft count, (3) vault, and (4) revenue audit. The entire process will be observed by members of the surveillance and security departments. The revenue audit department will receive system generated activity reports and soft count reports which will be independent of the drop and count processes. Various revenue audit team members will prepare daily vault recap reports. Access and the level of access within the accounting system will be granted and reviewed by IT and the senior management. Access will be established by user roles and responsibility classes; the access to the accounting system and the network will be controlled by IT. Bank reconciliation and cash accounting roles will not have access to check printing or check signing authority. In addition,

the Accounting/Finance department will complete a monthly checklist documenting a comprehensive review of accounting practices specific to the reporting period. The checklist will be signed by the VP of Accounting/Finance and the President/General Manager. The Applicant will develop detailed standard operating procedures for all aspects of the cage, cash and casino operations based on the forthcoming regulations.

### ***Cage and Count Room Supervision***

The drop and count is contemplated to be performed with no less than three attendants. The duties of the attendants will be rotated on a regular basis. The drop process will be done in the presence of security officers assigned to the drop. After the count is completed for the day, totals will be entered onto a count transfer sheet, which will be signed by each member of the team that performed the drop and count. The casino main bank duties will be performed with no less than two main bank cashiers per shift. All assets in the bank will be counted by the outgoing cashier and documented on (i) an inventory sheet and (ii) a vault sheet.

### ***Gaming Floor Drop Process***

The gaming floor drop process will be a carefully executed process involving several layers of controls. Surveillance and security departments will monitor the entire process, and standard operating procedures will govern all aspects of the process including among other things the time the drop takes place, access to the drop keys, access to the count room, access to the currency boxes, equipment storage, and number of people required. External auditors will observe this process as part of the annual audit plan.

### ***Outline of Gaming Floor Process***

The gaming floor activities will be controlled by a series of standard operating procedures documenting both standards of internal control and operating requirements. Employees will be trained in these processes and operating procedures including among others:

- Cage Cashier Summary of Responsibilities
- Cage Cashier Drawer Management
- Cage Cashier Opening & Closing Cash Window
- Cage Cashier Money Handling Procedures
- Casino Main Bank Summary of Responsibilities
- Casino Main Bank Miscellaneous
- Casino Main Bank Opening Shift
- Casino Main Bank Impress Banks
- Casino Main Bank - Bank Deposits
- Casino Main Bank - Receiving Soft Count Funds
- Casino Main Bank Jackpot Payouts
- Casino Main Bank Unclaimed Jackpots
- Casino Main Bank Voids
- Casino Main Bank Closing Shift
- Casino Main Bank ATM Procedure
- Casino Main Bank Kiosk Drop and Fill

- Casino Main Bank Pick-Up Authorization
- Casino Main Bank, Cage, Count Dress & Appearance
- Casino Main Bank, Cage, Count Attendance Policy
- Casino Main Bank, Cage, Count Severe Storm Procedures
- Casino Main Bank, Cage, Count Power Outage Procedures
- Casino Main Bank, Cage, Count Fire Procedures
- Casino Main Bank, Cage, Count Mantrap Access
- Casino Main Bank, Cage, Count Paperwork Completion
- Casino Main Bank, Cage, Count Key Assignment
- Casino Main Bank, Cage, Count Title 31
- Casino Main Bank, Cage, Count BIP and Audit Exceptions
- Casino Main Bank, Cage, Count Drama Policy
- Casino Main Bank, Cage Robbery Procedures
- Casino Main Bank, Cage Security Practices
- Casino Main Bank, Cage Even Exchange
- Casino Main Bank, Cage Check Cashing
- Casino Main Bank, Cage Variance Policy
- Casino Main Bank, Cage Toke Policy
- Casino Main Bank, Cage Gift Certificate Policy
- Count Summary of Drop & Count Responsibilities
- Count - Drop Team Procedures
- Count - Count Team Procedures
- Count - Drop & Count Security Practices

### ***Title 31 Compliance***

The Applicant plans to put programs into place to educate team members on Title 31 in order to comply with the responsibilities required under the BSA Rules and Guidelines. Compliance will be carried out with a robust program of policies and procedures. Listed below are some of the goals of this program:

- Implement a system of internal controls to assure ongoing compliance.
- Institute independent testing of compliance, both internal and external.
- Conduct training of Gaming Facility personnel in BSA requirements.
- Designate BSA Compliance Officer.
- Document procedures for using all available information to determine, when required, accurate customer identity, suspicious or unusual activity, and whether or not recordkeeping requirements are met.
- Provide specific Title 31 training to all new hires in all relevant departments.
- Train all team members who handle, authorize, witness, or approve cash transactions of \$3,000 or more.
- Provide Title 31 training at least twice a year.
- Provide training on filling out various required currency transaction and other reports such as:
  - > Currency Transaction Report by Casinos (CTRC)
  - > Multiple Transaction Log (MTL)

- > Suspicious Activity Report by Casinos (SARC)
- > Player Rating Records
- > Negotiable Instrument Records
- > Safekeeping Deposits
- > Foreign Currency Transactions

### ***Secured Cash Handling Systems and Processes***

The Applicant plans to put into place processes to ensure cash accountability. More specifically, the Gaming Facility will employ the services of banking institutions for the purposes of treasury and cash management as well as third party armored money transport services for offsite movement of cash. Internally, the security and surveillance teams will carefully monitor all movement of cash assets. Accounting will generate daily cash activity reports directly from the banking system; monthly journal entries will be generated, and bank reconciliations will be performed. The VP of Accounting/Finance and the President/General Manager will sign a monthly checklist documenting a comprehensive review of accounting practices specific to the reporting period.

### ***Electronic Surveillance Systems***

The Applicant currently plans to install and operate a state-of-the-art electronic video surveillance system throughout the Gaming Facility. The surveillance operation will ensure that all critical areas of the building are monitored and protected, including 24/7 monitoring of all gaming conducted at the Gaming Facility and the handling and movement of gaming money. Surveillance personnel will work with security and technology teams to ensure that all critical areas of the Gaming Facility are monitored and protected. The surveillance control room will be staffed by a professional team that has been vigorously trained and that has a full understanding of the policies governing their operations. The surveillance plan will be reviewed annually and updated as necessary to reflect changes in equipment location, surveillance policy, and procedure.

### ***Security Systems for the Proposed Gaming Facility***

The Applicant will provide a safe and secure environment for patrons and employees at the Gaming Facility. The highly trained security staff will work closely with senior management, surveillance, and local law enforcement and other services (e.g., EMT) to establish and maintain a safe environment for team members and guests. The security team will work closely with the surveillance team to ensure a safe environment and to protect the cash and physical assets of the enterprise. The efforts of the security and surveillance teams are focused on, but not limited to, the following areas:

- Manual and technological surveillance of the facility, employees and patrons
- Protection of patrons and employees within the facility
- Protection of cash and other assets within the facility
- Maintaining enterprise key control
- Accompany the movement of funds transported in the gaming area or back of house
- Protection of the enterprise from cheating, theft and vandalism
- Securing access to/from restricted areas of the Gaming Facility

- Ensuring that regulatory age restriction policies are enforced
- Providing a credible, visible deterrent to disruptive or unlawful behavior
- Intervening in disputes and disturbances
- Removal of persons who are in violation of rules
- Detention of offenders and/or making citizen's arrests when necessary
- Building a case against violators for prosecution by proper authorities
- Managing the facility, patron & employee safety program
- Emergency preparedness & response

### ***Information Systems Controls***

The Applicant plans to utilize state-of-the-art information systems for business efficacy and controls over assets and operations. The Applicant believes that the integrity, confidentiality and availability of the information systems, applications and data stored and transmitted over these networks are critical to the success and security of the Gaming Facility. The Applicant will devote considerable resources toward using the most advanced technologies, employing failover and power backups for critical components, utilizing multiple data backup mechanisms, and enforcing strict procedures governing the security of its information systems.

### ***Emergency Response Plan***

The Applicant will develop a thorough Emergency Response Plan (ERP) to be able to effectively respond to a variety of potential major emergencies. The purpose of the plan will be to outline specific duties and responsibilities. Personnel will be trained to follow the guidelines in the ERP to assure a smooth and orderly operation. Additionally, department-specific contingency plans will ensure that assets are secured and/or removed without jeopardizing health and safety.

Situations covered under the ERP are likely to include:

- Fire
- Flood
- Severe weather/tornado
- Power failure
- Bomb threat
- Political terrorist threat
- Exposure to hazardous chemical air pollutants
- Acts of terrorism/riot
- Hostage situation
- Chemical/hazardous materials spill
- Active shooter response

Each area will outline specific duties and procedures to be followed for the protection of persons and property. The President/General Manager will have the ultimate authority for implementing the ERP and

will report to the Board of Directors. The ERP will detail immediate escalation procedures, internal and external notifications, and specific protocols to be followed depending on the nature of the emergency. While all personnel have specific duties in emergency situations, the security and surveillance teams will have broad responsibilities in identification, escalation and execution of the ERP and in the monitoring and reporting of the event.