

**For Immediate Release**



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## **NOV Issued Against Bettor Racing, Inc., J. Randy Gallo & Flandreau Santee Sioux Tribe**

Washington, DC May 19, 2011 — National Indian Gaming Commission (NIGC) Chairwoman Tracie L. Stevens issued a notice of violation (NOV) against Bettor Racing, Inc. (Bettor Racing); its owner, J. Randy Gallo; and the Flandreau Santee Sioux Tribe (Tribe). The NOV was issued against Bettor Racing and J. Randy Gallo for managing without an approved contract, managing under unapproved modifications to a management contract, and possessing a proprietary interest in the gaming activity. The NOV was issued against the Tribe for allowing Bettor Racing and J. Randy Gallo to manage without an approved contract, operating under unapproved modifications to the management contract, using net revenues to pay bonuses in excess of an approved management contract, and for not submitting management letters to NIGC.

From September 24, 2004 through April 5, 2010, Bettor Racing, Inc. ran a pari-mutuel betting operation at the Tribe's Royal River Casino, however, from September 24, 2004 until March 16, 2005, it did so without an approved management contract. This is a substantial violation of the Indian Gaming Regulatory Act (IGRA) and NIGC regulations. Bettor Racing and the Tribe's management contract for the operation was later approved by the NIGC Chair on March 17, 2005.

In 2009, the NIGC Audit, Contracts and Enforcement divisions conducted a compliance review of Bettor Racing's management contract with the Tribe. During the compliance review, NIGC investigators discovered that after the management contract was approved in 2005, the Tribe and Bettor Racing entered into two unapproved contract modifications from 2007-2010. As a result, Bettor Racing obtained a proprietary interest in the operation and received a greater percentage of the net revenues from the operation than was set forth in the original approved management contract and allowed under IGRA.

Currently, Bettor Racing and J. Randy Gallo no longer manage the gaming facility. The NOV requires Bettor Racing and J. Randy Gallo to reimburse the Tribe over \$3,000,000 of gaming revenues the Tribe should have received as its percentage of net revenues under the 2005 approved management contract.

If you have any questions regarding this press release, please contact NIGC Chief of Staff, Paxton Myers at (202) 632-7003.

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*The NIGC is an independent regulatory agency established within the Department of the Interior pursuant to the Indian Gaming Regulatory Act of 1988.*