

National Indian Gaming Commission

SETTLEMENT AGREEMENT

SA-07-06

INTRODUCTION

This Settlement Agreement ("Agreement") is entered into by and between the Puyallup Tribe of Indians ("Tribe"), a federally-recognized Indian tribe, and the Chairman of the National Indian Gaming Commission ("NIGC Chairman"), relating to the matters contained in the NIGC Chairman's Notice of Violation No. NOV-07-06.

RECITALS

1. Whereas, the Indian Gaming Regulatory Act ("IGRA") authorizes the NIGC Chairman to issue civil fines for violations of the IGRA, NIGC regulations, or tribal regulations, ordinances, or resolutions approved by the NIGC Chairman under 25 U.S.C. Sections 2710, 2712. *See* 25 U.S.C. 2713(a)(1).
2. Whereas, under the regulations of the NIGC, 25 C.F.R. § 573.3(a), the Chairman may issue a Notice of Violation to any person for violations of any provision of the IGRA, NIGC regulations, or any provision of a tribal gaming ordinance or resolution approved by the Chairman.
3. Whereas, on December 6, 2007, the NIGC Chairman issued Notice of Violation No. NOV-07-06, which contained two counts:

Count 1: The Tribe has failed to submit a timely audit report for the gaming operation known as BJ's Bingo, in violation of IGRA, 25 U.S.C. § 2710(b)(2)(C), NIGC regulations, 25 C.F.R. §§ 571.12 and 571.13, and the Tribe's Ordinance, Sections 4.03(b)(iv) and 5.01.

Count 2: The Tribe has failed to submit a timely Agreed Upon Procedures ("AUP") report for the gaming operation known as BJ's Bingo in violation of NIGC regulations, 25 C.F.R. § 542.3(f).

4. Whereas, the NIGC Chairman and the Tribe desire to achieve an amicable resolution of Notice of Violation No. NOV-07-06.
5. Therefore, the NIGC Chairman and the Tribe have agreed to execute this Agreement and perform in accordance with the following covenants and conditions:

TERMS OF SETTLEMENT

6. This Agreement is entered into pursuant to 25 C.F.R. § 575.6(b) and shall be effective upon the date that it is signed by the last party to sign this Agreement ("the Effective Date").
7. The Tribe agrees that it was required to submit a financial audit report to the NIGC for BJ's Bingo within 120 days after the end of the gaming operation's fiscal year.
8. The Tribe acknowledges that it was 67 days late in submitting the financial audit report for BJ's Bingo to the NIGC, thus constituting a violation of NIGC regulations, 25 C.F.R. § 571.13. The Tribe represents that this occurred because the auditor retained by the Tribe to prepare the report was unable to obtain the necessary information from the accountants for BJ's Bingo in time to meet the deadline.
9. The Tribe agrees that it was required to submit an AUP report to the NIGC for BJ's Bingo within 120 days after the end of the gaming operation's fiscal year.
10. The Tribe acknowledges that it was 77 days late in submitting the AUP report for BJ's Bingo to the NIGC, thus constituting a violation of NIGC regulations, 25 C.F.R. § 542.3(f). The Tribe represents that this occurred because as of the time of the deadline, the auditor retained by the Tribe needed to do further investigation to determine the appropriate conclusion on one of the important issues in the report.
11. The Tribe agrees that under IGRA and NIGC regulations and, in the absence of this Agreement, the NIGC Chairman would be authorized to assess a civil fine against the Tribe of up to \$25,000 per violation, and because noncompliance continued for more than one day, the NIGC Chairman would be authorized to treat each daily illegal act or omission as a separate violation. 25 U.S.C. § 2713(a)(1); 25 C.F.R. § 575.4.

12. The Tribe agrees to pay a total civil fine of **twenty thousand dollars (\$20,000)**. Ten thousand dollars (\$10,000) of the total fine shall be made payable to the U.S. Treasury and shall be delivered to the NIGC within thirty (30) days after the Effective Date of this Agreement. The other ten thousand dollars (\$10,000) of the total fine shall be paid to the Puyallup Tribal Gaming Regulatory Office ("PTGRO") within thirty (30) days after the Effective Date of this Agreement and shall be used to support increased tribal regulation of gaming operations at BJ's Bingo. The Tribe shall provide the NIGC with appropriate documentation that the PTGRO portion of the fine has been paid, and for what specific purpose the funds are being utilized. Both portions of the total fine shall be paid from the Tribe's general fund, but may later be recouped from the owner of BJ's Bingo, as may be authorized and appropriate under tribal law. In any case, the Tribe agrees that the PTGRO portion of the fine shall result in an increase in the funds available to the PTGRO, and shall not be offset by a reduction in the PTGRO's budget.
13. Upon execution of this Agreement and compliance by the Tribe with the terms of this Agreement, the NIGC Chairman agrees not to pursue any further action against the Tribe in regard to Notice of Violation No. NOV-07-06. If the Tribe fails to comply with this Agreement, the NIGC Chairman reserves the right to issue another NOV, additional civil fines, and/or a closure order to resolve the Tribe's initial violation and/or breach of this Agreement.
14. The Tribe agrees upon execution of this Agreement to waive the right to further review of matters addressed in this Agreement, including all rights to appeal to the full Commission as set forth in 25 C.F.R. part 577, and judicial review pursuant to 25 U.S.C. § 2714.

ADDITIONAL COVENANTS

15. This Agreement constitutes the entire agreement between the NIGC Chairman and the Tribe relating to the enforcement matter set forth in Notice of Violation No. NOV-07-06. Any modification or waiver of any term of this Agreement must be in writing and signed by both parties.
16. The Tribe stipulates that this Agreement shall be deemed to be the subject of a final order of the NIGC under 25 C.F.R. § 575.4(c)(1) and a final agency action pursuant to 25 C.F.R. § 577.9(d).
17. The NIGC Chairman and the Tribe expressly agree and acknowledge that time is of the essence in this Agreement. The recitals herein shall be binding upon the parties, their agents, heirs, personal representatives, successors and assigns.
18. The parties agree that upon the Effective Date, this Agreement shall be a public document and may be published or disclosed by either party.

19. This Agreement may be executed on one or more counterparts and each shall constitute an original. A signature produced by facsimile shall be deemed to be an original signature and shall be effective and binding for purpose of the Agreement.

Puyallup Tribe of Indians

National Indian Gaming Commission



Herman Dillon, Sr.
Chairman of the Puyallup Tribal Council

Date: 12-28-07



Philip N. Hogen
Chairman

Date: 12/28/2007