

August 15, 2012

Via Electronic Mail: [reg.review@nigc.gov](mailto:reg.review@nigc.gov)

National Indian Gaming Commission  
Attn: Regulatory Review  
1441 L Street, NW – Suite 9100  
Washington, DC 20005

**RE: Proposed Rules for 25 CFR Part 543 and 25 CFR Part 547:  
Comments of S&K Gaming, LLC**

Dear Chairwoman Stevens:

The S&K Gaming, LLC, respectfully submits our comments on the Proposed Rules for 25 CFR Part 543 (Minimum Internal Control Standards for Class II Games) and 25 CFR Part 547 (Minimum Technical Standards for Gaming Equipment Used in the Play of Class II Games). It was a pleasure to meet with you and your staff at the San Diego consultation and to witness firsthand the consultation efforts that you have imposed throughout this process. You have done an excellent job with consulting with Indian Country and by hiring competent staff members that are mostly Native Americans.

The S&K Gaming, LLC, is a tribally-owned limited liability company formed under tribal law by the Confederated Salish & Kootenai Tribes to oversee the two (2) tribal governmental gaming operations, KwaTaqNuk Resort & Casino and Gray Wolf Peak Casino, on the Flathead Reservation. As the NIGC finalizes the proposed rules for both 25 CFR Part 543 and 547, we again request that you please keep in mind that a viable Class II game is the only leverage many tribes, like the CSKT, have in the wake of the Seminole decision. We also request the NIGC to vigorously work with the DOI and DOJ to develop a collective and coordinated approach which will ensure tribes are in the position that Congress intended when states refuse to negotiate in good faith.

We fully support and endorse the August 14, 2012 “Joint Comments of the Confederated Salish and Kootenai Tribes and the Confederated Salish and Kootenai Tribal Gaming Commission” that were previously submitted to the Commission by the Tribe and Tribal Gaming Commission. In addition, the S&K Gaming, LLC supports the recommendations and comments that the Tribal Gaming Working Group (TGWG) have made throughout this process including the Proposed Rules for both 25 CFR Parts 543 and 547. The S&K Gaming, LLC previously submitted comments on the discussion drafts and we are still concerned with the requirement for each gaming operation to develop and implement a System of Internal Controls (SICS) that comply with the Tribal Internal

Control Standards (TICS) per section 543.3(c) and 543.3(h). We firmly believe that the NIGC lacks the regulatory authority to require how a tribe must staff its operations, or how they should interact in order to comply with the MICS and TICS. Our tribal governmental gaming operations already have a system of operational controls that work for us. The SICS would be an additional and unnecessary layer of federal bureaucracy that we cannot afford to implement.

We do not disagree with NIGC over the importance of gaming control standards or regulations for class II gaming. We simply believe that Indian Gaming Regulatory Act (IGRA) authorizes the NIGC to ensure that the MICS are met and it is for the tribes to create a system to meet them. In addition, our tribal gaming operation is subject to an annual audit by an independent certified public accountant, in accordance with the auditing and accounting standards for audits of casinos of the American Institute of Certified Public Accountants. We believe this is sufficient to ensure our compliance with both the TICS and MICS. We respectfully ask that the concept of SICS be removed altogether.

Thank you again for the opportunity to participate in this important process and comment on the Proposed Rules. We appreciate your thoughtful consideration of these issues and look forward to meeting with you and your staff again.

Sincerely,

-signed-

Jim Malatara, Chairman  
S&K Gaming, LLC

cc: Reuban Mathias, S&K Gaming, LLC  
James Bing Matt, S&K Gaming, LLC