

## **Fundamentals of Tribal Casino Gaming Regulation – A Primer for Regulators**

### **Top 10 Considerations for Tribal Gaming Regulatory Agencies Regarding Class III iGaming**

Class III iGaming is not an extension of traditional casino oversight. It is an integrated regulatory environment combining gaming regulation, financial compliance, cybersecurity protection, and data regulation. TGRAs that succeed will be those that transition from periodic auditors to continuous digital regulators, embedding compliance directly into system architecture, vendor relationships, and real-time data ecosystems.

The regulation of iGaming is a fully integrated system functioning as a single unified compliance framework emphasizing:

- Legal authority (tribal-state gaming compact compliance)
- Operational controls (MICS/TICS implementation)
- Technical enforcement (platform architecture and independent laboratory testing)
- Patron engagement (terms, disclosures, tools, and responsible gaming processes)

#### **1. Compact Authority, Scope of Authorization and Legal Foundation**

**Regulatory Objective:** Ensure Class III iGaming is explicitly authorized under the Tribal–State gaming compact and applicable statutes.

##### **Key Controls**

- Confirm compact language permits interactive gaming (not just on-premise Class III)
- Define scope:
  - Casino-style iGaming (slots, table games)
  - Interactive sports wagering
  - Peer-to-peer (poker)
- Establish whether state concurrence or legislative authorization is required
- Ensure alignment with federal law (IGRA) and evolving interpretations
- Define regulatory jurisdiction: state gaming regulators, TGRA, or a combination of both

##### **MICS/TICS Alignment**

- Legal authorization controls
- Regulatory scope definitions and jurisdiction
- Compliance documentation

## 2. Jurisdictional Nexus and Where the Bet Occurs

**Regulatory Objective:** Define and enforce the legal location of wagering activity.

### Key Controls

- Establish compact-recognized definition of bet placement location
- Determine whether wagers are deemed to occur:
  - At the player location
  - At the server location
  - Or via hybrid legal constructs
- Align system design with compact language and state law
- Document legal opinions supporting jurisdictional position

### MICS/TICS Alignment

- System architecture approval
- Legal compliance verification
- Avoid interstate wagering violations
- Avoid conflicts with state or federal jurisdiction

## 3. Geolocation and Interstate Compliance Controls

**Regulatory Objective:** Prevent unauthorized interstate or off-jurisdiction wagering.

### Key Controls

- Multi-layer geolocation (GPS, Wi-Fi, IP intelligence)
- Real-time geofencing aligned to state and compact boundaries
- VPN/spoofing detection and blocking
- Controls for:
  - Interstate compacting (if applicable)
  - Shared liquidity (e.g., poker networks)

### MICS/TICS Alignment

- Geolocation testing and certification
- Exception reporting

## 4. Licensing, Suitability and Vendor Ecosystem Oversight

**Regulatory Objective:** Ensure all participants in the iGaming ecosystem meet suitability standards.

## **Key Controls**

- Licensing of:
  - Platform providers
  - Game developers and content providers
  - Payment processors
  - Geolocation/KYC vendors
- Deep suitability investigations:
  - Financial integrity
  - Regulatory history
  - Ownership structures
- Consider potential property management issues

## **MICS/TICS Alignment**

- Vendor licensing controls
- Background investigations
- Contract management

## **5. Platform Integrity, RNG and Game Fairness**

**Regulatory Objective:** Ensure fairness and integrity of all Class III games.

## **Key Controls**

- Certified Random Number Generator (RNG) systems
- Game math validation and payout accuracy
- Independent lab certification (e.g., GLI-19)
- Integration of GLI Gaming Security Framework (GLI-GSF)
- Continuous monitoring for anomalies

## **MICS/TICS Alignment**

- Game testing and certification controls
- RNG validation standards

## **6. IT Infrastructure, Cybersecurity and Operational Resilience**

**Regulatory Objective:** Protect systems, data, and gaming operations from disruption or compromise.

## **Key Controls**

- Secure, scalable infrastructure (often cloud-based or hybrid)

- Network segmentation between gaming and corporate systems
- Encryption (in transit and at rest)
- Intrusion detection/prevention systems
- Disaster recovery and high-availability architecture
- Alignment with GLI-19 and GLI-GSF

#### **MICS/TICS Alignment**

- Access controls
- Logging and monitoring
- Incident response

### **7. Change Management and Continuous Deployment Risk**

**Regulatory Objective:** Control rapid and frequent system updates inherent in iGaming.

#### **Key Controls**

- TGRA approval of software releases and patches
- Version control and code authentication
- Segregation of development, testing, and production environments
- Emergency change reporting protocols
- GLI-CMP alignment

#### **MICS/TICS Alignment**

- Change approval workflows
- Version tracking

### **8. Payment Processing, Cashless Systems and Financial Integrity**

**Regulatory Objective:** Ensure secure, transparent, and compliant financial transactions.

#### **Key Controls**

- Integration with regulated payment processors
- Digital wallet controls and auditability
- Segregation of operational and patron funds
- Transaction monitoring and reconciliation
- Chargeback and fraud management

#### **MICS/TICS Alignment**

- Financial controls

- Reconciliation procedures

## **9. BSA/AML Compliance in a Digital Environment**

**Regulatory Objective:** Detect and prevent money laundering and financial crimes.

### **Key Controls**

- Automated AML transaction monitoring
- SAR and CTR reporting
- Cross-platform aggregation of patron activity
- Detection of:
  - Structuring
  - Account layering
  - Bonus abuse schemes

### **MICS/TICS Alignment**

- AML program controls
- Reporting requirements

## **10. Responsible Gaming, Data Governance and Regulatory Access**

**Regulatory Objective:** Protect patrons while ensuring full regulatory transparency.

### **Key Controls**

- Responsible gaming tools:
  - Deposit/time/spend limits
  - Self-exclusion
  - Behavioral monitoring (AI/analytics)
- Comprehensive reporting:
  - Player activity
  - Revenue and hold
  - Incident reporting
- Real-time TGRA system access (read-only dashboards)
- Data retention and audit trail requirements

### **MICS/TICS Alignment**

- Patron protection controls
- Reporting and record retention

## **TGRA Regulations Outline:**

- Legal Authority
- Internet Gaming Platform and Internet Games Technical Standards
- Standards for Approval of Slot Machine Internet Games and Random Number Generators
- Standards for Approval of Table Internet Games
- Location of Servers, Security, and Cloud Storage
- Communication Standards for Gaming Systems
- Mandatory Gaming System Logging
- Self-Monitoring of Internet Gaming Platform Critical Components
- Change Management Approval Process
- Internet Gaming Platform Assessment
- Gaming Operation/Internet Gaming Intermediary Technical and Security Standards Controls
- Progressive Jackpots
- Internet Gaming and Mobile Gaming Accounts
- Internet Gaming System or Mobile Gaming System Standards and Operational Controls
- Server-Based Gaming System, Server-Based Games (Table Games, Slot Machines, and Peer-to-Peer Gaming)
- Required Reports, Reconciliation, Test Accounts
- Bank Secrecy Act Compliance
- Integrity Monitoring and Suspicious Behavior
- Voiding of Internet Wagers
- Negative Internet Gaming Account Balance Prohibited
- Tournament/Contests, Bonus and Promotional Wagering, Advertising, and Player Loyalty Programs
- Data Security of Age and Identity Verification Information
- Failed ACH Deposits
- Internet Gaming Account Withdrawal
- Internet Gaming Account Closure
- Internet Gaming Dormant Accounts
- Internal Control Standards and Requirements
- Amendments to Internal Controls
- Emergency Procedures
- Records Retention
- Accounting Records

