National Indian Gaming Commission

NOTICE OF VIOLATION

NOV-06-07

To: Squaxin Island Tribe
Attention: James L. Peters, Chairman
S.E. 70 Squaxin Lane
Shelton, WA 98948
FAX: (360) 426-6577

Squaxin Island Gaming Commission
Attention: Glen Parker, Chairman
West 91 Highway 108
Shelton, WA 98584
FAX: (360) 427-7868

Squaxin Island Legal Department (Agent for Service of Process)
Attention: Kevin R. Lyon, Esq.
Director
S.E. 3711 Old Olympic Hwy
Shelton, WA 98584
FAX: (360)432-3699

1. Notification of Violation

The Chairman of the National Indian Gaming Commission (NIGC) hereby gives notice that the Squaxin Island Tribe (Respondent or Tribe), located in Shelton, Washington, is in violation of NIGC regulations for failure to submit timely quarterly fee statements and fee payments.

2. Authority

Under regulations of the National Indian Gaming Commission, the Chairman of the NIGC (Chairman) may issue a Notice of Violation (NOV) to any person for violation of any provision of the Indian Gaming Regulatory Act (IGRA), NIGC regulations, or any provision of a tribal gaming ordinance or resolution approved by the Chairman. 25 C.F.R. § 573.3.

3. Applicable Federal and Tribal Laws Regarding Quarterly Fees and Quarterly Statements

A. 25 U.S.C. § 2717(a) – IGRA mandates that the Commission shall establish a schedule of annual fees to be paid to the Commission annually by each Indian gaming operation that conducts class II or class III gaming, and that such fees shall be payable to the Commission on a quarterly basis. Failure to pay the scheduled fees may be grounds for revocation of the approval of the Chairman of any license, ordinance, or resolution required for the operation of gaming.

B. 25 C.F.R. § 514.1(c) – NIGC regulations require that each gaming operation on Indian lands compute quarterly statements determining the amount of fees owed to the Commission.

C. 25 C.F.R. §§ 514.1(c)(2) – Quarterly statements are due on March 31, June 30, September 30, and December 31 of each calendar year the gaming operation is subject to the jurisdiction of the NIGC.

D. 25 C.F.R. §§ 514.1(c)(4) – Quarterly statements shall be transmitted to the Commission to arrive no later than the due date.

E. 25 C.F.R. § 514.1(c)(5) – Requires each gaming operation to remit to the Commission the fees due each quarter with the quarterly statement.

4. Role of Quarterly Fees and Quarterly Statements

The annual fees collected by the NIGC in order to fund the agency's work are based upon the quarterly worksheets submitted by Indian gaming operations. NIGC must set a fee rate sufficient to fund its annual budget, yet may not exceed the fee cap set by Congress. Thus, it is imperative that the NIGC receive worksheets from the gaming operations in a timely manner so that the NIGC is able to set accurate preliminary and final fee rates.

5. Circumstances of the Violation

A. Respondent is a federally recognized Indian Tribe with tribal headquarters in Shelton, Washington.

B. Respondent operated its gaming facility, Squaxin Island Bingo, during all or part of the following years: 2000, 2001, 2002, 2003, 2004 & 2005.

C. The NIGC received an untimely quarterly statement and fee payment for the quarter ending December 31, 2005. The quarterly statement and fee payment was due on December 31, 2005. 25 C.F.R. §§ 514.1(c)(2). The quarterly statement and fee payment were received by the NIGC on January 10, 2006.

D. The NIGC received an untimely quarterly statement and fee payment for the quarter ending September 30, 2005. The quarterly statement and fee payment was due on September 30, 2005. 25 C.F.R. §§ 514.1(c)(2). The quarterly statement and fee payment were received by the NIGC on October 24, 2005.

E. The NIGC received an untimely quarterly statement and fee payment for the quarter ending June 30, 2005. The quarterly statement and fee payment was due on June 30, 2005. 25 C.F.R. §§ 514.1(c)(2). The quarterly statement and fee payment were received by the NIGC on October 24, 2005.

F. The NIGC received an untimely quarterly statement and fee payment for the quarter ending June 30, 2004. The quarterly statement and fee payment was due on June 30, 2004. 25 C.F.R. §§ 514.1(c)(2). The quarterly statement and fee payment were received by the NIGC on August 30, 2004.

G. The NIGC received an untimely quarterly statement and fee payment for the quarter ending December 31, 2003. The quarterly statement and fee payment was due on December 31, 2003. 25 C.F.R. §§ 514.1(c)(2). The quarterly statement and fee payment were received by the NIGC on January 5, 2004.

H. The NIGC received an untimely quarterly statement and fee payment for the quarter ending June 30, 2003. The quarterly statement and fee payment was due on June 30, 2003. 25 C.F.R. §§ 514.1(c)(2). The quarterly statement and fee payment were received by the NIGC on July 28, 2003.

I. The NIGC received an untimely quarterly statement and fee payment for the quarter ending December 31, 2001. The quarterly statement and fee payment was due on December 31, 2001. 25 C.F.R. §§ 514.1(c)(2). The quarterly statement and fee payment were received by the NIGC on January 8, 2002.

J. Quarterly statements and fee payments must arrive at the NIGC on or before the quarter ending date. 25 C.F.R. § 514.1(c)(4). Respondent is therefore in violation of these regulations for failure to submit timely quarterly statements and fee payments.

6. Measures Required to Correct these Violations

There is no way to rectify the late submission of the December 31, 2005, September 30, 2005, June 30, 2005, June 30, 2004, December 31, 2003, June 30, 2003 and December 31, 2001 quarterly statements and fee payments. The regulations require that the quarterly statement and fee payment be transmitted to the Commission to arrive no later than the due date.

7. Appeal

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, 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.

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.

8. Fine--Submission of Information

The violations cited above 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 violation 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 3 of February, 2006.

PHILIP N. HOGEN
Chairman
National Indian Gaming Commission

ESTHER F. DITTLER
Staff Attorney

Certificate of Service

I certify that this **Notice of Violation** was sent by facsimile and mailed on this 6 day of February 2006 to:

Squaxin Island Legal Department (Agent for Service of Process)
Attention: Kevin R. Lyon, Esq.
Director
SE 3711 Old Olympic Hwy
Shelton, WA 98584

Esther Dittler

Esther F. Dittler
Staff Attorney