



MODEL INTERACTIVE GAMING REGULATION VERSION 2.0

Disclaimer: These Model Interactive Gaming Standards do not represent the opinions of the NTGCR or its members. These standards are drafted in anticipation of legalization of Internet gaming by the United States Government and/or individual States. These standards are intended to serve as guidelines for tribal policymakers who wish to participate in Internet gaming in the event of the legalization of Internet gaming in their jurisdiction.

MODEL INTERACTIVE GAMING REGULATION

I.	Definitions	3
II.	License Required; Applications	5
III.	Interactive Gaming Systems	5
IV.	Internal Controls for Operators of Interactive Gaming	6
V.	Detection and Prevention of Criminal Activities	7
VI.	Access to Premises and Production of Records	7
VII.	Prohibited Wagers	7
VIII.	Permissible Wagers	8
IX.	Contests Permitted	8
X.	House Rules	9
XI.	Registration of Authorized Player	10
XII.	Interactive Gaming Accounts	11
XIII.	Reserve Requirements	13
XIV.	Self-Exclusion	15
XV.	Compensation	16
XVI.	Progressive Payoff Schedules	16
XVII.	Information Displayed on Website	17
XVIII.	Advertising and Promotions	18
XIX.	Suspicious Wagering Report	18
XX.	Resolution of Disputes	19
XXI.	Records	19
XXII.	Grounds for Disciplinary Action	20
XXIII.	Power of TGRA	20
XXIV.	Interactive Gaming Service Providers	20
	Reference Information	21

MODEL INTERACTIVE GAMING REGULATION

I. Definitions

- A. **Authorized Player** means a person who has registered with the operator of interactive gaming to engage in interactive gaming.
- B. **Bet or Wager** means a bargain in which the parties agree that, dependent upon chance even though accompanied by some skill, one stands to win or lose something of value specified in the agreement. A bet or wager does not include:
1. Bonafide Business Transactions which are valid under the law of contracts; or
 2. Offers of purses, prizes, or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, or endurance.
- C. **Class II Gaming** means, pursuant to IGRA (Indian Gaming Regulatory Act) Sec. 2703(7)(A):
1. The game of chance commonly known as bingo (whether or not electronic, computer, or other technologic aids are used in connection therewith):
 - a. Which is played for prizes, including monetary prizes, with cards bearing numbers or other designations;
 - b. In which the holder of the card covers such numbers or designations when objects, similarly numbered or designated, are drawn or electronically determined; and
 - c. In which the game is won by the first person covering a previously designated arrangement of numbers or designations on such cards, including (if played in the same location) pull-tabs, lotto, punch boards, tip jars, instant bingo, and other games similar to bingo; and
 2. Card games that:
 - a. Are explicitly authorized by State law; or
 - b. Are not explicitly prohibited by State law and are played at any location in the State, but only if such card games are played in conformity with those laws and regulations (if any) of the State regarding hours or periods of operation of such card games or limitations on wagers or pot sizes in such card games.
- D. **Class III Gaming** means, pursuant to IGRA (Indian Gaming Regulatory Act) Sec. 2703(7)(B):
1. Any banking card games, including baccarat, chemin de fer, or blackjack (21); or
 2. Electronic or electromechanical facsimiles of any game of chance or slot machines of any kind.

MODEL INTERACTIVE GAMING REGULATION

- E. ***Communications Technology*** means any method used and the components employed by an operator of interactive gaming to facilitate the transmission of information, including, without limitation, transmission and reception by systems based on wire, cable, radio, microwave, light, optics, or computer data networks, including, without limitation, the Internet and intranets.
- F. ***Indian Lands*** means, pursuant to IGRA Sec. 2703, all lands within the limits of any Indian reservation; and any lands title to which is either held in trust by the United States for the benefit of any Indian tribe or individual or held by any Indian tribe or individual subject to restriction by the United States against alienation and over which an Indian tribe exercises governmental power.
- G. ***Interactive Gaming Account*** means an electronic ledger operated and maintained by an operator of interactive gaming wherein information relative to interactive gaming is recorded on behalf of an authorized player including, but not limited to, the following types of transactions:
1. Deposits;
 2. Withdrawals;
 3. Amounts wagered;
 4. Amounts paid on winnings; and
 5. Adjustments to the account.
- H. ***Interactive Gaming Service Provider*** means a person who acts on behalf of an operator of interactive gaming and:
1. Manages, administers, or controls wagers that are initiated, received, or made on an interactive gaming system;
 2. Manages, administers, or controls the games with which wagers that are initiated, received, or made on an interactive gaming system are associated;
 3. Maintains or operates the software or hardware of an interactive gaming system;
 4. Provides the trademarks, trade names, service marks or similar intellectual property under which an interactive gaming enterprise identifies its interactive gaming system to patrons;
 5. Provides information regarding persons to an operator via a database or customer list; or
 6. Provides products, services, information, or assets to an operator and receives therefore a percentage of gaming revenue from the operator's interactive gaming system.

MODEL INTERACTIVE GAMING REGULATION

- I. **Interactive Gaming System** means the collective hardware, software, communications technology, and proprietary hardware and software specifically designed or modified for, and intended for use in, the conduct of interactive gaming. The core components of an interactive gaming system, including servers and databases running the games on the interactive gaming system and storing game and interactive gaming account information, shall be located on Indian lands.
- J. **Inter-operator Network** means a pool of authorized players from two or more operators of interactive gaming collected together to play a game on one interactive gaming system.
- K. **Operate Interactive Gaming** means to operate, carry on, conduct, maintain or expose for play on or from Indian lands interactive gaming on an interactive gaming system.
- L. **Operator of Interactive Gaming or Operator** means a person who operates interactive gaming, who is granted a license by the Tribal Gaming Regulatory Authority.
- M. **Personally Identifiable Information** means any information about an individual maintained by an operator of interactive gaming including:
 - 1. Information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and
 - 2. Any other information linked or linkable to an individual, such as educational, financial, and employment information.
- N. **Tribe** means a federally recognized Indian tribe, its authorized officials, agents, and representatives.
- O. **Tribal Gaming Regulatory Authority or TGRA** means the Tribe's gaming regulatory authority, designated by the Tribe as the entity responsible for regulation of all tribal gaming enterprises and operators.
- P. **Tribal Lands** means, for purposes of these standards:
 - 1. All lands within the limits of the Tribe's reservation; and
 - 2. All lands held in trust or which may be acquired in trust by the United States for the benefit of the Tribe over which the Tribe exercises governmental power, and which meet the requirements of IGRA Sec. 2719.

MODEL INTERACTIVE GAMING REGULATION

II. License Required; Applications

- A. A person may act as an operator of interactive gaming only if that person holds a license specifically permitting the person to act as an operator of interactive gaming.
- B. Applications for an operator of interactive gaming license shall be made, processed, and determined in the same manner as applications for a casino license and/or occupational gaming licenses, using such forms as the TGRA may require.

III. Interactive Gaming Systems

- A. An operator of interactive gaming shall not operate an interactive gaming system on Tribal lands unless the interactive gaming system has been approved by the TGRA.
- B. An operator of interactive gaming shall provide the TGRA, prior to commencing operations of their interactive gaming system, with a list of all persons who may access the main computer or data communications components of their interactive gaming system and any changes to that list shall be provided to the TGRA within ten (10) days.

IV. Internal Controls for Operators of Interactive Gaming

- A. Operators of interactive gaming shall establish, maintain, implement internal controls to comply with standards that the TGRA shall approve and publish in accordance with TGRA procedures. Such internal controls shall include:
 - 1. Administrative, accounting and audit procedures for the purpose of exercising effective control over the operator's internal affairs.
 - 2. Maintenance of all aspects of security of the interactive gaming system;
 - 3. Registering authorized players to engage in interactive gaming;
 - 4. Identification and verification of authorized players to prevent those who are not authorized players from engaging in interactive gaming. The procedures and controls must incorporate robust and redundant identification methods and measures in order to manage and mitigate the risks of non-face-to-face transactions inherent in interactive gaming;
 - 5. Protecting and ensuring confidentiality of authorized players' interactive gaming accounts;
 - 6. Reasonably ensuring that interactive gaming is engaged in between human individuals only;

MODEL INTERACTIVE GAMING REGULATION

7. Reasonably ensuring that interactive gaming is conducted fairly and honestly, including the prevention of collusion between authorized players.
 8. Testing the integrity of the interactive gaming system on an ongoing basis;
 9. Promoting responsible interactive gaming and preventing individuals who have self-excluded from engaging in interactive gaming. Such internal controls shall include a program to address problem gambling; which shall substantially meet or exceed gaming industry practices; and
 10. Protecting an authorized player's personally identifiable information, including, but not limited to:
 - a. The designation and identification of one or more senior company officials having primary responsibility for the design, implementation and ongoing evaluation of such procedures and controls;
 - b. The procedures to be used to determine the nature and scope of all personally identifiable information collected, the locations in which such information is stored, and the devices or media on which such information may be recorded for purposes of storage or transfer;
 - c. The policies to be utilized to protect personally identifiable information from unauthorized access by employees, business partners, and persons unaffiliated with the interactive gaming operation;
 - d. Notification to an authorized player of privacy policies;
 - e. Procedures to be used in the event the operator of interactive gaming determines that a breach of data security has occurred, including required notification to the TGRA; and
 - f. Provision for compliance with all tribal, state and federal laws concerning privacy and security of personally identifiable information.
- B. The TGRA may determine additional areas concerning the operator of interactive gaming that require internal controls. The TGRA shall approve and publish any such additional internal controls in accordance with TGRA procedures.

V. Detection and Prevention of Criminal Activities

- A. Each operator of interactive gaming shall implement procedures that are designed to detect and prevent transactions that may be associated with money laundering, fraud and other criminal activities and to ensure compliance with all federal laws related to money laundering.

VI. Access to Premises and Production of Records

MODEL INTERACTIVE GAMING REGULATION

- A. An operator of interactive gaming, as a condition of being granted a license issued by the TGRA, shall not unreasonably deny any TGRA commissioner or agent of the TGRA, access to, inspection or disclosure of any portion or aspect of their operations.

VII. Prohibited Wagers

- A. An operator of interactive gaming shall not accept a wager:
 - 1. On any game other than games approved by the TGRA;
 - 2. On any game which the operator knows or reasonably should know is made by a person on the self-exclusion list;
 - 3. From a person who the operator knows or reasonably should know is placing the wager from a jurisdiction where such wager is unlawful;
 - 4. From a person who the operator knows or reasonably should know is placing the wager in violation of federal law;
 - 5. Using an inter-operator network except as otherwise allowed by the TGRA; or
 - 6. Except as provided in paragraph B, from stakes players, proposition players or skills.
- B. An operator of interactive gaming may use a celebrity player for marketing purposes to attract authorized players if the operator clearly identifies the celebrity player to the authorized players and does not profit beyond the commission, rake or vigorish. For purposes of this paragraph, a “celebrity player” is an authorized player under agreement with the operator whereby the celebrity player is paid a fixed sum by the operator to engage in interactive gaming and whom may or may not use his/her own funds to engage in interactive gaming.
- C. Wagers on class III games unless expressly authorized by the TGRA.

VIII. Permissible Wagers

- A. An operator of interactive gaming may accept a wager from an authorized player provided the operator is reasonably certain the wager is being placed from a physical location on:
 - 1. Tribal lands;
 - 2. Indian lands where class II gaming is not prohibited; or
 - 3. Any other lands where Internet gambling is not prohibited.

IX. Contests Permitted

MODEL INTERACTIVE GAMING REGULATION

- A. A contest is an event in which normally two or more individuals or teams compete against each other for a prize. Winners are not chosen by chance but by an element of skill, speed, strength, or endurance. Generally, many people compete and several possible prizes can be won. Pursuant to the contest rules, winners may be determined by meeting or exceeding a predetermined standard.
 - 1. The methods for entry into a contest shall be determined by the operator of interactive gaming and shall be published in the contest rules. If a contest is designed to provide a method for people to gain free entry, it shall then be prohibited to require any contestant to pay for an entry.
 - 2. At least 80 percent of entry fees charged for a contest shall become all or part of the prize pool and shall be returned to contest winners. Alternatively, the operator may, only in the event 100 percent of entry fees are returned to contest winners, charge a handling fee not to exceed 25 percent of the entry fee. If applicable, the cost of entry shall be stated in the rules as the “entry fee” plus “handling fee”. The entry fee shall additionally state if any cash or prizes are being added to the prize pool by the operator or other sponsor designated by the operator.
 - 3. The operator shall establish procedures to restrict entry by family members of interactive gaming employees having direct involvement with the contest, and to curtail other forms of fraud and abuse, especially where winners are chosen by a panel of judges.
- B. While enabled for contest play, no game may accept real money from any source, nor pay out real money in anyway, but shall utilize contest specific credits which shall have no cash value;
- C. Contest rules are available to a registered player on the website where the contest is being conducted. The rules must include at a minimum:
 - 1. All conditions registered players must meet to qualify for entry into, and advancement through, the contest;
 - 2. Any conditions concerning late arrivals or complete contest no-shows and how auto blind posting and /or initial entry purchase is handled;
 - 3. Specific information pertaining to any single contest including the amount of money placed in the prize pool;
 - 4. The distribution of funds based on specific outcomes; and
 - 5. The name of the organization (or persons) that conducted the contest on behalf of, or in conjunction with, the operator if applicable.

MODEL INTERACTIVE GAMING REGULATION

- D. The results of each contest shall be made available in a tournament summary for the participants to review. The results of each contest are available upon request. The recording/email notification shall include the following;
1. Name of the event;
 2. Date(s) of event;
 3. Total number of entries;
 4. Amount of entry fees;
 5. Total prize pool; and
 6. Amount paid for each winning category.

X. House Rules

- A. Each operator of interactive gaming shall adopt, and adhere to written, comprehensive house rules governing wagering transactions by and between authorized players that are available for review at all times by authorized players through a conspicuously displayed link.
- B. Such house rules shall include, but not be limited to, specifying the following:
1. Clear and concise explanation of all fees;
 2. The rules of play of a game;
 3. Any monetary wagering limits; and
 4. Any time limits pertaining to the play of a game.
- C. Prior to adopting such house rules, an operator shall submit such rules to the TGRA for review.

XI. Registration of Authorized Player

- A. Before allowing or accepting any wager from an individual to engage in interactive gaming, an operator of interactive gaming must register the individual as an authorized player and create an interactive gaming account for the individual.
- B. An operator may register an individual as an authorized player only if the individual provides the operator with the following information:
1. The identity of the individual player identification must include a scan of a government issued photo identification which contains the legal name, physical address, birthdate, and nationality of the individual at a minimum;
 2. The social security number for the individual if a United States resident; and

MODEL INTERACTIVE GAMING REGULATION

3. That the individual had not previously self-excluded with the operator and otherwise remains on the operator of interactive gaming's self-exclusion list.
- C. Before registering an individual as an authorized player, the operator must have the individual affirm the following terms and conditions:
1. That the information provided to the operator by the individual to register is accurate;
 2. That the individual has reviewed and acknowledged access to the house rules for interactive gaming;
 3. That the individual has been informed and has acknowledged that, as an authorized player, (s)he is prohibited from allowing any other person access to or use of his/her interactive gaming account;
 4. That the individual has been informed and has acknowledged that, as an authorized player, (s)he is prohibited from engaging in interactive gaming from a jurisdiction in which interactive gaming is illegal and that the operator is prohibited from allowing such interactive gaming;
 5. That the individual has been informed and has acknowledged that, if the operator is unable to verify the information provided by the individual pursuant to paragraph B within 30 days of registration, any winnings attributable to the individual will be retained by the operator and the individual shall have no right to such winnings;
 6. Consents to the monitoring and recording by the operator and the TGRA of any communications;
 7. Consents to the jurisdiction of the TGRA to resolve disputes related to interactive gaming; and
 8. The player must agree to the privacy policy during the registration process. The privacy policy should state the minimum information that is required to be collected, the purpose for the information collected and the conditions under which such information may be disclosed.
- D. An operator may allow an individual to register as an authorized player either remotely or in person.
- E. Within 30 days of the registration of the authorized player, the operator shall verify the information provided by the individual pursuant to paragraph B. Until such verification has occurred:
1. The authorized player may not deposit more than \$5,000 in his/her interactive gaming account; and

MODEL INTERACTIVE GAMING REGULATION

2. The authorized player may not withdraw any funds from his/her interactive gaming account.
- F. If verification of the information provided pursuant to paragraph B has not occurred within 30 days, the operator shall:
 1. Immediately suspend the interactive gaming account and not allow any further interactive gaming;
 2. Retain any winnings attributable to the player;
 3. Refund the balance of deposits made to the interactive gaming account to the source of such deposit or by issuance of a check; and
 4. Permanently close the account.
- G. Any winnings due to an authorized player prior to completion of the verification process shall be credited to the authorized player's interactive gaming account immediately upon successful verification.
- H. Alternatively, the operator may require the player be fully registered and verified and their player account activated prior to permitting game play using deposited funds.

XII. Interactive Gaming Accounts

- A. An operator of interactive gaming shall record and maintain the following in relation to an interactive gaming account:
 1. The date and time the interactive gaming account is opened or terminated;
 2. The date and time the interactive gaming account is logged in to or is logged out of; and
 3. The physical location, by jurisdiction, of the authorized player while (s)he is logged in to the interactive gaming account.
- B. An operator shall ensure the following:
 1. That an individual registered as an authorized player holds only one interactive gaming account with the operator of interactive gaming; and
 2. That no authorized player shall occupy more than one position at a game at any given time.
- C. An operator shall not set up anonymous interactive gaming accounts or accounts in fictitious names. Authorized players may, while engaged in interactive gaming, represent themselves using a name other than their actual name.

MODEL INTERACTIVE GAMING REGULATION

- D. Funds may be deposited by an authorized player into an interactive gaming account assigned to them as follows:
1. Cash deposits made directly with the operator;
 2. Personal checks, cashier's checks, wire transfer and money order deposits made directly or mailed to the operator;
 3. Transfers from safekeeping accounts otherwise held by a Tribal business enterprise, including gaming enterprises, as approved by the TGRA;
 4. Debits from an authorized player's debit card or credit card;
 5. Transfers through the automated clearing house or from another mechanism designed to facilitate electronic commerce transactions; or
 6. Any other means approved by the TGRA.
- E. Interactive gaming account credits may be made by the following means:
1. Deposits;
 2. Amounts won by an authorized player;
 3. Promotional credits, or bonus credits provided by the operator and subject to the terms of use established by the operator and as long as such credits are clearly identified as such; and
 4. Adjustments made by the operator following the resolution of a dispute.
- F. Interactive gaming account debits may be made by the following means:
1. Amounts wagered by an authorized player;
 2. Purchases of interactive gaming related merchandise and services requested by an authorized player;
 3. Withdrawals;
 4. Transfers to safekeeping accounts held by a Tribal business enterprise, including gaming enterprises, as approved by the TGRA;
 5. Debits as otherwise approved by the TGRA; and
 6. Adjustments made by the operator following resolution of a dispute.
- G. Funds deposited into an interactive gaming account from a financial institution shall not be transferred out of the interactive gaming account to a different financial institution except as otherwise allowed by the TGRA.
- H. Unless there is a pending unresolved player dispute or investigation, an operator shall comply with a request for a withdrawal of funds by an authorized player from his/her interactive gaming account within a reasonable amount of time not to exceed five business days.

MODEL INTERACTIVE GAMING REGULATION

- I. An operator shall not allow an authorized player to transfer funds to any other authorized player.
- J. An operator shall not allow an authorized player's interactive gaming account to be overdrawn unless caused by payment processing issues outside the control of the operator.
- K. An operator shall not extend credit to an authorized player. For purposes of this paragraph, credit shall not be deemed to have been extended where, although funds have been deposited into an interactive gaming account, the operator is awaiting actual receipt of such funds in the ordinary course of business.
- L. The language of any agreement used as between an operator and its authorized players pertaining to an authorized player's access to his/her interactive gaming account shall be submitted to the TGRA for review. The operator shall not allow or engage in any interactive gaming until any such agreement is approved by the TGRA.
- M. An operator shall ensure that an authorized player has the ability, through his/her interactive gaming account, to select responsible gambling options that include a wager limit, loss limit, time-based loss limits, deposit limit, session time limit, and time-based exclusion from gambling.
- N. Nothing in this regulation prohibits an operator from closing an interactive gaming account and precluding further interactive gaming by an authorized person pursuant to the terms of the agreement between the operator and an authorized player.

XIII. Reserve Requirements

- A. An operator of interactive gaming shall maintain a reserve in the form of cash, cash equivalents, an irrevocable letter of credit, a bond, or a combination thereof for the benefit and protection of authorized players' funds held in interactive gaming accounts.
- B. The amount of the reserve shall be equal to the sum of all authorized players' funds held in the interactive gaming accounts. Amounts available to authorized players for play that are not redeemable for cash may be excluded from the reserve requirement.

MODEL INTERACTIVE GAMING REGULATION

- C. If a reserve is maintained in the form of cash or cash equivalent, it must be held by a federally insured financial institution. If a reserve is maintained in the form of an irrevocable letter of credit, it must be issued by a federally insured financial institution. If the reserve is maintained in the form of a bond, it must be written by a bona fide insurance carrier. The reserve must be established pursuant to a written agreement between the operator and the financial institution or insurance carrier, but the operator may engage an intermediary company or agent acceptable to the TGRA to deal with the financial institution or insurance carrier, in which event the reserve may be established pursuant to written agreements between the operator and the intermediary and between the intermediary and the financial institution or insurance carrier.
- D. The agreements described in paragraph C must reasonably protect the reserve against claims of the operator's creditors other than the authorized players for whose benefit and protection the reserve is established, and must provide that:
1. The reserve is established and held in trust for the benefit and protection of authorized players to the extent the operator holds money in interactive gaming accounts for such authorized players;
 2. The reserve must not be released, in whole or in part, except to the operator on the written instruction of the TGRA. The reserve must be available within 60 days of the written demand or written notice. The operator may receive income accruing on the reserve unless the TGRA instructs otherwise pursuant to paragraph J;
 3. The operator has no interest in or title to the reserve or income accruing on the reserve except to the extent expressly allowed in this section;
 4. Tribal law and this section govern the agreements and the operator's interest in the reserve and income accruing on the reserve;
 5. The agreements are not effective until the TGRA's approval has been obtained pursuant to paragraph E; and
 6. The agreements may be amended only with the prior, written approval of the TGRA.
- E. Each operator shall submit to the TGRA all information and copies of all documents relating to its proposed reserve arrangement, including copies of the agreements described in paragraphs C and D, and must obtain the TGRA's approval of the agreements and of the reserve arrangements generally. The TGRA shall determine whether the agreements and arrangements satisfy the purposes and requirements of this section, may require appropriate changes or withhold approval if they do not, and shall notify the operator of the determination. Amendments to reserve agreements or arrangements must be approved in the same manner.

MODEL INTERACTIVE GAMING REGULATION

- F. An operator must calculate its reserve requirements each day. In the event an operator determines that its reserve is not sufficient to cover the calculated requirement, the operator must, within 24 hours, notify the TGRA of this fact in writing and must also indicate the steps the operator has taken to remedy the deficiency.
- G. Each operator must engage an independent certified public accountant to examine the pertinent records relating to the reserve each month and determine the reserve amounts required by this section for each day of the previous month and the reserve amounts actually maintained by the operator on the corresponding days. The operator shall make available to the accountant records necessary to make this determination. The accountant shall report the findings with respect to each day of the month under review in writing to the TGRA and the operator no later than the tenth day of the next month. The report shall include the operator's statement addressing each day of noncompliance and the corrective measures taken. This report may be prepared, subject to TGRA approval, by the operator's employee, provided that the employee is independent of the operation.
- H. The TGRA may demand that this reserve be increased to correct any deficiency or for good cause to protect authorized players.
- I. If the reserve exceeds the requirements of this section, the TGRA shall, upon the operator's written request, authorize the release of the excess.
- J. When an operator ceases operating and its license expires, is suspended, or is revoked, the TGRA may demand payment of the reserve, any income accruing on the reserve after operations cease, and, if instructions from the TGRA that income accruing on the reserve not be paid to the operator are in effect when operations cease, any income accruing since the instructions took effect. The TGRA may interplead the funds in tribal court for distribution to the authorized players for whose protection and benefit the reserve was established and to such other persons as the court determines are entitled thereto or shall take such other steps as are necessary to effect the proper distribution of the funds, or may do both.
- K. In addition to the reserve required pursuant to this section, the operator shall maintain cash in the sum of the following:
 - 1. Twenty percent (20%) of the total value of authorized players' funds held in interactive gaming accounts, excluding those funds that are not redeemable for cash; and

MODEL INTERACTIVE GAMING REGULATION

2. The full value of any progressive jackpots related to interactive gaming.

XIV. Self-Exclusion

- A. Operator of interactive gaming must have and put into effect internal controls for self-exclusion and take all reasonable steps to immediately refuse service or to otherwise prevent a person who has self-excluded from participating in interactive gaming. These internal controls shall include:
 1. The maintenance of a register of those persons who have self-excluded that includes the name, address, and account details of self-excluded persons;
 2. The closing of the interactive gaming account held by the person who has self-excluded;
 3. Employee training to ensure enforcement of these internal controls; and
 4. Provisions precluding a person who has self-excluded from being allowed to again engage in interactive gaming until a reasonable amount of time of not less than one year has passed since the individual self-excluded.
- B. Operator must take all reasonable steps to prevent any marketing material from being sent to a person who has self-excluded.

XV. Compensation

- A. Any compensation received by an operator of interactive gaming for conducting any game in which the operator is not party to a wager shall be no more than 20% of all sums wagered.

XVI. Progressive Payoff Schedules

- A. As used in this section:
 1. *Base Amount* means the amount of a progressive payoff schedule initially offered before it increases.
 2. *Incremental Amount* means the difference between the amount of a progressive payoff schedule and its base amount.
 3. *Progressive Payoff Schedule* means any payoff schedule associated with a game played on an interactive gaming system, including those associated with contests, tournaments, or promotions, that increases automatically over time or as the game(s) or machine(s) are played.

MODEL INTERACTIVE GAMING REGULATION

- B. To the extent an operator of interactive gaming offers any progressive payoff schedule, the operator shall comply with this section.
- C. The amount of a progressive payoff schedule shall be conspicuously displayed during an authorized player's play of a game to which the payoff schedule applies. Each operator shall record the base amount of each progressive payoff schedule when first exposed for play and subsequent to each payoff. Explanations for reading decreases shall be maintained with the progressive logs. When the reduction is attributable to a payoff, the operator shall record the payoff form number on the log or have the number reasonably available.
- D. An operator may change the rate of progression of any progressive payoff schedule provided that records of such changes are created.
- E. An operator may limit a progressive payoff schedule to an amount that is equal to or greater than the amount of the payoff schedule when the limit is imposed. The operator shall conspicuously provide notice of the limit during an authorized player's play of a game to which the limit applies.
- F. An operator shall not reduce the amount of a progressive payoff schedule or otherwise eliminate a progressive payoff schedule unless:
 - 1. An authorized player wins the progressive payoff schedule;
 - 2. The TGRA, upon a showing of exceptional circumstances, approves in writing a reduction, elimination, distribution, or procedure not otherwise described in this paragraph F; or
 - 3. The operator adjusts the progressive payoff schedule to correct a malfunction or to prevent the display of an amount greater than a limit imposed pursuant to paragraph E, and the operator documents the adjustment and the reasons for it.
- G. Except as otherwise provided by this section, the incremental amount of a progressive payoff schedule is an obligation to the operator's authorized players, and it shall be the responsibility of the operator, if operation of the progressive game ceases, to arrange satisfaction of that obligation to the satisfaction of the TGRA.
- H. Distribution of progressive payoffs shall only be made to authorized players.

XVII. Information Displayed on Website

MODEL INTERACTIVE GAMING REGULATION

- A. Operator must provide for the prominent display of the information defined in this section on a page which, by virtue of the construction of the website, authorized players must access before beginning a gambling session:
 - 1. The full name of the operator and its business address.
 - 2. A statement that the operator is licensed and regulated by the TGRA.
 - 3. If the TGRA permits a class III game, a statement that persons under the age of 21 are not permitted to engage in interactive gaming. For class II games, a statement that persons under the age of 18 are not permitted to engage in interactive gaming.
 - 4. A statement that persons located in a jurisdiction where interactive gaming is not legal are not permitted to engage in interactive gaming.
 - 5. Active links to the following:
 - a. Information explaining how disputes are resolved;
 - b. A problem gambling website that is designed to offer information pertaining to responsible gaming;
 - c. The TGRA's website or e-mail address;
 - d. A website that allows for an authorized player to choose to be excluded from engaging in interactive gaming; and
 - e. A link to the house rules adopted by the operator;
 - f. The privacy policy must be posted and readily accessible to the player.

XVIII. Advertising and Promotions

- A. An operator of interactive gaming, including its employees or agents, shall be truthful and non-deceptive in all aspects of its interactive gaming advertising and promotions. An operator which engages in any promotion related to interactive gaming shall clearly and concisely explain the terms of the promotion and shall adhere to such terms.

XIX. Suspicious Wagering Report

- A. As used in this section, suspicious wagering activity means a wager which an operator of interactive gaming knows or in the judgment of its directors, officers, employees, and agents has reason to suspect is being attempted or was placed:
 - 1. In violation of or as part of a plan to violate or evade any tribal, federal, or state law or regulation;
 - 2. Has no business or apparent lawful purpose or is not the sort of wager which the particular authorized player would normally be expected to place, and the operator knows of no reasonable explanation for the wager after examining the available facts, including the background of the wager.

MODEL INTERACTIVE GAMING REGULATION

- B. An operator shall file a report with the TGRA of any suspicious wagering activity, regardless of the amount, if the operator believes it is relevant to the possible violation of any law or regulation.
- C. The report in paragraph B shall be filed no later than 7 calendar days after the initial detection by the operator of facts that may constitute a basis for filing such a report, whether or not a suspect was identified. In situations involving violations that require immediate attention, the operator shall immediately notify the TGRA, by e-mail or telephone, in addition to timely filing a report.
- D. An operator shall maintain a copy of any report filed and original supporting documentation for a period of seven years from the date of filing the report. Supporting documentation shall be identified and maintained by the operator as such and shall be deemed to have been filed with the report. An operator shall make all supporting documentation available to the TGRA and any appropriate law enforcement agencies upon request.
- E. An operator and its directors, officers, employees, or agents who file a report pursuant to this regulation shall not notify any person involved in the transaction that the transaction has been reported.

XX. Resolution of Disputes

- A. In the event that an authorized player has a dispute regarding interactive gaming, the operator may freeze the disbursement of all disputed amounts until resolution of the dispute.
- B. The operator shall immediately notify the TGRA whenever an authorized player and an operator have a dispute which:
 - 1. Involves at least \$500; and relates to
 - 2. Alleged winnings, alleged losses or the award or distribution of cash, prizes, tickets or any other item or items in a game, tournament, contest, drawing, promotion or similar activity or event; or
 - 3. The manner in which a game, tournament, contest, drawing, promotion or similar activity or event is conducted.

MODEL INTERACTIVE GAMING REGULATION

- C. If an authorized player and an operator, or any person acting on behalf of an operator, have a dispute which cannot be resolved to the satisfaction of the authorized player, the TGRA may establish procedures that allow for informal arbitration to resolve the dispute.
- D. Upon the completion of informal arbitration, the operator shall notify the TGRA when an authorized player is not satisfied with the resolution of a dispute.
- E. If a dispute arises between authorized players, it is ultimately the responsibility of the operator to resolve the dispute.

XXI. Records

- A. In addition to any other record required to be maintained pursuant to this regulation, each operator of interactive gaming shall maintain complete and accurate records of all matters related to their interactive gaming activity, including without limitation the following:
 - 1. The identity of all current and prior authorized players;
 - 2. All information used to register an authorized player;
 - 3. A record of any changes made to an interactive gaming account;
 - 4. A record and summary of all person-to-person contact, by telephone or otherwise, with an authorized player;
 - 5. All deposits and withdrawals to an interactive gaming account;
 - 6. A complete game history for every game played including the identification of authorized players who participate in a game, the date and time a game begins and ends, the outcome of every game, the amounts wagered, and the amounts won or lost by an authorized player; and
 - 7. Disputes arising between authorized players or between the operator and an authorized player.
- B. Operator shall preserve the records required by this regulation for at least 7 years after they are made. Such records may be stored by electronic means but must be immediately available for inspection.

XXII. Grounds for Disciplinary Action

- A. Failure to comply with the provisions of this regulation shall be an unsuitable method of operation and grounds for disciplinary action.

MODEL INTERACTIVE GAMING REGULATION

- B. The TGRA may limit, condition, suspend, revoke or fine any license, registration, finding of suitability or approval given or granted under this regulation on the same grounds as it may take such action with respect to any other license, registration, finding of suitability or approval.

XXIII. Power of TGRA

- A. The TGRA Chairman, as approved by the TGRA, shall have the power to issue an interlocutory stop order to an operator of interactive gaming suspending the operation of its interactive gaming system to allow for examination and inspection of the interactive gaming system by TGRA agents.
- B. An operator that is the subject of an interlocutory stop order issued by the Chairman shall immediately cease the operation of its interactive gaming system until the interlocutory stop order is lifted.

XXIV. Interactive Gaming Service Providers

- A. An interactive gaming service provider that acts on behalf of an operator of interactive gaming to perform the services of an interactive gaming service provider shall be subject to the provisions of this regulation applicable to such services to the same extent as the operator. An operator continues to have an obligation to ensure and remains responsible for compliance with this regulation regardless of its use of an interactive gaming service provider.
- B. A person may act as an interactive gaming service provider only if that person holds a license specifically permitting the person to act as an interactive gaming service provider. Once licensed, an interactive gaming service provider may act on behalf of one or more operator.
- C. An operator may only use the services of a service provider that is licensed by the TGRA as an interactive gaming service provider.
- D. Before the TGRA issues an initial license or renews a license for an interactive gaming service provider, the interactive gaming service provider shall pay a license fee, if required.

MODEL INTERACTIVE GAMING REGULATION

- E. Any employee of an interactive gaming service provider whose duties include the operational or supervisory control of the interactive gaming system or the games that are part of the interactive gaming system are subject to the provisions of occupational licensing to the same extent as land-based gaming employees.
- F. Interactive gaming service providers holding a license issued by the TGRA are subject to the following provision: It shall be an unsuitable method of operation for an interactive gaming service provider holding a license issued by the TGRA to deny any TGRA member or agent, upon proper and lawful demand, access to, inspection or disclosure of any portion or aspect of the gaming service provider's operations.

Reference information

- ≡ Nevada Gaming Control, Regulation 5A.
- ≡ Santa Ysabel Tribal Gaming Commission SYGC 14-100
- ≡ Forest County Potawatomi Gaming Commission Model Interactive Gaming Standards