

**NATIONAL
INDIAN
GAMING
COMMISSION**

NOV 26 1996

Corey L. James
Acting Chairman
Cahto Tribe
Laytonville Rancheria
P.O. Box 1239
Laytonville, CA 95454

Dear Chairman James:

This letter responds to your request to review and approve the tribal gaming ordinance, Resolution No. 96-01, adopted on July 17, 1996, by the Cahto Tribe (Tribe). This letter constitutes approval of the Tribe's ordinance under 25 C.F.R. § 522.9 and supersedes the disapproval letter issued on November 6, 1996.

Under the IGRA and the regulations of the National Indian Gaming Commission (NIGC), the Chairman is directed to review ordinances with respect to the requirements of the IGRA and the implementing regulations. The Chairman has ninety (90) days in which to approve or disapprove a tribal ordinance. If the ninety (90) day period expires without the Chairman acting on the ordinance, the ordinance is considered to have been approved by the Chairman to the extent that the ordinance complies with the IGRA and the NIGC regulations. 25 C.F.R. § 522.9. Therefore, since the ninety day period expired on November 5, 1996, the Tribe's ordinance is considered approved "but only to the extent that such an ordinance or resolution is consistent with the provisions of the Act and this chapter." 25 C.F.R. § 522.9.

The Tribe's ordinance was evaluated and has been found to be missing certain IGRA and NIGC regulation requirements. Therefore, certain provisions of the tribal ordinance are not considered to have been approved by the Chairman. The following deficiencies must be address by the tribe as soon as possible in order for the ordinance to meet all requirements:

- 1) The submission fails to include an adequate description of procedures for conducting background investigations on key employees and primary management officials pursuant to 25 C.F.R. § 522.2(b).
- 2) The submission fails to include a description of procedures for resolving disputes between the gaming public and the Tribe or management official pursuant to 25 C.F.R. § 522.2(f).

- 3) The submission fails to designate an agent for service of process pursuant to 25 C.F.R. § 522.2(g).
- 4) The submission fails to identify a law enforcement agency that will take fingerprints of key employees and primary management officials pursuant to 25 C.F.R. § 522.2(h).
- 5) The submission fails to include a description of procedures for conducting criminal history checks through the Federal Bureau of Investigation National Criminal Information Center pursuant to 25 C.F.R. § 522.2(h). This can be satisfied by identifying an authorized entity, such as the NIGC, that will process the fingerprint cards through the FBI. Please notify the NIGC if you wish to utilize the NIGC for this purpose.

With the approval of the Tribe's gaming ordinance, the Tribe is now required to conduct background investigations on its key employees and primary management officials. In addition, the NIGC expects to receive a completed application for each key employee and primary management official pursuant to 25 C.F.R. § 556.5(a) and an investigative report on each background investigation before issuing a license to a key employee or primary management official pursuant to 25 C.F.R. § 556.5(b). However, until the deficiencies identified in items 1, 4, and 5 above are addressed, the Tribe will be unable to comply with § 556.5(a) or 556.5(b).

Thank you for submitting the ordinance of the Cahto Tribe of the Laytonville Rancheria for review and approval. The NIGC staff and I look forward to working with you and the Tribe in implementing the IGRA. If you have questions or require further assistance, please contact Jessica Roff at (202) 632-7003.

Sincerely yours,


Harold A. Monteau
Chairman



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RESOLUTION NO. 96-01 OF THE CAHTO INDIAN TRIBE OF LAYTONVILLE RANCHERIA, CALIFORNIA



**SUBJECT: THE APPROVAL OF THE TRIBAL GAMING
ORDINANCE OF THE CAHTO INDIAN TRIBE OF
LAYTONVILLE RANCHERIA, OF CALIFORNIA.**



WHEREAS, The Cahto Indian Tribe of the Laytonville Rancheria,
is a Federally recognized Indian Tribe with Articles of
Association approved by the Commissioner of Indian
Affairs on July 21, 1967; and



WHEREAS, The Cahto Indian Tribe of the Laytonville Rancheria is
recognized by the Secretary of the Interior as a sovereign
Indian tribe with privileges and immunities by virtue of its
status as a Tribe with government-to-government
relationship with the United States; and



WHEREAS, The Laytonville Rancheria Executive Committee is the
recognized body for the Laytonville Rancheria, as to
assure and to promote the welfare and economic well
being of its members; and



WHEREAS, The Cahto Indian Tribe of the Laytonville Rancheria,
California, hereby desires to establish gaming on its
Rancheria to create profitable jobs and obtain capital to
support other economic development on the Rancheria;
and





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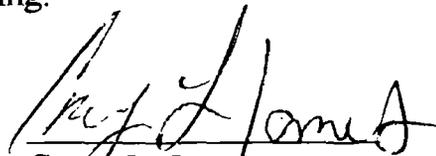
NOW, THEREFORE LET IT BE RESOLVED: That the Cahto Indian Tribe of Laytonville Rancheria, California, hereby excepts the Gaming Ordinance attached to this Tribal Resolution.



CERTIFICATION

Pursuant to the authority contained in the organic documents of the Cahto Indian Tribe of the Laytonville Rancheria, the foregoing resolution was adopted at a meeting called, noticed, and convened on July 17, 1996 at which a quorum was present, by a vote of 33 for, 0 against, 0 abstaining.




Corey L. James
Tribal Chairperson (acting)
Laytonville Cahto Tribe



ATTEST:




Cristy J. Nelson 7/26/96
Secretary/Treasurer
Laytonville Cahto Tribe





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GAMING ORDINANCE OF THE CAHTO TRIBE OF LAYTONVILLE RANCHERIA

I. Purpose

The Cahto Tribe of the Laytonville Rancheria (hereinafter "Tribe"), empowered by the Cahto Tribe of the Laytonville Rancherias Articles of Association to enact ordinances, hereby enacts this ordinance in order to set the terms for class II gaming operations on tribal lands.



II. Gaming Authorized

Class II gaming as defined in the Indian Gaming Regulatory Act, P.L. 100-447, 25 U.S.C. Section 2703 (7) (A) ("IGRA") and by the regulations promulgated by the National Indian Gaming Commission at 25 C.F.R. S 502.3 (as published in the Federal Register at 57 FR 12382-12393, April 9, 1992) is hereby authorized.



III. Ownership of Gaming

The Tribe shall have the sole propriety interest in and responsibility for the conduct of any gaming operation authorized by this ordinance [unless the Tribe elects to allow individually owned gaming]



IV. Use of Gaming Revenue

A. Net revenues from class II gaming shall be used only for the following purposes: to fund tribal government operations and programs; provide for the general welfare to the Tribe and its members; promote tribal economic development; donate to charitable organizations; or help fund operations of local government agencies.



B. If the Tribe elects to make per capita payments to tribal members, it shall authorize such payments only upon





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1. Except as noted in footnotes, the same requirements apply for a class III gaming ordinance.



2. For class III gaming, the appropriate reference is 25 U.S.C. section 2703 (8).



3. If a tribe elects to allow individually owned gaming, it must authorize such gaming in its ordinance according to 25 C.F.R. SS 522.11.



4. approval of a plan submitted to the Secretary of the Interior under 25 U.S.C. S 2710 (3).

V. Audit



A. The Tribe shall cause to be conducted annually an independent audit of gaming operations and shall submit the resulting audit reports to the National Indian Gaming Commission.



B. All gaming related contracts that result in the purchase of supplies, services, or concessions in excess of \$25,000.00 annually, except contracts for professional legal and accounting services, shall be specifically included within the scope of the audit that is described in subsection A. above.



VI. Protection of the Environment and Public Health and safety

Class II gaming facilities shall be constructed, maintained and operated in a manner that adequately protects the environment and the public health and safety.

VII. Licenses for Key Employees and Primary Management Officials



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The Tribe shall ensure that the policies and procedures set out in this section are implemented with respect to key employees and primary management officials employed at any class II gaming enterprise operated on Indian lands:



A. Definitions

For the purposes of this section, the following definitions apply:



1. Key employee means
 - (a) A persons who performs one or more of the following functions:
 - (1) Bingo Caller
 - (2) Counting room supervisor



Guidelines to Govern the Review and Approval of Per Capita Payments, memorandum to All Area Directors from the Assistant Secretary-Indian Affairs, December 21, 1992.



To the extent any additional definitions must be consistent with the IGRA and the regulations of the National Indian Gaming Commission.

A tribe may expand this definition, but not limit it.



- (3) Chief of Security;
- (4) Custodian of gaming supplies or cash;
- (5) Floor Manager;
- (6) Pit Boss;
- (7) Dealer;
- (8) Croupier;
- (9) Approver of credit; or
- (10) Custodian of gambling devices including persons with





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access to cash and accounting records within such devices;



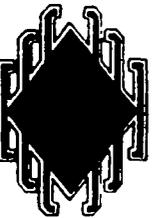
- (b) If not otherwise included, any other person whose total cash compensation is in excess of \$50,000.00 per year; or
- (c) If not otherwise included, the four most highly compensated persons in the gaming operation.



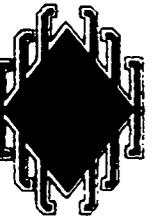
2. Primary Management Officials means



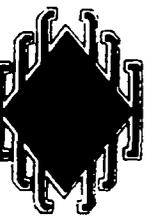
- (a) The person having management responsibility for a management contract;
- (b) Any person who has authority:
 - (1) To hire and fire employees; or
 - (2) To set up working policy for the gaming operation; or
- (c) The chief financial officer or other person who has financial management responsibility.



B. Application Forms



- 1. The following notice shall be placed on the application form for a key employee or a primary management official before that form is filled out by an applicant:



In compliance with the Privacy Act of 1974, the following information is provided: Solicitation of the information on this form is authorized by 25 U.S.C. 2701 et seq. The purpose of the requested information is to determine the eligibility of individuals to be employed in a gaming operation. The information will be used by National



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Indian Gaming Commission members and staff who have need for the information in the performance of their official duties. The information may be disclosed to appropriate Federal, Tribal, State, Local, or foreign law enforcement and regulatory agencies when relevant to civil, criminal or regulatory investigations or prosecutions or when pursuant to a requirement by a tribe or the National Indian Gaming Commission in connection with the hiring or firing of an employee, the issuance or revocation of a gaming license, or investigations of activities while associated with a tribe or a gaming operation. Failure to consent to the disclosures indicated in this notice will result in a tribe's being unable to hire you in a primary management official or key employee position.



The disclosure of your Social Security Number (SSN) is voluntary. However, failure to supply a SSN may result in errors in processing your application.



2. Existing key employees and primary management officials shall be notified in writing that they shall either:



(a) Complete a new application form that contains a Privacy Act notice; Or

(b) Sign a statement that contains the Privacy Act notice and consent to the routine uses described in that notice.



3. The following notice shall be placed on the application form for a key employee or a primary official before that form is filled out by an applicant.



A false statement on any part of your application may be grounds for not hiring you, or for firing you after you begin work. Also, you may be punished by fine or imprisonment.



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4. The Tribe shall notify in writing existing key employees and primary management officials that they shall either:



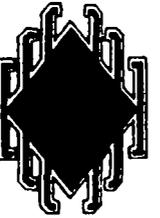
- a. Complete a new application form that contains a notice regarding false statements: or
- b. Sign a statement that contains the notice regarding false statements.



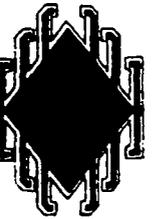
C. Background Investigation



1. The Tribe shall request from each primary management official and from each key employee all of the following information:



a. Full name, other names used (oral or written), social security number(s), birth date, place of birth, citizenship, gender, all languages (spoken or written):



b. Currently and for the previous 5 years: business and employment positions held, ownership interests in those businesses, business and residence addresses, and drivers license numbers;



c. The names and current addresses of at least three personal references, including one personal reference who was acquainted with the applicant during each period of residence listed under paragraph (1) (b) of this section;

d. Current business and residence telephone numbers;

e. A description of any existing and previous business relationships with Indian tribes, including ownership interests in those businesses;



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f. A description of any existing and pervious business relationships with the gaming industry generally, including ownership interests in those businesses;



g. The name and address of any licensing or regulatory agency with which the person has filed an application for a license or permit related to gaming, whether or not such license or permit was granted;



h. For each felony for which there is an ongoing prosecution or a conviction, the charge, the name and address of the court involved, and the date and disposition if any;



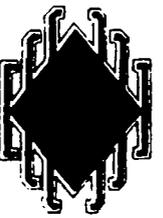
i. For each misdemeanor conviction or ongoing misdemeanor prosecution (excluding minor traffic violations), within 10 years of the date of the application, the name and address of the court involved and the date and disposition;



Unless a tribal-state compact provides that a state has exclusive jurisdiction with respect to conducting background investigations and issuing license, the background investigation provisions apply to class III gaming.



j. For each criminal charge (excluding minor traffic charges), whether or not there is a conviction, if such criminal charge is within 10 years of the date of the application and is not otherwise listed pursuant to paragraph (1) (h) or (1) (i) of this section, the criminal charge, the name and address of the court involved and the date and disposition;



k. The name and address of any licensing or regulatory agency with which the person has filed an application for an occupational license or permit, whether or not such license or permit was granted;



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l. A current photograph;

m. Any other information the Tribe deems relevant; and



n. Fingerprints consistent with procedures adopted by the Tribe according to 25 C.F.R. S 522.2 (h).

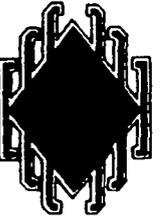


2. The Tribe shall conduct an investigation sufficient to make a determination under subsection D. below. In conducting a background investigation, the Tribe or its agent shall promise to keep confidential the identity of each person interviewed in the course of the investigation.

D. Eligibility Determination



The Tribe shall review a person's prior activities, criminal record, if any, and reputation, habits and associations to make a finding concerning the eligibility of a key employee or primary management official for employment in a gaming operation. If the Tribe determines that employment of the person poses a threat to the public interest or to the effective regulation of gaming, or creates or enhances dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming, a tribal gaming operation shall not employ that person in a key employee or primary management official position.



E. Procedures for Forwarding Applications and Reports for Key Employees and Primary Management Officials to the National Indian Gaming Commission





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1. When key employee or primary management official begins work at a gaming operation authorized by this ordinance, the Tribe shall forward to the National Indian Gaming Commission a completed application for employment and conduct the background investigation and make the determination referred to in subsection D of this section.



2. The Tribe shall forward the report referred to in subsection F of this section to the National Indian Gaming Commission within 60 days after an employee begins work or within 60 days of the approval of this ordinance by the Chairman of the National Indian Gaming Commission.



3. The gaming operation shall not employ as a key employee or primary management official a person who does not have a license after 90 days.



F. Report to the National Indian Gaming Commission



1. Pursuant to the procedures set out in subsection E of this section, the Tribe shall prepare and forward to the National Indian Gaming Commission an investigative report shall include all of the following:



- a. Steps taken in conduction a background investigation;
- b. Results obtained;
- c. Conclusions reached; and
- d. the bases for those conclusions;



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2. The Tribe shall submit, with the report, a copy of the eligibility determination made under subsection D of this section;
3. If a license is not issued to an applicant, the Tribe :
 - a. Shall notify the National Indian Gaming Commission; and
 - b. May forward copies of its eligibility determination and investigations for employment and reports (if any) of background investigations for inspection by the Chairman of the Nation Indian Gaming Commission his or her designee for no less than three (3) years from the date of termination of employment.

G. Granting a Gaming License

1. If, within a thirty (30) day period after the National Indian Gaming Commission receives a report, the National Indian Gaming Commission notifies the Tribe that it has no objection to the issuance of a license pursuant to a license application filed by a key employee or a primary management official for whom the tribe has provided an application and investigation report to the Nation Indian Gaming Commission, the Tribe may issue a license to such applicant.

2. The Tribe shall respond to a request for additional information from the Chairman of the National Indian Gaming Commission concerning a key employee or primary management official who is the subject of a report. Such a request shall suspend the 30-day period under paragraph G. 1. of this section until the Chairman of the National Indian Gaming Commission receives the additional information.



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3. If, within the thirty (30) day period described above, the National Indian Gaming Commission provides the Tribe with a statement itemizing objectives to the issuance of a license to a key employee or to a primary management official for whom the Tribe as provided an application and investigative report to the National Indian Gaming Commission, the Tribe shall reconsider the application, taking into account the objection itemized by the National Indian Gaming Commission. The Tribe shall make the final decision whether to issue a license to such applicant.



H. License Suspension



1. If, after the issuance of a gaming license, the Tribe receives from the National Indian Gaming Commission reliable information indicating that a key employee or a primary management official is not eligible for employment under subsection D. above, the Tribe shall suspend such license and shall notify in writing the licensee of the suspension and proposed revocation.



2. The Tribe shall notify the licensee of a time and a place for a hearing on the proposed revocation of a license.



3. After a revocation hearing, the Tribe shall decide to revoke or to reinstate a gaming license. The Tribe shall notify the National Indian Gaming Commission of its decision.



VIII. License Locations

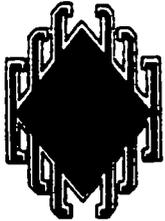
The Tribe shall issue a separate license to each place, facility, or location on Indian lands where class II gaming is conducted under this ordinance.





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IX. Repeal

To the extent that they are inconsistent with this ordinance, all prior gaming ordinances are hereby repealed.



Amendments and or Revision

No Amendments and or Revisions can be enacted upon this Ordinance unless first approved by the General Tribal Membership vote which must consist of thirty percent (30%) of the Tribal Membership.



Date 7/26/96



Tribal Chairperson *Ray L Jones*

