

**TITLE 15      GAMBLING AND LIQUOR CONTROL**  
**CHAPTER 1    GAMES AND GAMING GENERAL PROVISIONS**  
**PART 9        INTERNAL CONTROL MINIMUM STANDARDS FOR GAMING DEVICES UNDER**  
**THE GAMING CONTROL ACT**

**15.1.9.1      ISSUING AGENCY:** New Mexico Gaming Control Board.  
[N, 12/31/98; 15.1.9.1 NMAC - Rn, 15 NMAC 1.9.1, 1/31/02]

**15.1.9.2      SCOPE:** This rule applies to all gaming operator licensees or applicants for gaming operator licenses and other persons involved in gaming activity under the New Mexico Gaming Control Act.  
[N, 12/31/98; 15.1.9.2 NMAC - Rn, 15 NMAC 1.9.2, 1/31/02]

**15.1.9.3      STATUTORY AUTHORITY:** Paragraph (3) of Subsection B of Section 60-2E-7 of the Gaming Control Act authorizes the board to develop, adopt and promulgate all regulations necessary to implement and administer the provisions of the Gaming Control Act. Paragraph (12) of Subsection C of Section 60-2E-8 of the act directs the Gaming Control Board to adopt regulations prescribing internal control requirements for licensees.  
[N, 12/31/98; 15.1.9.3 NMAC - Rn, 15 NMAC 1.9.3, 1/31/02; A, 6/30/16]

**15.1.9.4      DURATION:** Permanent.  
[N, 12/31/98; 15.1.9.4 NMAC - Rn, 15 NMAC 1.9.3, 1/31/02]

**15.1.9.5      EFFECTIVE DATE:** December 31, 1998, unless a later date is cited at the end of a section.  
[N, 12/31/98; 15.1.9.5 NMAC - Rn & A, 15 NMAC 1.9.5, 1/31/02]

**15.1.9.6      OBJECTIVE:** This rule establishes requirements for the establishment of internal controls by gaming operator licensees.  
[N, 12/31/98; 15.1.9.6 NMAC - Rn & A, 15 NMAC 1.9.6, 1/31/02]

**15.1.9.7      DEFINITIONS:** Unless otherwise defined below, terms used in this rule have the same meanings as set forth in the Gaming Control Act.

- A.      “Act”** means the New Mexico Gaming Control Act.
- B.      “Bill acceptor”** means the optional assembly on a gaming machine that accepts valid paper currency and causes the machine to either dispense change or issue game credits.
- C.      “Coin-in meter”** means an electronic counter that measures total coins placed in the gaming machine for a specified period of time.
- D.      “Coin room”** means a separate, secured room or area in which coins are inventoried.
- E.      “Drop”** means the total amount of money and tokens removed from the drop box, or for cashless gaming machines, the amount of credits deducted during play.
- F.      “Drop area”** means the restricted room or area of the licensed premises where the drop is permitted to be conducted; the drop area may be roped off or otherwise distinctly identified as a restricted area.
- G.      “Drop box”** or **“drop bucket”** means a container in a locked part of the gaming machine or its cabinet that is used to collect the money and tokens retained by the gaming machine that are not used to make automatic payouts from the machine.
- H.      “Hard count”** means the counting of coins generated by gaming operations.
- I.      “Hard drop”** means the controlled, secured process of removing coins from gaming machines.
- J.      “Hard meter”** means an internal accounting system that is displayed on mechanical meters on a gaming machine.
- K.      “Hopper”** means the assembly inside the gaming machine that receives, holds and dispenses coins.
- L.      “Gaming media”** means any associated equipment that contains software which can only be used in a gaming device, affects game outcome and is programmed by the gaming machine manufacturer. **“Gaming media”** includes, but is not limited to, EEPROM, EPROM, compact flash, flash RAM, CD/DVD ROM or hard drive.
- M.      “Payout”** means a patron’s winnings, including money, tokens, credit to a player’s account, and the actual cost to the licensee of personal property, other than travel expenses, food, refreshments, lodging, or services, distributed to a gaming machine patron as a result of a legitimate wager; “payout” also includes cash paid

directly to an independent administrator by a licensee for the purchase of annuities to pay a patron's winnings over several years.

**N.** "Soft meter" means the internal accounting system that can be displayed on the screen of an electronic gaming machine or in the coin window on a reel gaming machine.

**O.** "This title" means Title 15, Chapter 1 of the New Mexico Administrative Code.

**P.** "Ticket printer" means a device in place of a coin-out hopper on a gaming machine that prints and dispenses a cash ticket voucher that may be redeemed by a patron for cash or a specified prize.

**Q.** "Weigh scale interface" means a software interface that transfers drop figures by direct line or computer storage media.

[N, 12/31/98; 15.1.9.7 NMAC - Rn, 15 NMAC 1.9.7, 1/31/02; A, 12/15/10]

#### **15.1.9.8 GENERAL REQUIREMENTS:**

**A.** The gaming operator or applicant shall develop, implement and maintain appropriate written internal procedures and controls for the operation of gaming machines on the licensed premises which shall be reviewed by the board or board's designated representatives. The procedures and controls shall be sufficient, as determined by the board, to ensure the accuracy, reliability, and security of the function performed, process used, and information produced. The gaming operator licensee's internal controls shall provide at least the level of control described in this rule, and shall, at a minimum conform to the standards established in the minimum internal controls for nonprofits gaming operations licensees dated February, 2014 or the minimum internal controls for racetrack gaming operations, dated April, 2014 as posted on the board's website ([www.nmgcb.org/minimum-internal-controls.aspx](http://www.nmgcb.org/minimum-internal-controls.aspx)), unless a variance has been approved by the board.

**B.** Whether or not specified in a particular section or paragraph, the gaming operator licensee's internal controls shall identify the employees authorized to perform each function and shall ensure an appropriate level of security for each function.

**C.** Computer applications that provide controls equivalent in accuracy, reliability, and security to the standards set forth in this rule or otherwise adopted by the board shall be acceptable to the board.

**D.** Any amendment to a licensee's internal controls shall be provided in writing to the board or the board's designee before implementation by the licensee.

**E.** Any amendment that does not meet the standards of the minimum internal controls shall come before the board for approval.

**F.** The board, in its discretion, may waive specific standards contained in this rule upon submission by the licensee of alternative procedures that ensure a comparable level of security.

[N, 12/31/98; 15.1.9.8 NMAC - Rn & A, 15 NMAC 1.9.8, 1/31/02; A, 2/28/05; A, 5/15/07; A, 6/30/08; A, 6/30/16]

**15.1.9.9 METER READINGS:** Procedures and controls shall be developed and implemented for reading, recording and retaining hard and soft meter readings and for reporting, investigating, and adjusting unusual meter readings.

[N, 12/31/98; 15.1.9.9 NMAC - Rn, 15 NMAC 1.9.9, 1/31/02; A, 2/28/05]

**15.1.9.10 DROP, COUNT, AND WRAP PROCEDURES:** Internal controls shall include procedures and controls for:

**A.** maintaining physical custody of, and restricting and documenting access to, coin drop cabinet keys, bill acceptor drop box release keys, bill acceptor drop box storage rack keys, and bill acceptor drop box contents keys;

**B.** ensuring that access to coin drop boxes and bill acceptor boxes is restricted and that drop, count, and wrap procedures are performed only by authorized personnel;

**C.** ensuring that all drop buckets and bill acceptor boxes are accounted for during the drop, count, and wrap procedures and preventing the commingling of coins or bills before the count is completed;

**D.** securing drop buckets or bill acceptor boxes from the time they are removed from the gaming machine cabinets to the time they are transported to the count room;

**E.** prior to the count, if a weigh scale is to be used, ensuring proper calibration, testing, and securing of the weigh scale, and documentation of those procedures; if a weigh scale interface is used, restricting access to the weigh scale interface to authorized persons;

**F.** securing coin room inventory if the count room serves as a coin room;

**G.** restricting access to the count room to count team members during the count;

**H.** monitoring the drop, count, and wrap procedures and documenting the results; and

**I.** delivering all monies and count documents to the appropriate secured location for safekeeping.  
[N, 12/31/98; 15.1.9.10 NMAC - Rn, 15 NMAC 1.9.10, 1/31/02; A, 2/28/05]

**15.1.9.11 HOPPER CONTENTS; FILLS; ADJUSTMENTS:** The gaming operator licensee's internal controls shall include procedures and controls for securing drop and hopper contents when gaming machines are temporarily removed from the floor; refilling an empty hopper; making hopper adjustments; and restricting access to computerized fill systems in a manner that prevents access by unauthorized persons and fraudulent payouts.  
[N, 12/31/98; 15.1.9.11 NMAC - Rn, 15 NMAC 1.9.11, 1/31/02; A, 2/28/05]

**15.1.9.12 ACCOUNTING AND AUDITING PROCEDURES:**

**A.** The gaming operator licensee's internal controls shall provide for completion of accounting and auditing procedures on the gaming machine site controller at reasonable intervals. The internal controls shall include procedures to:

- (1) verify that the site controller is transmitting and receiving data from the gaming machines properly and that coin-in and bill-in meter readings are accurate;
- (2) compare the bill-in meter reading to the total bill acceptor drop amount or ticket printer amounts and resolve variances before generation and distribution of gaming machine statistical reports;
- (3) reconcile gross gaming revenue monthly;
- (4) reconcile tickets printed with payouts for validated tickets; and
- (5) document and maintain all gaming machine auditing reports and follow-up procedures as required in this title.

**B.** Gaming operator licensees shall retain the audit tape that records an exact duplicate of all tickets printed and transactions recorded for a period of five years. The audit tape shall be identified by gaming machine and stored in a secure area.

[N, 12/31/98; 15.1.9.12 NMAC - Rn, 15 NMAC 1.9.12, 1/31/02; A, 2/28/05]

**15.1.9.13 GAMING DEVICE CONTROL; COMPUTER ACCESS:**

**A.** The gaming operator licensee shall develop and maintain internal controls that provide for documented access to gaming devices, limited access to keys, locked cabinets, and counting areas, and maintenance of a readily-accessible device history log in each gaming machine or on file.

**B.** The gaming operator licensee shall maintain a personnel access list that includes, at a minimum, the employee's name, identification number, and a list of functions the employee is authorized to perform and the dates such authority was given. The licensee's internal controls shall ensure that only authorized personnel have physical access to computer hardware and software, that reports and other computer-generated output are available and distributed only to authorized personnel.

[N, 12/31/98; 15.1.9.13 NMAC - Rn, 15 NMAC 1.9.13, 1/31/02; A, 2/28/05]

**15.1.9.14 BACKUP AND RECOVERY CONTROL:** Backup and recovery policies for gaming machines and computerized systems shall be written and distributed to all appropriate personnel. The policies shall include information and procedures that ensure timely restoration of data in order to resume operations after a power outage or hardware or software failure.

[N, 12/31/98; 15.1.9.14 NMAC - Rn, 15 NMAC 1.9.14, 1/31/02; A, 2/28/05]

**15.1.9.15 APPLICATIONS CONTROL:** The gaming operator licensee shall establish procedures that assure the accuracy of data input into the computerized system, the integrity of the processing performed by the system, and the verification and distribution of the output generated by the system. Examples of such controls include establishing passwords or other proper authorization prior to input, using parameters or reasonableness checks, and comparing control totals on reports to amounts input.

[N, 12/31/98; 15.1.9.15 NMAC - Rn, 15 NMAC 1.9.14, 1/31/02; A, 2/28/05]

**15.1.9.16 GAMING MEDIA TESTING AND DUPLICATION:**

**A.** Gaming media shall not be duplicated except with board approval, unless the person seeking to duplicate the program is a licensed manufacturer. In either case, the licensee shall ensure compliance with all applicable federal copyright laws. Approval by the board to duplicate game program gaming media does not constitute an opinion as to such compliance.

**B.** The licensee shall develop and maintain procedures for each of the following:

(1) removal of gaming media from devices, verification of the existence of errors, and correction of errors by duplication from the master game program;

(2) copying one gaming device program to another approved program;

(3) verification of duplicated gaming media with electrical failures;

(4) destruction, as needed, of gaming media with electrical failures or physical damage; and

(5) securing the gaming media duplicator and master game gaming media from unrestricted access.

**C.** Records shall be maintained documenting the procedures described in 15.1.9.16 NMAC. The records include the date, gaming machine number for both source and destination machines, manufacturer, program number, personnel involved, reason for duplication, disposition of any permanent gaming media, and lab approval number.

**D.** Gaming media returned to gaming devices shall include the date and information that is identical to that shown on the manufacturer's label.

[N, 12/31/98; 15.1.9.16 NMAC - Rn, 15 NMAC 1.9.16, 1/31/02; A, 2/28/05; A, 12/15/10; A, 6/30/16]

**HISTORY OF 15.1.9 NMAC: [RESERVED]**