



Rebuilding
Communities
Through Indian
Self-Reliance

Media Release

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REGULATION OF INDIAN GAMING

The Indian Gaming Regulatory Act of 1988 (IGRA) provides for a thorough system of regulation of Indian gaming. The Act divides gaming activity into three categories:

Class I - Class I gaming is social or traditional and cultural forms of Indian gaming, conducted for minimal prizes or in connection with ceremonies or celebrations, and is solely regulated by the tribes.

Class II - Class II gaming is bingo and related games played as well as non-banking card games, if those games are otherwise lawful within the states where tribes conduct those activities. This gaming is regulated by the National Indian Gaming Commission and Tribes through Tribal Gaming Commissions (TGC). Tribal Gaming Commissions are established and operated by Indian Nations to regulate gaming activities on reservations. There are some 186 Tribal Gaming Commissions in full operation nationwide.

Class III - All other gaming, including casino gaming is Class III and is regulated according to the terms of compacts tribes negotiate with the governments of the states wherein they are located. These compacts often give tribal gaming commissions the primary, on-site regulatory responsibility. Certain compacts give the states the responsibility of regulation with the TGC.

No one has a greater interest in protecting the integrity of Indian gaming than tribes. It is the most precious economic resource they've ever had. Indian Nations have agreed to allow the federal government to play a role in overseeing Indian gaming but they will never rely on the federal government to be the primary protector against crime. Tribes have not agreed to allow states a role in the regulation of gaming except for what is negotiated in compacts. Tribal governments are regulating gaming on their reservations with their own Commissions.

Indian gaming is already subject to more stringent regulation and security controls than any other type of gaming in the United States.

Tribal gaming operations are regulated at three distinct levels:

1. the government of the Indian Nations (Indian Gaming Regulatory Commissions)
2. state government
3. the National Indian Gaming Commission and federal government agencies such as the U.S. Justice Department, the U.S. Treasury Department and the Department of the Interior

Agencies with oversight relationships to gaming including the FBI, the IRS, the U.S. Attorneys, the U.S. Marshalls, Attorneys General, Secret Service and the Bureau of Indian Affairs.

Indian Nations have established their own gaming commissions and developed tribal police forces and court systems to combat crimes. They have invested heavily in high-tech surveillance equipment and because Indian gaming (Class III) is an emerging industry, only new "state of the art" electronic equipment and machines are in use. Indian Nations have established Industry Standards and Internal Controls. As of August 1, 1996, Indian Nations must comply with the Title 31 (Bank Secrecy Act). Thus, they have established compliance offices. Tribes have more personnel by far regulating tribal casinos than regulate Nevada casinos. Additionally, Indian Nations have created extensive security and surveillance networking systems to exchange intelligence and monitor casinos.

Compacts between states and tribes give states some regulatory power with Indian gaming through IGRA recognizes that the federal government has primary responsibility for government-to-government relations with sovereign Indian Nations. Most states have a state gaming office providing the regulation of gaming in the state. This varies from state to state.

A FLOW CHART OF THE REGULATORY STRUCTURE LOOKS LIKE THIS:

TRIBAL GOVERNMENT

- Compact regulation
- Tribal gaming commission
- Security and Surveillance
- Tribal Law Enforcement
- Tribal Court System
- Appellate Court

DEPT. OF TREASURY

- IRS
- FIN CIN
- Secret Service

DEPT. OF JUSTICE

- FBI
- U.S. Attorney
- U.S. Marshals
- Solicitor General

DEPT. OF INTERIOR

- OIG
- Sec. of Interior
- BIA-Gaming Ofc.
- NIGC

- Solicitor

STATE GOVERNMENT

- Compact req.
 - State Gaming Comm.
 - Law Enforcement
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TRIBAL GOVERNMENT

- establishes Tribal Gaming Commission
- provides front-line regulation of tribal gaming, including security and surveillance measures
- compliance with Title 31 (Bank Secrecy Act)
- manages tribal gaming operations
- adopts ordinances and issue licenses for gaming operations and employees, perform background investigations
- negotiates compacts with state for Class III gaming
- provides protection and law enforcement
- criminal and enforcement through Tribal Court System
- network - security surveillance with all other casinos

DEPARTMENT OF INTERIOR

- rules on land into trust issues
- rules on plans for allocation of tribal gaming revenues
- conducts investigative studies
- approves tribal-state compacts
- issues opinions

NATIONAL INDIAN GAMING COMMISSION

- approves management contracts
- regulates gaming
- conducts background checks & reviews terms of contracts
- authority to enforce civil penalties & impose fines up to \$25,000 per day and to order establishment closures
- approves tribal gaming ordinances

DEPARTMENT OF JUSTICE

- investigates and prosecutes violations of Federal gaming law
- conducts fingerprint and background checks of key gaming employees as requested by NIGC
- seeks civil enforcement of Federal gaming law
- conducts investigative studies
- issue opinions

STATE GOVERNMENT

- negotiates compact with tribes for Class III gaming
 - a. security, protection
 - b. infrastructure
 - c. costs for increased costs to state/local government
- enforces provisions of compact, which often include background checks of employees and management company personnel
- varies per state policy

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