



National Indian Gaming Commission Newsletter

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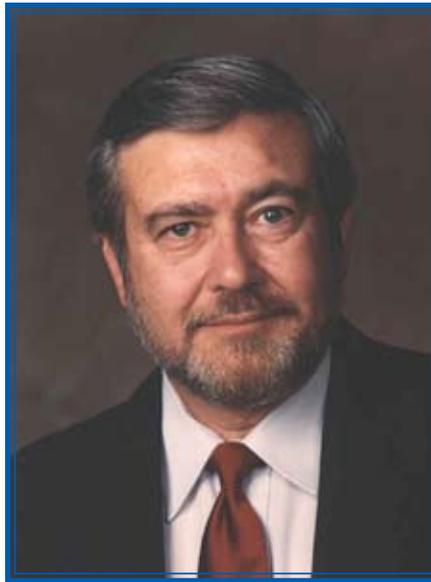
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*Commissioner
Norm DesRosiers*

NIGC

1441 L Street N.W.
Suite 9000
Washington, DC 20005

NEW COMMISSIONER SWORN IN AT NIGC



Commissioner Norm DesRosiers

The National Indian Gaming Commission (NIGC) welcomes Mr. Norm DesRosiers as its newest Commissioner. Mr. DesRosiers began his three year appointment to the Commission during the month of January, 2007.

Chairman Hogen stated "Norm DesRosiers has significant experience including 9 years of law enforcement and vast experiences with Tribal gaming regulation which began in 1993 where he worked for the Fort McDowell Tribal Gaming Commission. Hogen continued "Norm has served as Commissioner of the Viejas Tribal Gaming Commission since 1998, and been at the helm during tremendous growth at Viejas. Norm's experience

will be an asset for NIGC and I look forward to serving with him next year."

Mr. DesRosiers was nominated by the Secretary of the Interior, Dirk Kempthorne. Norm said "I am truly honored and privileged to have been given this opportunity to join the National Indian Gaming Commission. I am hoping to use my years of experience in regulating tribal gaming to make a positive contribution in protecting the interests of the tribes who are engaged in Tribal Governmental Gaming. It has been rewarding to have been able to shape and influence state and federal regulations and legislation at the tribal level, I now look forward to contributing more at the Federal level."

Norm DesRosiers received a B.A. Degree in Law and Justice from Central Washington State University in Ellensburg, Washington. Mr. DesRosiers has served on numerous gaming related boards and associations including the North American Gaming Regulators Association (NAGR) as Chairman of the Indian Gaming Commission. He has served as Chairman and former Vice Chairman of the National Tribal Gaming Commissioners/Regulators Organizations. and is also an Associate Member of the International Masters of Gaming Law.

MESSAGE FROM THE CHAIRMAN



Chairman Phil Hogan

The past year has been one of achievement and challenge for the National Indian Gaming Commission (NIGC). The Federal oversight with which the Indian Gaming Regulatory Act (IGRA) has been tasked continued to foster a healthy growth of the Indian gaming industry, making more and more needed dollars available to meet essential needs on Indian Reservations throughout the country. When NIGC reported the gross gaming revenues for 2005 last June, that total had grown by 16% from the year before, to a total of over \$22.6 billion. This increase resulted not only from growth and expansion at existing tribal gaming facilities, but as a result of the opening of several new tribal gaming facilities during that period, as well as the re-opening of a few facilities that had closed earlier.

More tribal gaming, of course, meant for more demands on NIGC's staff, and as a result, with the recruiting of talented investigators, auditors, lawyers and others, at the beginning of this year NIGC had 100 full-time employees. These new hires work at NIGC's headquarters office in Washington, DC, which also hosts the staff for the Region serving the Eastern part of the Country, together with Regional offices in Portland, Sacramento, Phoenix, Tulsa and St. Paul, or our satellite offices in Rapid City, Temechula, Bellingham, and Flowood, MS. Notwithstanding the far-flung extent of NIGC's outposts, we still find that some tribal locations could be better served, and future plans include the possible placement of staff in Albuquerque and in Michigan.

With the departure of Commissioner Nelson Westrin at the end of 2005, NIGC operated with two members throughout 2006. As 2006 neared its end, Secretary of the Interior Dirk Kempthorne tapped Vejas Tribal Gaming Commissioner Norm Des Rosiers to serve as an Associate Commissioner, and Norm has now joined the Commission. Norm's 15 years of all-day, every-day, hands-on regulation of gaming at the Tribal level has already proved immensely useful to the

Commission, and we will continue to draw on Norm's rich experience and insight.

As the 109th Congress acted to amend features of NIGC's funding, by removing the annual \$12 million cap on fees the Commission collects on gross gaming revenues, it also directed NIGC to place greater emphasis on providing Technical Assistance to Tribes, and the Commission is actively moving in this direction. Not only will a catalog and schedule of training programs and opportunities for tribal gaming regulators be developed, but NIGC will make every effort to see that its staff is on the cutting edge of technological developments and best-practices trends in the gaming industry. Along with the funding change also came the requirement for the agency to comply with the Government Performance Results Act (GPRA), which will make for more formal long-range planning by the Commission, and more formal measurement of the success of Commission programs and initiatives. This can only be successful and meaningful if the Commission continues to consult with Tribes on its goals and efforts, and the Commission is dedicated to this effort.

In 1999 NIGC adopted its Minimum Internal Control Standards (MICS), and applied them to all commercial tribal gaming—uncompacted Class II and Class III casino and pari-mutuel gaming conducted pursuant to tribal-state compacts. With those MICS, for the first time the Commission had a standard rulebook to set forth required practices to ensure the fairness of, and integrity of the games, and specify required steps to monitor and track tribal gaming revenues and assets, as well as a yard-stick with which to measure these. This process proved to be very useful.

NIGC 2007 Fee Rate

On February 22, 2007, the National Indian Gaming Commission (NIGC) approved a preliminary annual fee rate of 0.00 percent for tier 1 and (continuation of NIGC policy) and .059 percent of tier 2 for calendar year 2007. The fee rate information was published in the federal register March 2, 2007 and can be viewed by visiting our website at **www.nigc.gov**

While many tribal gaming facilities and regulatory bodies were already well above the minimums these standards required when the MICS were adopted, a number of tribes found the MICS useful tools in reaching more secure and professional levels. When adopted, there some protests that the Commission had over-stepped its authority in applying its MICS to the Class III area, and it was argued that this was the sole domain of Tribes and States, pursuant to compacts they negotiated for this gaming. Last year this question finally reached the Federal Courts, and the rulings there agreed that NIGC had overstepped. As this Class III gaming constitutes 90% of gross gaming revenues, this is a dramatic development with respect to the Commission's oversight role. While there were measures before the last Congress to clarify that such oversight was a proper role for NIGC, they were not passed into law. It remains to be seen how the 110th Congress views this issue, in view of the ruling which the Courts reach in this regard. An NIGC concern is that the Courts rulings be misread, and that the many areas in the Class III arena where NIGC continues to have responsibility (Audits, Ordinance approval and compliance, Compact compliance, Management Contract approval, etc.) be overlooked. NIGC is and will still be very much engaged in these areas, and we are working to clarify any confusion which may have developed in this regard.

NIGC's long-standing effort to draw a brighter distinction between that gaming equipment permissible for the play of the games such as bingo Congress provided might be played (with the use of computers and electronic and technological aids) without Tribal-state compacts, and those electronic facsimiles of games of chance and slot machines which require compacts for play, continued throughout the past year, with proposed regulations being published, and then most recently withdrawn. During the year extensive consultation with tribes was conducted, a productive public hearing was held, and economic impact studies were conducted. A very positive recent development in this process was the formation of a Technical Standards Working Group, which brought together a broad representation of the Indian gaming industry, which worked closely with NIGC's Tribal Advisory Committee assembled to advise the Commission in this process. Recently, that group presented NIGC with a suggested draft of technical standards which innovatively focused on the "systems" with which such gaming is conducted, rather than the more narrow "player station" approach the published proposals had employed. It was, in part, in reliance of this suggested approach, that the Commission withdrew its earlier drafts, reasoning that any final proposal would likely

Government-to-Government Consultations

In keeping with its consultation policy, the NIGC is committed to regular, timely, and meaningful government-to-government consultation with Indian tribes, whenever it undertakes the formulation and implementation of new or revised Federal regulatory policies, procedures, programs, requirements, restrictions, or standards for Indian gaming, either by means of administrative regulation or legislative initiative, which may substantially affect or impact the operation or regulation of gaming on Indian lands by a tribe(s) under IGRA. In 2006, the NIGC held 13 consultations, meeting with 139 tribes with a total of 673 participants.

depart significantly from those drafts. Dialog on these issues continues, and there is now a recognition that any complete package in this regard will likely need to include companion Minimum Internal Control Standards, to address accounting and security concerns that accompany use of these systems. This difficult challenge continues, but the Commission is cautiously optimistic, that a fair and effective set of regulations in this area can be developed soon.

These challenges, together with many others will keep the NIGC busy in 2007. The good people who work for the Commission, working with their counterparts in Tribal and State governments, will continue to foster the integrity which helps Indian gaming work, and bring to Indian Country the economic development which was intended. In this, we continue to seek the help and good will of those we serve.

WORKING GROUP UPDATE

The Indian gaming industry has experienced exponential growth since its early beginnings in the late 1970's when several tribes began high stakes bingo operations on reservation lands. Indian gaming began as a tool for Tribal communities to raise revenues to fund tribal government operations. [Continued on Pg. 5](#)

NIGC EMPLOYEE PROFILE: FRANCISCO HERNANDEZ



Francisco Hernandez

Francisco “Frank” Hernandez is a Member of the Ysleta del Sur Pueblo (pronounced EE-sleta) and serves the NIGC as Senior Field Investigator with the NIGC office in Temecula, California. He has been with the NIGC since August of 2003.

Frank is originally from El Paso, Texas where he spent 10 years working with his own tribe’s casino, including serving as the director of the Ysleta del Sur Gaming Commission. In this capacity he worked with nine

other tribal members to regulate the casino; licensed employees, devices and the gaming venue, conducted investigations, promulgated rules, regulations and NIGC’s internal controls (despite not being in their jurisdiction), conducted IC audits and worked with management to find ways to make the casino safe and more profitable.

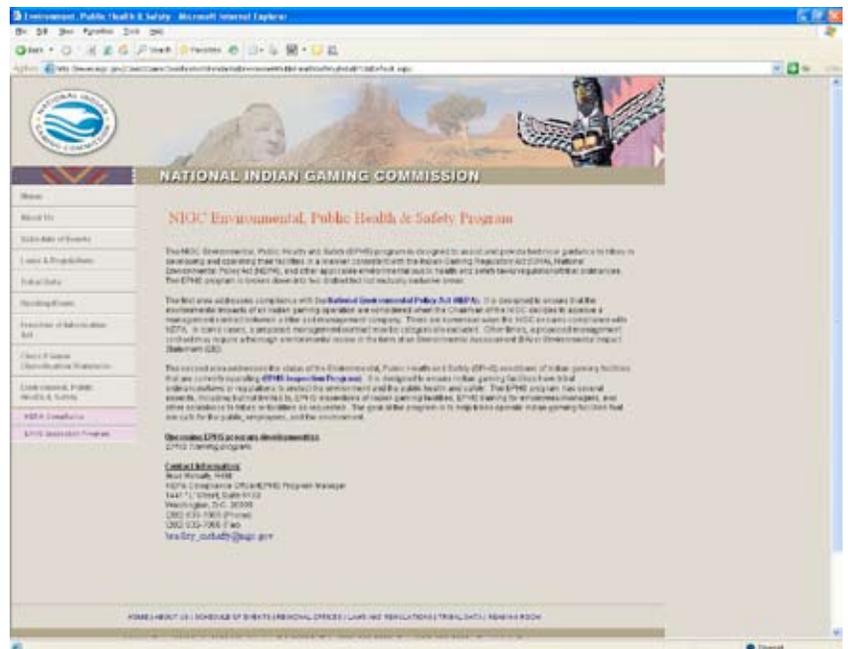
After the Speaking Rock Casino (Ysleta del Sur gaming facility) was closed, he moved up the Rio Grand River to work for the Pueblo of Santa Clara. Frank served as Executive Director of Santa Clara Pueblo Gaming Commission where he supervised a staff of eight to regulate the casino; license employees, devices and the gaming venue, conduct investigations, promulgate rules, regulations and NIGC’s internal controls, conduct IC audits. In August of 2003, after eight months with Santa Clara, Frank was contacted about a position with the NIGC in the Region I office located in Sacramento, California. This eventually led to his current position with the NIGC.

Frank graduated with a bachelor of arts from the University of Texas at El Paso in 1989.

In his spare time, Frank enjoys calligraphy, collecting antique writings (letters, journals, deeds, contracts, etc.) as well as writing letters and journals.

“Gaming is the best thing to happen to Tribes in a long, long time and I enjoy our role; supporting the primary regulators, Tribal Gaming Authorities. Thank You, Tribes and NIGC.”

**NIGC has added
a new component
to it’s website!
www.nigc.gov**



Working Group Update Continued from page 3

Tribal gaming has brought about much needed capital that has resulted in quite possibly the most successful economic boom ever experienced by Indian country.

As the Indian gaming industry grew at epic proportions, the potential for thefts, scams and other criminal activity became a major concern. In 2004, the Indian Gaming Working Group (IGWG) was formed to better address these threats. This group was created to coordinate communication between tribal, state and federal authorities involved with tribal gaming.

The Working Group held its first regional training conference for 2007 on January 30th to February 2nd in San Francisco. The IGWG is composed of federal agencies that have regulatory or law enforcement authority with regard to Indian gaming. The group meets regularly to exchange information and coordinate investigations in order to better ensure the

integrity of Indian gaming and keep it free from criminal influences.

To support this goal the IGWG hosts regional training conferences for tribal gaming regulators to improve their understanding of their federal compliance obligations and to provide information that will enable them to work more effectively with law enforcement agencies.

In addition to the FBI, those agencies that made a presentation at the San Francisco conference include the NIGC, the Internal Revenue Service, the Financial Crimes Enforcement Network, the Department of the Interior - Inspectors General's Office, the Office of Foreign Assets Control, Immigration and Customs Enforcement, and the Environmental Protection Agency. In addition, there was a presentation from the California Division of Gaming. The next IGWG training conference is scheduled for mid April in Oklahoma City.

NIGC DIRECTOR OF ENFORCEMENT RETIRES

Longtime NIGC Director of Enforcement Alan Fedman retired in February. Alan was one of the early members of the then-small staff which opened the Commission's doors in the early 1990's. Alan had been a major player and helped shape the policy, structure and staff of the Commission since its beginning. He has been the only Director of Enforcement to serve the NIGC, and his contributions have been invaluable.

Fedman plans to spend his much deserved retirement focusing on spending time with family and friends and reading good books.

On an interim basis, field investigator Lance Vallo from the NIGC Region III Office in Phoenix, Arizona will be stationed in the NIGC Headquarters in Washington, DC to assist with transition until a permanent replacement for Alan Fedman has been selected.



Former Director of Enforcement, Alan Fedman

NIGC Photos



Washoe Tribe of Nevada



Barona Band of Mission Indians



Augustine Band of Mission Indians



Sherwood Valley Rancheria



Pauma Band of Mission Indians



Coyote Valley Band of Mission Indians



Agua Caliente Band of Cahuilla Indians.

We look forward to working with you in the coming year. Following is contact information for the National Indian Gaming Commission's Regional Offices, including updated staff information and contact information.

National Indian Gaming Commission Regional Offices

Region I
Solomon Building
620 SW Main Street
Suite 212
Portland, OR 97205
Phone: (503)-326-5095
Fax: (503)-326-5092
Randy Sitton, Region Director

Region II
801 I Street
Suite 489
Sacramento, CA 95814
Phone: (916)-414-2300
Fax: (916)-414-2310
**Eric Schalansky
Region Director**

Region III
One Columbus Plaza
3636 N. Central Ave.
Suite 880
Phoenix, AZ 85012
Phone: (602)-640-2951
Fax: (602)-640-2952
Ken Billingsley, Region Director

Region IV
190 E. 5th Street
Suite 170
St. Paul, MN 55101
Phone: (651)-290-3017
Fax: (651)-290-4006
John Peterson, Region Director

Region V
224 S. Boulder
Room 301
Tulsa, OK 74103
Phone: (918)-581-7924
Fax: (918)-581-7933
Tim Harper, Region Director

Region VI
1441 L Street N.W.
Suite 9100
Washington, D.C., 20005
Phone: (202)-632-7003
Fax: (202)-632-7066
Cindy Altimus, Region Director

National Indian Gaming Commission Satellite Offices

1719 W. Main Street
Suite 103
Rapid City, SD 57702
Phone: (605)-718-5724
Fax: (605)-718-5716
Jim McKee

27708 Jefferson Ave.
Suite 202
Temecula, CA 92590
Phone: (951)-676-9000
Fax: (951)-695-5319
Manny Sanchez

104 W. Magnolia
Suite 309
Bellingham, WA 98227
Phone: (360)-756-0304
Fax: (360)-756-0452
Rayanne Morris

9 River Bend Place
Suite 130
Flowood, MS 39232
Phone: (601)-664-3066
Fax: (601)-664-3068
David Burk

1441 L Street N.W.
Suite 9100
Washington, D.C., 20005
(202)-632-7003
(202)-632-7066

