



ICO NEWSLETTER

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Ticket Redemption and ATM Functionality Combined

On February 15, 2007 the Colorado Limited Gaming Commission approved several Colorado Limited Gaming Regulations (rules) that will allow ATM functionality in a ticket redemption kiosk. These regulations are posted on the Division's website at www.revenue.state.co.us/Gaming/home.asp under Gaming Commission - Upcoming Rule Hearings. The rules will go into effect on April 30, 2007.

Rule 47.1-1257(1), defines a ticket redemption kiosk as a component part. Rule 47.1-1258 further states that all manufacturers and distributors of component parts are required to obtain a Colorado manufacturer/distributor's (M/D) license, before selling or distributing component parts in Colorado. It goes on to say, the rule does not require this license for those who supply component parts to a licensed M/D, provided those parts are installed by the licensed M/D.

Casinos that purchase or receive a ticket redemption kiosk with ATM functionality must ensure that the company providing the kiosk has a M/D license. This can be accomplished by asking the company that is selling or providing you with the kiosk. Additionally, individual(s) responsible for delivering, installing, setting up and/or maintaining this kiosk must have, at a minimum, a Colorado support license. ♣



Standard Financial Statements

It's that time of year again to submit the annual non-audited financial statements to the Division. As always, financial statements are due to the division by midnight on March 15. Although there are few, if any, changes to the process this year, one additional piece of information required to be submitted is the "Related Party Transaction Schedule". The purpose for this additional schedule is for each entity to separately disclose financial information related to business transactions that are done at a distance less than "arms length". More specifically, transactions that should be disclosed are any that are included in the financial statements which are shared with a related or commonly owned business entity. This would include sister casinos commonly owned, parent, subsidiary, or holding companies. Since these types of transactions would typically be eliminated for the purposes of consolidated financial reporting, they need to be disclosed as they can have an impact on the financial analysis of the financial statements. The new schedule is not included within the CEZFS system interface. As such, users must go to the EZ file web page and find the link at the bottom of the page titled "Related Party Transaction Schedule". Also included next to the schedule link are the instructions for the schedule. The schedule can be emailed to Shannon Voth at svoth@spike.dor.state.co.us or printed and faxed to Shannon Voth at (303) 205-1346. Any questions regarding the Related Party Transaction Schedule or the financial statement process should be directed to Mike Barrows at (303) 205-1317 or Georgine Zalesky at (303) 205-1315. ♦

The Light at the End of the Tunnel, continued

Back in the summer of 2005, the Division of Gaming and the gaming industry started discussing the topic of standardized statistical reports, bill validator supporting report and ticket supporting reports. The Division and the manufacturers have been working together since November 2005 to provide these reports to our Colorado casinos. The manufacturers have also been given timelines to complete this project. The first timeline was to provide these to GLI by February 1, 2007 to begin the testing process. Upon preliminary approval by GLI, the next timeline is a field trial to be started by each manufacturer in one casino by July 1, 2007. Finally the last timeline is to install the Colorado standardized report package in all of the manufacturer's client casinos by September 30, 2007. We believe this will achieve our goal of the standardization of the statistical reports throughout the industry. If you have any questions call Rich Nelson at (303) 205-1339. ♠



Training Classes Available

Follow the Coin – This training follows coins and bills from the point at which they are inserted into the machine to the point where the related gaming impact appears on the statistical reports. It is designed for individuals that are not familiar with slot machines and/or accounting reports. (e.g., cashiers, slot attendants, accounting clerks, etc.) Length: 1-2 hours.

Manager on Duty – This training discusses the managers' duties related to gaming issues. The topics include their responsibilities, communication, education, accounting, policies, act and regulations. It is intended for individuals who hold a supervisory position in the casino. Length: 1½ hours.

Duties & Responsibilities of Gaming Licensees –

This training covers the Statement of Understanding in detail, the investigators presence in the casinos, and general licensee requirements. Although mostly designed for new licensees it is also a refresher for any employee that has recently changed job locations. Length: 1 hour.

Meters? – This training defines the different meters that the Division requires to be read for statistical reporting purposes and provides an understanding of those reports. It is aimed at accounting personnel who are unfamiliar with the reporting requirements. Length: 1-2 hours.

ID Recognition & Underage Gaming – This training addresses the different types of acceptable and unacceptable identification that a potential player might present, as well as how to recognize fraudulent identification from an individual under 21 years of age. It is designed for casino employees charged with ensuring that individuals under the age of 21 are not lingering, gaming or drinking at their establishment. Length: 1 hour

Cheating Behaviors – This training illustrates various methods that employees or customers have tried to “cheat” the casinos. One of the demonstrations will facilitate increased awareness of floor personnel by explaining the subtleties of an honest player vs. those of a cheater. Length: 1-2 hours

Cage Training – This training covers various topics in the cashier cage and is aimed at achieving compliance with Colorado Gaming Regulations. The course utilizes an interactive media in which participants are able to answer displayed questions via individual remote controls. Length: 1-2 hours.

TITO Training – This training demonstrates the necessary aspects of implementing this technology in Colorado. It examines regulatory requirements of ticket-in/ticket-out throughout the testing and post-approval processes. Length: 1-2 hours

For these or other casino specific trainings please contact Mark Distel at mdistel@spike.dor.state.co.us or call (303) 205-1333. ♥



Reminder Section

Drop and Count Schedules

All unscheduled drops/counts (i.e., temporary changes) are tracked and documented, in writing, throughout the month by the casino. **At the end of the month**, the casino emails a summary of all unscheduled drops/counts that occurred during the month to the Division at casinos@spike.dor.state.co.us. The casino may document this in any manner they desire, preferably in a single document, as long as the minimum information following is included.

- 1) the event (i.e., soft drop/count, hard drop/count),
- 2) day(s) of the week(s) (i.e., Monday July 15), and
- 3) the reason for the change

Be sure to include the casino name in the email.

The Drop and Count Schedule form (for long term changes only) is located on the Division's web site (<http://www.revenue.state.co.us/Gaming/documents/Section5forms.pdf>) in PDF format. This form is also available by request as a Word document by emailing your request to casinos@spike.dor.state.co.us. All drop and count schedules are emailed to the Division at casinos@spike.dor.state.co.us. If you have any questions please contact Shannon Voth at svoth@spike.dor.state.co.us or call (303) 205-1304.

The Division is asking the ICO's to check with the personnel in their casino, who is responsible for submitting drop and count schedules to the Division, to ensure they are aware of these procedures. ♣

Tax Template

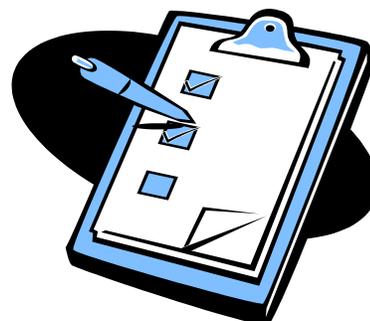
The Division has noted that casinos are using the previous month's competed tax template for the current month by pulling up last month's file and typing over it with this month's information. This appears to cause problems and we see a mix of last month's data and this month's data, incorrect dates, etc. Please go the Division's website (<http://www.revenue.state.co.us/Gaming/documents/tax.xls>) each month and pull a new tax template and start fresh each month. This will also ensure that you are using the most recent tax template. ♦

ICO Checklists

As a reminder, the ability of the ICO to act independently of the individuals responsible for the functions being audited or reviewed is crucial. As ICO, you must maintain a separation of duties. If you fill any position(s) in addition to being the casino's ICO, you cannot review the ICO checklist for the department of that additional position you hold. For example, if Bob is the ICO and he also works in surveillance, then he cannot complete the Surveillance section of the ICO checklist.

The Division has noted that some ICO's are not correctly selecting sample dates, or are not reviewing the required number of sample dates. A minimum of three sample dates during each review period must be chosen for testing of gaming documents. The first sample date must fall within January-February (for first review) and July-August (for second review). The second sample date must fall within March-April (for first review) and September-October (for second review). The third sample date must fall within May-June (for first review) and November-December (for second review).

The Division has also noted that some ICO's are not sampling enough documents. ICO's must test a minimum of 3 summary documents for each type of summary document during each review period, perform a review of the monthly statistical reports for at least one month during the review period, and test at least 5 documents for each type of document (except summary and statistical documents) for each sample date selected. If there are less than 5 documents available for testing, then additional documents must be tested from another sampling date, or additional dates must be selected for testing. A minimum of 15 documents per transaction type (other than summary and statistical documents) must be tested during the 6-month review period. ♠



Device Tracking

- When a device is moved it must be reported via EZ File by the Friday of the following week.
- There is no need to remove a device to “storage”. Doing so completely removes the device from your inventory, and then you have to receive it again when you want to put it back on the floor. It is much easier for devices to be moved to and from storage by clicking on a device serial number to pull up the Modify Device screen and checking or unchecking the storage flag.
- Please do not remove devices to “manufacturer”, instead please indicate which manufacturer (ex. Aristocrat or Bally).
- When correcting a serial number, please enter “s/n correction from # to #” in the removed to and received from boxes. This will help the Division understand what changes were made.

If you need a refresher, complete device tracking instructions can be found at <http://www.revenue.state.co.us/Gaming/Documents/EZDevice.pdf>. If you have any questions please contact Shannon Voith at svoth@spike.dor.state.co.us or call (303)205-1304. ♥



Personnel Tracking

Changes made to a casino’s personnel list must be reported via EZ File by the first day of the following month. If you have any questions please contact Shannon Voith at svoth@spike.dor.state.co.us or call (303) 205-1304.

The Division is asking the ICO’s to check with the personnel in their casino, who is responsible for submitting personnel changes to the Division, to ensure they are aware of these procedures. ♣

EZ File Passwords

There are occasions when a person’s EZ File password is forgotten or just stops working because it expired. In order to regain access, please print the form found at <http://www.revenue.state.co.us/Gaming/Documents/EZResetPass.pdf>, fill it out, and fax it to (303) 205-1346. If you have any questions, please contact Shannon Voith by email or phone at svoth@spike.dor.state.co.us or (303) 205-1304.

The Division is asking the ICO’s to check with any personnel in their casino, which have access to EZ File, to ensure they are aware of these procedures. ♦



A BIG THANK YOU!

Once again our thanks go out to the ICO’s for timely submittal of their Internal Compliance Audit Reports for the period of July through December 2006. The Division recognizes that the preparation of the report requires a lot of time and responsibility, and the Division appreciates the efforts of the ICO’s. ♠

UPCOMING ICO MEETING

The next ICO meeting will be held in May 2007. You are encouraged to submit any questions or topics of discussion you would like addressed, either by the Division or your fellow ICO's. Please call or email: Garry Brown (303) 582-0529, gbrown@spike.dor.state.co.us, Laurie Scott (719) 689-3362, lscott@spike.dor.state.co.us, Deborah Stough, (719) 689-3362, dstough@spike.dor.state.co.us, Shannon Voth (303) 205-1304, svoth@spike.dor.state.co.us.

CALENDAR OF EVENTS:

ICO Meetings

Monday, May 7, 2007 – Cripple Creek, Division of Gaming office at 10:30 am.

Tuesday, May 8, 2007 – Central City/Black Hawk, Division of Gaming Office at 10:30 am (upstairs).

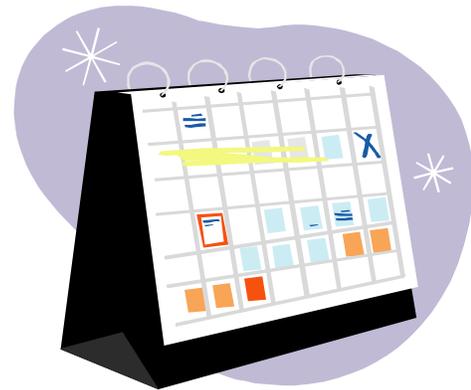
Commission Meeting Dates:

- Thursday, March 15, 2007
- Thursday, April 19, 2007
- Thursday, May 17, 2007
- Thursday, June 21, 2007
- Thursday, July 19, 2007
- Thursday, August 16, 2007

Next ICO Report Due:

Tuesday, July 31, 2007

This is the report for the period of January through June 2007.



USEFUL WEBSITES:

Drop & Count Form: <http://www.revenue.state.co.us/Gaming/documents/Section5forms.pdf>
(also available in Word format by email request, casinos@spike.dor.state.co.us)

ICO checklist: <http://www.revenue.state.co.us/Gaming/wrap.asp?incl=icolist>

Minimum Bank Roll instructions: <http://www.revenue.state.co.us/Gaming/Documents/MBAInstruction.pdf>

Minimum Bank Roll form: <http://www.revenue.state.co.us/Gaming/Documents/MBA.xls>

Tax template: <http://www.revenue.state.co.us/Gaming/documents/tax.xls>

Password changes: <http://www.revenue.state.co.us/Gaming/Documents/EZResetPass.pdf>