National Indian Gaming Commission

NOTICE OF VIOLATION

VIA FAX AND FEDEX

Ref: NOV-02-01

To: Johnny Wauqua
Chairman (and Agent for Service of Process)
Comanche Indian Tribe
P.O. Box 908
Lawton, OK 73502
Fax: (580) 492-3796

1. The Chairman of the National Indian Gaming Commission (NIGC) hereby gives notice that the Comanche Indian Tribe (Respondent) is in violation of the Indian Gaming Regulatory Act (IGRA), NIGC regulations, and Respondent's Gaming Ordinance for failure to submit annual audits.

2. Respondent is a federally recognized Indian Tribe with tribal headquarters in Lawton, Oklahoma.

3. The circumstances of the violations are:

A. Respondent has engaged in gaming on tribal lands located in Oklahoma pursuant to Respondent's Gaming Ordinance of 1996.

B. NIGC regulations 25 C.F.R. §§ 571.12 and 571.13 require that a tribe cause to be conducted annual independent audits of the financial statements of each gaming operation on Indian lands and submit a copy of the audit report(s) and any management letter(s) setting forth the results of the annual audit(s) to the NIGC within 120 days after the end of each fiscal year.

C. Section 5(c) of Respondent's Tribal Gaming Ordinance, approved in 1996, requires submittal of annual independent audit reports.

D. Respondent operated Comanche Indian Games during fiscal years 2000 and 2001, that is, during all or part of the period October 1, 1999, to September 30, 2001.

E. Respondent's audits for fiscal years 2000 and 2001 were due no later than January 28, 2001, and January 28, 2002, respectively. Respondent has not submitted its audit report and management letters for these fiscal years. Respondent therefore has violated and continues to violate 25 C.F.R. §§ 571.12 and 571.13 and Section 5(c) of Respondent's own Gaming Ordinance for failure to submit required annual independent audit reports and management letters.

F. The NIGC has sought compliance from Respondent on several occasions through meetings and correspondence. Despite NIGC's efforts to obtain compliance through means less onerous than a formal enforcement action, Respondent has failed to produce the required independent audit reports and management letters.

G. Submission of the annual independent audit by a firm of certified public accountants is critical to NIGC's mission to protect the integrity of Indian gaming. A firm's ability to conduct an audit in accordance with generally accepted auditing standards and render an opinion on the financial statements prepared in conformity with generally accepted accounting principles provides a certain level of assurance as to the security of tribal gaming revenues. The audit report prepared and submitted on a timely basis is evidence of, among other things, the integrity of the gaming operation and, more specifically, of the adequacy of the books and records, the functioning of the internal financial controls, and the disclosure of information having a bearing on the financial statements.

4. To correct these continuing violations, Respondent shall:

Submit independent audit reports and management letters for each gaming operation for the years ending September 30, 2000, and September 30, 2001, to the NIGC within ten (10) days after service of this Notice of Violation.

5. Within 30 (thirty) days after service of this Notice of Violation, Respondent may appeal to the full Commission under 25 C.F.R. Part 577 by submitting a notice of appeal and, if desired, a request for hearing to the National Indian Gaming Commission, 1441 L Street, NW, Ninth Floor, Washington, DC 20005. Respondent has a right to assistance of counsel in such an appeal. A notice of appeal must reference this Notice of Violation.

6. Within ten (10) days after filing a notice of appeal, Respondent must file with the Commission a supplemental statement that states with particularity the relief desired and the grounds therefore and that includes, when available, supporting evidence in the form of affidavits. If Respondent wishes to present oral testimony or witnesses at the hearing, Respondent must include a request to do so with the supplemental statement. The request to present oral testimony or witnesses must specify the names of proposed witnesses and the general nature of their expected testimony, whether a closed hearing is requested and why. Respondent may waive its right to an oral hearing and instead elect to have the matter determined by the Commission solely on the basis of written submissions.

7. The violations cited may result in the assessment of civil fines against Respondent in an amount not to exceed $25,000 per violation per day. Under 25 C.F.R. § 575.5(a), Respondent may submit written information about the violations to the Chairman within 15 days after service of this Notice of Violation (or such longer period as the Chairman of the Commission may grant for good cause). The Chairman shall consider any information submitted in determining the facts surrounding the violation and the amount of the civil fine, if any.

Dated this 29th day of March, 2002.

Montie R. Deer
Chairman
National Indian Gaming Commission

Certificate of Service

I certify that this **Notice of Violation** was sent by facsimile and FedEx this 29th day of March 2002 to:

Johnny Wauqua
Chairman (and Agent for Service of Process)
Comanche Indian Tribe
P.O. Box 908
Lawton, OK 73502
Fax: (580) 492-3796

Cynthia Shaw Omberg

Cynthia Shaw Omberg
Attorney