

NATIONAL INDIAN GAMING COMMISSION
BULLETIN

No. 94-2

April 20, 1994

Subject: Suitability Determinations

Before approving a management contract for class II gaming, the Indian Gaming Regulatory Act (IGRA) requires the National Indian Gaming Commission (NIGC) to conduct a background investigation on those individuals and entities with a financial interest in or management responsibility for a management contract. 25 U.S.C. § 2711(a). The purpose of the background investigation is to determine the suitability of those individuals and entities for involvement in the management of Indian gaming operations.

The suitability standard contained in the IGRA is quite broad. The IGRA requires the Chairman to disapprove a management contract if any person required to submit to a background investigation is determined by the Chairman:

to be a person whose prior activities, criminal record if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental thereto.

25 U.S.C. § 2711(e)(1)(D).

Similarly, the Chairman may disapprove a management contract for class III gaming applying virtually the same suitability standard as quoted above. See 25 C.F.R. § 533.6.

The sale, lease, or distribution of gambling devices to Indian tribes or Indian gaming establishments or the operation of such devices in tribal gaming establishments in states where there are no approved tribal-state compacts authorizing gambling devices is a violation of the IGRA and the Johnson Act, 15 U.S.C. § 1175.

Past or current participation in such illegal activities may result in a finding of unsuitability by the Chairman for future involvement in the management of Indian gaming operations.