Wendell Chino, President  
Mescalero Apache Tribe  
P.O. Box 176  
Mescalero, MN 88340

Dear President Chino:

This letter responds to your request to review and approve the tribal gaming ordinance, Ordinance No. 95-06, adopted on September 29, 1995, by the Mescalero Apache Tribe (Tribe). This letter constitutes such approval under the Indian Gaming Regulatory Act (IGRA).

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 implementing regulations. Thus, the scope of the Chairman's review and approval is limited to the requirements of the IGRA and the NIGC regulations. Provisions other than those required under the IGRA or the NIGC regulations that may be included in a tribal ordinance are not subject to review and approval. Also, such approval does not constitute approval of specific games. It is important to note that the gaming ordinance is approved for gaming only on Indian lands as defined in the IGRA.

With the Chairman's approval of the Tribe's gaming ordinance, the Tribe is now required to conduct background investigations on its key employees and primary management officials. 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).

Thank you for submitting the ordinance of the Mescalero Apache Tribe for review and approval. The NIGC staff and I look forward to working with you and the Tribe in implementing the IGRA.

Sincerely yours,

[Signature]

Harold A. Montea
Chairman

cc: Gregory M. Quinlan, Esq.
MESCALERO APACHE TRIBE
MESCALERO, NEW MEXICO

ORDINANCE NO. 95-06

WHEREAS, the Mescalero Apache Tribe, an Indian Tribe organized under the Indian Reorganization Act of June 18, 1934 (25 U.S.C. Section 476) and under its Revised Constitution has full power to act for the Tribe;

WHEREAS, the Mescalero Apache Tribal Council has the power to act for the Tribe, and to represent the Tribe in all matters under powers vested in it by Article XI of the Revised Constitution of the Mescalero Apache Tribe;

WHEREAS, pursuant to Article XI, Section 1(d) of the Mescalero Apache Tribe's Revised Constitution, the Mescalero Apache Tribal Council has the power to adopt and approve plans of operation to govern the conduct of any business or industry that will further the economic well-being of the members of the Tribe;

WHEREAS, it is the purpose of this Ordinance to comply with the directive of the Chairman of the National Indian Gaming Commission (N.I.G.C.) set forth in his letter and enclosures of the 7th day of June, 1993, and received by the Tribe on the 23rd day of July, 1993;

NOW, THEREFORE, BE IT ORDAINED THAT:

I. Purpose
The Mescalero Apache Tribal Council (hereinafter "Tribe"), empowered by the Tribe's Constitution to enact ordinances, hereby enacts this ordinance in order to set the terms for Class II and Class III gaming operations on tribal lands under the Indian Gaming Regulatory Act (I.G.R.A.) P.L. 100-447, 25 U.S.C. Section 2703(7)(A).

II. Gaming Authorized
Class II and Class III gaming as defined in the I.G.R.A., P.L. 100-447, 25 U.S.C. Section 2703(7)(A) and by the regulations promulgated by the N.I.G.C. at 25 C.F.R. 502.3 (as published in the Federal Register at 57 FR 12383-12393, April 9, 1992) is hereby authorized.

III. Ownership of Gaming
The Tribe shall have the sole proprietary interest in and responsibility for the conduct of any gaming operation authorized by this ordinance.

IV. Use of Gaming Revenue
A. New revenues from Class II and Class III gaming shall be used only for the following purposes: to fund tribal government operations and programs; provide for the general welfare of 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 approval of a plan submitted to the Secretary of the Interior under 25 U.S.C. 2701(b)(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 N.I.G.C.

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. License for Key Employees and Primary Management Officials.

The Tribe (acting through the President) 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 or Class III gaming enterprise operated on Indian lands:

A. Definitions: For the purposes of this section, the following definitions apply:

1. Key employee means

   (a) A Person who performs one or more of the following functions:
       (1) Bingo Caller;
       (2) Counting room supervisor;
       (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 gaming devices including persons with access to cash and accounting records within such devices;

   (b) If not otherwise included, any other person in the gaming operation whose total cash compensation is in excess of $50,000 per year; or

   (c) If not otherwise included, the four most highly compensated persons in the gaming operation.

2. Primary management official means

   (a) The person having management responsibility for a management contract;

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

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 N.I.G.C. 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 to regulatory agencies when relevant to civil, criminal, or regulatory investigations or prosecutions or when pursuant to a requirement by a tribe or the N.I.G.C. 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, if they have not already done so, 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 or both.

   (U.S. Code, title 18, section 1001.)

4. The Tribe shall notify, in writing, existing key employees and primary management officials that, if they have not already done so, 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 Investigations

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 (five) years; business and employment positions held, ownership interests in those businesses, business and residence addresses, and drivers license numbers;

(c) The names and 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;

(f) A description of any existing and previous business relationship 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 applications, the name and address of the court involved and the date and disposition, if any;

(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 occupational license or permit, whether or not such license or permit was granted;

(l) A current photograph;

(m) Any other information the Tribe deems relevant; and

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

i. these fingerprint exemplars shall be submitted on a form acceptable to the N.I.G.C.

ii. these fingerprint exemplars shall be collected by the
division of the Bureau of Indian Affairs, Mescalero Agency, Law Enforcement Services, which is the law enforcement agency that has primary responsibility for maintaining law and order on the Mescalero Apache Reservation.

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 (acting through its President) 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 of primary management official for employment in a gaming operation. If the Tribe (acting through the President) 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 N.I.G.C.

1. When a key employee or primary management official begins work at a gaming operation authorized by this ordinance, the Tribe shall forward to the N.I.G.C. 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 N.I.G.C. within 60 days after an employee begins work or within 60 days of the approval of this ordinance by the Chairman of the N.I.G.C.

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 N.I.G.C.

1. Pursuant to the procedures set out in subsection "E" of this section, the Tribe (acting through the President) shall prepare and forward to the N.I.G.C. an investigative report on each background investigation. An investigative report shall include all of the following:

   (a) Steps taken in conducting a background investigation;
   (b) Results obtained;
   (c) Conclusions reached; and
   (d) The basis for those conclusions.

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 (acting through the President):

   (a) Shall notify the N.I.G.C.; and

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(b) May forward copies of its eligibility determination and investigative report (if any) to the N.I.G.C. for inclusion in the Indian Gaming Individuals Records System.

4. With respect to key employees and primary management officials, the Tribe (acting through the President) shall retain applications for employment and reports (if any) of background investigations for inspection by the Chairman of the N.I.G.C. or his designee for no less than three (3) years from the date of termination of employment.

5. The President, may, by Executive Order, promulgate procedures, consistent with this ordinance, for the orderly compilation and submission of applications.

G. Granting a Gaming License

1. If, within a thirty (30) day period after the N.I.G.C. receives a report under F above, the N.I.G.C. 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 investigative report to the N.I.G.C., the Tribe may issue a license to such applicant under the authority of the I.G.R.A.

2. The Tribe shall respond to a request for additional information from the Chairman of the N.I.G.C. concerning a key employee or a 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 N.I.G.C. receives the additional information.

3. If, within the thirty (30) day period described above, the N.I.G.C. provides the Tribe with a statement itemizing objections to the issuance of a license to a key employee or to a primary management official for whom the Tribe has provided an application and investigative report to the N.I.G.C., the Tribe shall reconsider the application, taking into account the objections itemized by the N.I.G.C. 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 N.I.G.C. reliable information indicating that a key employee or 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 the 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 N.I.G.C. of its decision.

VII. License Locations

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

IX. Designation of Agent for Service of Process

The Tribe hereby designates Sara Misquez, Tribal Administrator, as agent for service of process of official determination, order, or notice of violation pursuant to 25 C.F.R. §519.
Nothing in this subsection shall in any way be construed as operating as a waiver of sovereign immunity.

X. Repealer of Prior Ordinances

To the extent that they are inconsistent with this ordinance, all prior Class II and Class III gaming ordinances complying with requirements of the I.G.R.A. or Regulations promulgated thereunder, be and hereby are repealed; **HOWEVER**, ordinances establishing other regulations for Class II or Class III Gaming, which are more restrictive, are, and remain, effective under the Tribal Constitution.
CERTIFICATION

The foregoing enactment of the Mescalero Apache Tribal Council is duly adopted and approved on the 29th day of September, 1995, at a legally called session of the Mescalero Apache Tribal Council, at which a quorum was present and at which a majority of the members voted in favor thereof. This enactment is approved by the President of the Mescalero Apache Tribe under authority of Article XI, Section 1, of the Revised Constitution.

Berle Kanseah, Secretary Pro Tem

Wendell Chino, President

Approved October 3, 1995, in accordance with Article XII, Section 3, of the Revised Constitution of the Mescalero Apache Tribe.

For William Leeds, Acting Superintendent