



JIM GIBBONS
Governor

STATE OF NEVADA
GAMING CONTROL BOARD

1919 College Parkway, P.O. Box 8003, Carson City, Nevada 89702
555 E. Washington Ave., Suite 2600, Las Vegas, Nevada 89101
3650 South Pointe Cir., P.O. Box 31109, Laughlin, Nevada 89028
557 W. Silver St., Suite 207, Elko, Nevada 89801
6980 Sierra Center Parkway, Suite 120, Reno, Nevada 89511
750 Pilot Road, Suite H, Las Vegas, Nevada 89119

DENNIS K. NEILANDER, *Chairman*
RANDALL E. SAYRE, *Member*
MARK A. LIPPARELLI, *Member*

February 10, 2010

Las Vegas
(702) 486-2043
Fax: (702) 486-2045

TO: ALL RESTRICTED AND NONRESTRICTED LICENSEES, GAMING DEVICE MANUFACTURERS AND DISTRIBUTORS, SLOT ROUTE OPERATORS, OPERATORS OF INTER-CASINO LINKED SYSTEMS, ASSOCIATED EQUIPMENT MANUFACTURERS AND INTERESTED PERSONS

SUBJECT: ASSOCIATED EQUIPMENT AND SYSTEMS APPROVAL PROCESS CHANGES

This letter provides updates to and additional clarification of the Gaming Control Board's Associated Equipment review and approval process. This letter supersedes the Gaming Control Board's industry letter dated April 24, 2006.

Associated Equipment that has been previously approved by the Board will not require any filings, notifications or communications to the Board as a result of this industry letter. Additional reviews of approved equipment or systems in the future may be done at the Board's discretion.

I. Introduction

All Associated Equipment must be reviewed and approved by the Gaming Control Board prior to installation and use at any gaming licensee establishment. The Board's Technology Division is responsible for the inspection and review of all Associated Equipment.

II. Executive Summary

- a. Removed the modification category system
- b. Updated the fee schedule
- c. Clarified submission requirements
- d. Request for Associated Equipment determination
- e. Deficiency notification requirements

III. Definitions

a. Associated Equipment

[NRS 463.0136](#) defines Associated Equipment as:

1. Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming or mobile gaming, any game, race book or sports pool that would not otherwise be classified as a gaming device, including dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines and devices for weighing or counting money; or
2. A computerized system for recordation of sales for use in an area subject to the tax imposed pursuant to [NRS 368A.200](#).

b. Associated Equipment Regulatory Structure

The regulatory structure of Associated Equipment consists of the following:

- i. Nevada Revised Statutes Chapters 368A, 463, 464, and 465
- ii. Nevada Gaming Regulation 14
- iii. NGC Regulation 14, Technical Standards
- iv. All applicable Minimum Internal Control Standards (MICS)

c. New Associated Equipment

Associated Equipment will be considered "New" under the following general criteria:

- i. A collection of hardware and/or software that has not been previously approved by the Board, but will be used by a Nevada gaming licensee to achieve compliance with the reporting or control procedure requirements set forth in the Associated Equipment regulatory structure.
- ii. Functionality to be used as a component of or with previously approved Associated Equipment which has not been previously reviewed and approved by the Board.
- iii. Any significant modification(s) that fundamentally alters any functionality, operation, or implementation to previously approved Associated Equipment. Examples of significant changes may include, but are not limited to, changing operating systems, material changes to databases, or migrating the Associated

Equipment programming and development from one source code structure to another.

d. Modification to Existing Associated Equipment

Any change to previously approved Associated Equipment required to satisfy the requirements set forth in the Associated Equipment regulatory structure that is not considered new Associated Equipment.

IV. Associated Equipment Licensing or Registration Requirements

Licensure is generally not required for a manufacturer or distributor of Associated Equipment. The only type of Associated Equipment that requires a manufacturer's license is a cashless wagering system as defined by [NRS 463.014](#) and required by [NRS 463.650](#). All other Associated Equipment manufacturers are required to register with the Board.

a. Associated Equipment Manufacturer Registration

For all initial submissions by unlicensed or unregistered Associated Equipment manufacturers, the following shall be submitted to the Technology Division:

- i. Personal History Questionnaire must be completed by each executive, director and/or key employee of the company.
- ii. Request to Release Information must be completed by each executive, director and/or key employee of the company.

Upon a recommendation by the Board, an Associated Equipment manufacturer may be called forward for a finding of suitability by the Nevada Gaming Commission pursuant to [NRS 463.665](#).

b. Restricted and Nonrestricted Licensees

Registration materials pursuant to this section are *not* required of current Restricted and Nonrestricted Licensees. However, Restricted and Nonrestricted Licensees must submit for approval Associated Equipment of internally developed products and related modifications even in cases where the Licensee holds a manufacturer's license. If the Restricted or Nonrestricted Licensee contracts for the development of the Associated Equipment, the Board may require, at its discretion, the submission of registration forms by the contracted Associated Equipment manufacturer.

V. Approval Fees

- a. [NRS 463.670\(4\)](#) allows the Board to inspect all Associated Equipment and systems. Pursuant to the provisions of [NRS 463.670\(5\)](#), the Board charges manufacturers of Associated Equipment a fee for inspections of newly developed Associated Equipment and modifications of previously approved Associated Equipment.
- b. Pursuant to NGC Regulation 14.270, a manufacturer may be required to provide specialized equipment or the services of an independent technical expert to evaluate the equipment. Manufacturers will be billed for the cost of the equipment or services. Associated Equipment inspection fees are charged at a rate for inspection time and for related travel time as established by the Board Chairman.
- c. The inspection and related travel time for the review of Associated Equipment is billed at a rate of \$150 per hour. It is the manufacturer's responsibility to ensure that its account balance is maintained at a level sufficient to cover the anticipated cost of the review. If an account has an insufficient balance, the review process will be discontinued and no additional work on the manufacturer's submissions will be performed until such time as the account balance is sufficiently funded.

VI. Associated Equipment Determination

New innovation and enhancements to existing products present the Board with new determinations and categorizations of Associated Equipment on a regular basis. Certain new products deemed Associated Equipment may require Board and Nevada Gaming Commission approval. Developers who may not be certain that their product is considered Associated Equipment requiring review and approval by the Board are strongly encouraged to submit a request for a formal determination to the Technology Division.

The request must contain:

1. A letter requesting the formal determination of a product as not requiring Associated Equipment approval. The letter must contain an overview of the product in lay terms outlining functionality of the product along with its intended use and operation. Additionally, the letter must contain an explanation by the manufacturer stating why it believes the product should not be considered Associated Equipment citing the appropriate NRS, NGC Regulation, or NGC Technical Standard as applicable.

2. Sufficient technical documentation for the Board to determine the operation of the product and how it may fit within the Associated Equipment regulatory structure.

Upon completion of its review, a written determination will be provided from the Technology Division to the manufacturer. Any such determination will be granted based on the specific operational parameters and descriptions represented in writing by the manufacturer. Should the parameters of the product change, the manufacturer must notify the Board immediately and request an updated determination letter. Further review and analysis of product submissions may be made at the Board's discretion.

VII. New Associated Equipment Submission Requirements

While no specific assurance can be given with respect to timing, the Technology Division will normally review the submission package for new Associated Equipment within **10 business days** of receipt. The review will determine if the submission by the manufacturer is complete or that additional information may be required by the Board.

A New Associated Equipment submission to the Technology Division must contain the following items before it is considered to be complete:

- a. **A completed and signed Manufacturer's Request for Review of Associated Equipment form**

This form must be signed by an officer with sufficient authority to bind the manufacturer who also has sufficient knowledge and understanding of the Associated Equipment being submitted.

- b. **A completed and signed User's Installation of Associated Equipment Approval Request form**

In accordance with NGC Regulation 14.280, new Associated Equipment may be trialed at a licensed gaming establishment. The licensed gaming establishment must submit a *User's Installation of Associated Equipment Approval Request* form indicating that it is going to be the trial location.

- c. **A deposit sufficient to cover the anticipated review charge**

Upon initial submission of new Associated Equipment, the manufacturer must make a deposit of no less than \$6,000 USD. Once the Technology Division has evaluated the complete submission

package and has determined the scope of the review, the manufacturer will be notified of the anticipated review cost. At that time, the manufacturer will be required to make a deposit sufficient to cover the anticipated review cost.

d. Complete System Documentation

The submission must contain thorough documentation in both technical and lay terms detailing the implementation, operation, and intended use of the Associated Equipment. The documentation is to be submitted on electronic media such as a CD or DVD ROM. Examples of the required documentation include:

- i. An overview of the Associated Equipment in lay terms outlining functionality of the product along with its intended method of operation and use.
- ii. Schematics
- iii. Topology Diagrams
- iv. Release Notes
- v. User Manuals

e. A comprehensive compliance report

The submission must contain a report detailing how the Associated Equipment complies with the Associated Equipment regulatory structure. The report must list each applicable NRS, NGC Regulation, and NGC Technical Standard that is applicable and state specifically how the product complies with the requirement.

f. A copy of all executable applications that comprise the Associated Equipment to be reviewed

This includes all executable applications such as .exe, .dll, and .jar files. These files must be placed in a folder on the root of the media named "images" (e.g. D:\image\app.exe). This software will be kept on file with the Board and will be used to verify approved versions that have been installed in the field.

g. A list of peripheral equipment

A list of equipment that must be used as part of the test of the submitted Associated Equipment in order to evaluate specific functionality. Examples of peripheral equipment include Voucher Redemption Terminals and Currency Counters.

h. Completed Associated Equipment Review Checklists

The Technology Division has issued several checklists for specific functionalities of Associated Equipment. All applicable checklists must be completed and submitted by the manufacturer. A completed checklist does not satisfy the requirement for a compliance report.

i. The audited results of a three-day test performed by the manufacturer

The results of the three-day test must confirm the Associated Equipment functions as represented. The three-day test must include all reports that are required to reconcile revenue and meet the requirements of the Associated Equipment regulatory structure. The three day test must also encompass all types of transactions that an operator may create during operation of the system, including exception type activities such as voids and overrides.

The reports from the three-day test must be audited. Any and all amounts impacting reportable revenue and statistical revenue must be traced across all reports. Source documents, such as vouchers or jackpot slips, must be referenced and traced to detail transaction reports. Detail transaction reports must be traced in total to summary reports.

j. A working model of the Associated Equipment to be reviewed

Pursuant to Regulation 14.270, the Board may require new Associated Equipment to be set up at the Technology Division's test lab or at the manufacturer's place of business. The manufacturer must have available, at the time of submission, a complete working model of the Associated Equipment ready for delivery. Once a submission has been determined to be complete, the Technology Division will coordinate with the manufacturer the delivery of the equipment to the lab.

k. Any additional information, programming, equipment or other items deemed necessary by the Technology Division in order to evaluate the new Associated Equipment.

VIII. New Associated Equipment Review and Approval Process

While no specific assurance can be given with respect to timing, the goal of the Technology Division is to recommend field trial for successfully tested and reviewed New Associated Equipment within **90 days** of receiving a

complete submission. The actual amount of processing time will be dependent on testing requirements, submission deficiencies, response time, and the individual complexity of the submission.

a. Initial Review

The review and approval process for new Associated Equipment begins with the evaluation of the initial submission package for completeness. Upon determination that a new Associated Equipment submission is complete, the Technology Division will coordinate a meeting with the manufacturer to discuss the approval process for that submission. The objectives of this meeting are to confirm the contact information, discuss the targeted milestone dates and testing requirements, and to answer any questions presented by the manufacturer.

b. Lab Testing

Technology Division staff will perform the testing and review required to confirm that the Associated Equipment meets the requirements of the Associated Equipment regulatory structure. When complete, Technology Division staff will evaluate the results and provide the manufacturer with a written list of issues observed during the test period. The manufacturer will be required to correct the deficiencies and provide the Technology Division with the corrections necessary to meet the requirements of the Associated Equipment.

c. Field Trial

When a non-binding determination has been made by the Technology Division that the submitted Associated Equipment meets the requirements of the Associated Equipment regulatory structure, written approval will be given to the manufacturer and the licensed gaming establishment designated as the trial location. The approval will also contain trial period procedures to be conducted by the trial location and the manufacturer. During the trial period, an interim review of the system will be conducted at the trial location in order to evaluate the operation of the Associated Equipment. A final review of the trial period procedures will be conducted at the trial location prior to the completion of the field trial.

d. Final Approval/Disapproval

Upon the successful conclusion of the field trial and review period, the Associated Equipment manufacturer will receive written notice of approval or disapproval of the Associated Equipment. Subsequent

changes to the implementation of or modifications to the approved Associated Equipment will require additional approval by the Board prior to being installed at a licensed gaming establishment. The review of the subsequent changes will follow the Technology Division's Modification Review Process.

IX. Modifications Submission Requirements

The following items are required to be included with each Associated Equipment modification submission:

a. A completed and signed Manufacturer's Request for Review of Associated Equipment form

This form must be signed by an officer with sufficient authority to bind the manufacturer who also has sufficient knowledge and understanding of the Associated Equipment being submitted.

b. A detailed description of the modification

A specific document must be submitted containing the modification text detailing in both technical and lay terms each change to the previously approved Associated Equipment and how they apply to the Associated Equipment regulatory structure. The modification text must be written in English using complete sentences. Additionally, all documentation must be checked for correct spelling and grammar usage. Product release notes are not sufficient as modification documentation. The modification document must be placed in a folder on the root of the submission media named "ModDocs" (e.g., D:\moddocs\modtext.txt).

c. A copy of all executable applications that comprise the Associated Equipment to be reviewed

This includes all executable applications such as .exe, .dll, and .jar files. These files must be placed in a folder on the root of the media named "images" (e.g., D:\image\app.exe). This software will be kept on file with the Board and will be used to verify approved versions that have been installed in the field.

d. Evidence of the modification (as applicable)

In the event the modification includes changes to previously approved or new reports or functionality, examples of the modified or new reports must be included in the submission. The examples must

confirm the Associated Equipment functions as represented.

e. A working model of the Associated Equipment to be reviewed (as applicable)

Pursuant to Regulation 14.270, the Board may require new Associated Equipment to be set up at the Technology Division's test lab or at the manufacturer's place of business. The manufacturer must have available at the time of submission a complete working model of the Associated Equipment to be reviewed ready for delivery to the Technology Division lab.

f. A deposit sufficient to cover the anticipated review charge (as applicable)

Should the Associated Equipment manufacturer's account not have a balance sufficient to cover the anticipated cost of the review of the modification, the manufacturer will be required to deposit sufficient funds to cover the cost of the review.

g. Any additional information, programming, equipment or other items deemed necessary by the Technology Division in order to evaluate the Associated Equipment.

X. Modifications Approval Process

While no specific assurance can be given with respect to timing, the goal of the Technology Division is to complete the review of a modification within **30 days** of receiving a complete submission. The actual amount of processing time will be dependent on testing requirements, submission deficiencies, response time, and the individual complexity of the submission.

a. Lab Testing

Technology Division staff will perform the necessary testing required to confirm that the modified Associated Equipment meets the requirements of the Associated Equipment regulatory structure. Based on the results of the review, the Technology Division may or may not recommend approval of the Associated Equipment modification.

b. Approval/Disapproval

The Associated Equipment manufacturer will receive written notice of

approval or disapproval of the Associated Equipment modification. Subsequent changes to the implementation of or modifications to the approved Associated Equipment will require additional approval by the Board prior to being installed at a licensed gaming establishment.

c. Field Trial (as applicable)

If the modification is significant but does not warrant the classification of new Associated Equipment, a field trial may be required, in accordance with NGC Regulation 14.280. Field trial requirements will be evaluated on a case-by-case basis.

XI. Installation of Associated Equipment

Licensees are required to receive written approval in accordance with NGC Regulation 14.290 prior to installing new Associated Equipment or making a modification to currently installed Associated Equipment.

a. Nonrestricted Licensees

- i. Prior to the installation of Associated Equipment, all nonrestricted licensees are required to file a *User's Request for Installation of Associated Equipment* form with the Technology Division. The Technology Division requires **a minimum of 10 business days** to process the approval of a *User's Request for Installation of Associated Equipment* form.
- ii. Group I nonrestricted licensees are required to submit internal control system amendments pursuant to NGC Regulation 6.090 and a written description of the amendments signed by the licensee's chief financial officer and either the licensee's chief executive officer or a licensed owner.
- iii. Nonrestricted licensees are required to comply with all statutory and regulatory requirements as a result of using new or modified Associated Equipment including, but not limited to, the use of or modification of internally developed Associated Equipment.
- iv. Failure by a nonrestricted licensee to ensure Associated Equipment is functioning properly, installed as approved and that staff is properly trained to use the equipment or system may be a basis for disciplinary action against the licensee and/or the Associated Equipment manufacturer.

b. Restricted Licensees

- i. Restricted locations intending to install approved Associated Equipment (and do not manufacture or distribute Associated Equipment) are not required to complete a *User's Request for Installation of Associated Equipment* form.
- ii. A restricted location that installs a cashless wagering system that uses wagering instruments must file a request to utilize wagering instruments pursuant to NGC Regulation 12.100 **prior** to installing a cashless wagering system.

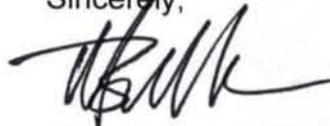
XII. Deficiency Notifications

A manufacturer of Associated Equipment must notify the Technology Division immediately of any deficiency observed or identified with previously approved Associated Equipment that is currently in operation at a licensed gaming establishment that may affect the proper reporting of revenue, impact the player experience, or affect the integrity of gaming in Nevada. The manufacturer must submit the notification on the forms provided to the Technology Division via the email address agencynotification@gcb.nv.gov. Additionally, the manufacturer is encouraged to contact the Technology Division at (702) 486-2043 to provide immediate notification of the deficiency.

Failure to notify the Board in a timely fashion of any Associated Equipment malfunction or failure may result in disciplinary action against the licensee and/or the Associated Equipment manufacturer.

Questions regarding this letter and its requirements should be directed to the Technology Division. The Board will continue to evaluate and update the approval processes as necessary.

Sincerely,



Mark A. Lipparelli
Board Member

MAL/JB:je

- c: Dennis K. Neilander, Chairman
Randall E. Sayre, Board Member
Travis Foley, Chief, Technology Division
Lynda Hartzell, Chief, Audit Division
Records and Research Services