NATIONAL
INDIAN
GAMING
COMMISSION

DEC 21 1995

Hollis Roberts, Chief
Choctaw Nation of Oklahoma
P.O. Drawer 1210
16th Street & Locust Street
Durant, OK 74701

Dear Chief Roberts:

This letter is in response to the submission of the Choctaw Nation of Oklahoma (Nation) gaming ordinance, Council Bill No. 167-95, adopted on August 29, 1995, for review and approval by the Chairman of the National Indian Gaming Commission (NIGC). The ordinance was received on October 2, 1995. This letter constitutes such approval under the Indian Gaming Regulatory Act (IGRA).

Under the IGRA and the regulations of the National Indian Gaming Commission (NIGC), the Chairman is directed to review ordinances with respect to the requirements of the IGRA and the implementing regulations. Thus, the scope of the Chairman's review and approval is limited to the requirements of the IGRA and the NIGC regulations. Provisions other than those required under the IGRA or the NIGC regulations that may be included in a tribal ordinance are not subject to review and approval. Also, such approval does not constitute approval of specific games. It is important to note that the gaming ordinance is approved for gaming only on Indian lands as defined in the IGRA.

With the Chairman's approval of the Nation's gaming ordinance, the Nation is now required to conduct background investigations on its key employees and primary management officials. The NIGC expects to receive a completed application for each key employee and primary management official pursuant to 25 C.F.R. § 556.5(a) and an investigative report on each background investigation before issuing a license to a key employee or primary management official pursuant to 25 C.F.R.

Thank you for submitting the ordinance of the Choctaw Nation for review and approval. The NIGC staff and I look forward to working with you and the Nation in implementing the IGRA.

Sincerely yours,

Harold A. Monteau

1441 L STREET, N.W. 9TH FLOOR WASHINGTON, D.C. 20005 TEL.: 202-632-7003 FAX: 202-632-7066

CB -167 - 95

To approve Class II Gaming Operations terms and agreements on Tribal lands.

IN THE TRIBAL COUNCIL OF THE CHOCTAW NATION

CHARLEY JONES INTRODUCED THE FOLLOWING

A COUNCIL BILL

WHEREAS, there is an need to establish rules governing Class II gaming operations on Tribal lands, and

WHEREAS, such action is in the best interest of the Choctaw Nation of Oklahoma.

NOW, THEREFORE BE IT ENACTED by the Tribal Council of the Choctaw Nation of Oklahoma do hereby certify that the Tribal Council is composed of twelve (12) seats. Eight (8) members must be present to constitute a quorum. I further certify that twelve (12) members answered roll call and that a quorum was present at the Special Session of the Tribal Council at the Tribal Complex at the Capital grounds in Tushkahoma, Oklahoma on August 29, 1995. I further certify that the foregoing Council Bill CB -167- 95 was adopted at such meeting by the affirmative vote of twelve (12) members, zero (0) negative votes and zero (0) abstaining.

Randle Durant

Randle Durant, Speaker
Choctaw Nation Tribal Council

Charley Jones

Charley Jones, Secretary
Choctaw Nation Tribal Council

Hollis E. Roberts, Chief
Choctaw Nation of Oklahoma
Assistant Chief

8/24/95

Date

CHOCTAW NATION
CLASS II
MODEL GAMING ORDINANCE

SUBMITTED TO THE NATIONAL INDIAN GAMING COMMISSION

AUGUST 29,1995

MEMORANDUM OF UNDERSTANDING
REGARDING THE DISSEMINATION OF CRIMINAL HISTORY RECORD
INFORMATION BY THE NATIONAL INDIAN GAMING COMMISSION

In order to facilitate the undersigned tribe (Tribe) in determining the suitability of individuals who have applied for employment as key employees and primary management officials in its gaming operations, the National Indian Gaming Commission (NIGC) will be obtaining criminal history record information (CHRI) from the Federal Bureau of Investigation (FBI) on these individuals and disseminating such information to the Tribe.

This memorandum sets forth the following conditions under which the NIGC will provide CHRI to the Tribe:

1. The FBI has retained the right to approve the dissemination of CHRI and may at some future date prohibit the NIGC from disseminating CHRI. It is understood by the Tribe that the NIGC will not release any information without having received all required prior approvals from the FBI and will not release any information where prohibited from doing so by the FBI. It is further understood that the FBI may impose restrictions on the release and use of the CHRI in addition to those imposed by the NIGC and that the Tribe will be subject to all such additional restrictions.

2. The CHRI provided by the NIGC may be used by the Tribe solely for the purpose of determining a particular applicant's suitability for employment in the Tribe's gaming aperation's.

3. NIGC responses will only contain CHRI information on a particular applicant and will not contain recommendationsl or conclusions of the NIGC. The NIGC reserves the right to furnish to the Tribe summary memoranda containing the results of the information search of the criminal history records maintained by the FBI.

4. CHRI provided to the Tribe shall be afforded proper security. The Tribe shall ensure that access to all CHRI furnished by the NIGC, including all summary memoranda, is restricted to personnel directly involved in licensing deliberations. The Tribe shall maintain arecords of the identities of all persons receiving access to thte CHRI and such records shall be furnished to the NIGC upon request.

5. Except in connection with proceedings related to the Tribe's licensing determinations for gaming employees, neither the CHRI nor any summary memoranda furnished by the NIGC shall be reproduced, disseminated, or introduced in a court of law or administrative hearing, without the prior written consent of the NIGC.

6. Employees, past and present, of the NIGC will not be called as witnesses to testify relative to CHRI disseminated to the Tribe before any Tribal court or in any Tribal administrative hearing, except in extraordinary circumstances to be determined by the NIGC.

7. Any request for access to the provided CHRI by the individual who is the subject of the CHRI shall be referred to the NIGC for processing and an appropriate response pursuant to the Freedom of Information and Privacy Acts (Title 5, USC, Section 552 and 552a).

8. Tribal authorities will be promptly notified in the event that the NIGC determines that it is necessary to discontinue providing CHRI information to the Tribe (either in whole or in part) due to the Tribe's failure to comply with the conditions set forth in this memorandum.

The Tribe acknowledges and consents to the above stated conditions on this _____ day of _____ , 1995.

CHOCTAW NATION OF OKLAHOMA
TRIBE

Authorized Tribal Official
Greg Pyle,
Assistant Chief

CB_____

A COUNCIL BILL SETTING THE TERMS FOR CLASS II GAMING OPERATIONS ON TRIBAL LANDS

WHEREAS, there is a need to establish rules governing Class II gaming operations on tribal lands, and

WHEREAS, such action is in the best interest of the Choctaw Nation of Oklahoma.

NOW, THEREFORE, BE IN ENACTED by the Tribal Council of the Choctaw Nation of Oklahoma that this Council Bill be cited as approval and adoption of the following provisions for the operation of Class II gaming operations on tribal lands:

CHOCTAW NATION OF OKLAHOMA

GAMING REGULATORY ACT OF 1994

SECTION 1 PURPOSE

The Tribal Council of the Choctaw Nation of Oklahoma (hereinafter "Nation") empowered by the Constitution of the Choctaw Nation to enact legislation, hereby enacts this council bill in order to set the terms for Class II gaming operations on tribal lands.

SECTION 2 GAMING AUTHORIZED

2.1 Class II gaming as defined in the Indian Gaming Regulatory Act, Public Law 100-447, §25 USC §§2703 (7) (A), and by the regulations promulgated by the Commissioner and his deputies at 25 CFR §§502.3 (as published in the Federal Register at 57 FR 12382-12393, April 9, 1992) is hereby authorized. Class II gaming as defined in the Indian Gaming Regulatory Act, Public Law 100-447, 25 USC 2703 (8), and by regulations promulgated by the National Indian Gaming Commission, is authorized only to the extent allowed by such law and pursuant to an approved tribal/state compact.

2.2 Class II games as follows may be licensed for conduct on Tribal lands:

(a) bingo, pull-tabs, lotto, punch boards, tip jars, instant bingo, and other games similar to bingo as defined under 25 C.F.R. §§ 502.9.

(b) non-banking card games defined as Class II gaming under 25 C.F.R. §§502.3(c).

(c) any game determined to be a class II game by Congressional amendment of the Act, by regulation, or by decision of the Commission or the federal courts.

SECTION 3 DEFINITIONS

For the purpose of this ordinance, the following definitions apply:

(A) "Act" - means the Indian Gaming Regulatory Act, Public Law 100-497, 102 Stat. 2466, codified at 25 U.S.C. §§ 2701, et seq.

(B) "Applicant" - means any person that completes an application with the Choctaw Nation for a gaming license.

C) "Assessable Gross Revenues" - means the annual total amount of money wagered and admissions fees, less any amounts paid out as prizes or paid for prizes awarded, and less an allowance for amortization of capital expenditures for structures.

(D) "Bingo" - means the game of chance (whether or not electronic, computer, or other technologic aids are used in connection therewith):

(i) which is played for prizes, including monetary prizes, with cards bearing numbers or other designations;

(ii) in which the holder of the cards covers such numbers or designations when objects, similarly numbered or designated, are drawn or electronically determined; and

(iii) in which the game is won by the first person covering a previously designated arrangement of numbers or designations on such cards and yells "bingo".

(E) "Chairman" - means Chairman of the National Indian Gaming Commission or his or her designee.

(F) "Cheating" - means operating or playing in a game in a manner in violation of the written or commonly understood rules of the game, with the intent to create for himself/herself or someone in privity with him/her an advantage over and above the chance of the game.

(G) "Class II gaming" - means that gaming defined in 25 C.F.R. §§ 502.3.

(H) "Collateral agreement" - means any contract, whether or not in writing, that is related, either directly or indirectly, to a management contract, or to any rights, duties, or obligations created between the Nation (or any of its members, entities, or organizations) and a management contractor or subcontractor (or any person or entity related to a management contractor or subcontractor).

(I) "Commission" - means the National Indian Gaming Commission.

(J) "Council"- means the Tribal Council as described in the Constitution of the Choctaw Tribe.

(K) "Employee Manager" - is a manager other than a "management contractor" employed by the Tribe to manage a tribal gaming establishment.

(L) "Gaming" - means risking any money or other thing of value for gain, contingent, wholly or partially, upon lot, chance, the operation of gaming apparatus, or the happening or outcome of an event over which the person taking the risk has no control.

(M) "Gaming Establishment" - means any location or structure, wherein gaming is licensed, promoted, performed, conducted, or operated.

(N) "Gaming License" - means the permit granted by the Tribe to an applicant for employment with the gaming operation.

(O) "Gaming Operation" - means each economic entity that is licensed by the Tribe, operates the games, receives the revenues, issues the prizes, and pays the expenses. A gaming operation may be operated by the Tribe directly or by a management contractor.

(P) "Gross Gaming Revenues" - means the annual total amount of money wagered and admission fees.

(Q) "In privity with" - means one who acts jointly with another or as an accessory before the fact to an act committed by the other or as a co-conspirator with the other.

(R) "Management Contract" - means any contract, subcontract, or collateral agreement between the Tribe and a contractor or between a contractor and a subcontractor if such contract or agreement provides for the management of all or part of gaming operation.

(S) "Management Contractor" - means the person or entity holding a contract entered into pursuant to 25 U.S.C. §§2510 (d) (9) or §§ 2711.

(T) "Minor" - means a person less than eighteen (18) years of age.

(U) "Nation" - means the Choctaw Nation of Oklahoma.

(V) "Net revenues" - means gross gaming revenues of a Tribal gaming operation less -

(i) Amounts paid out as, or paid for, prizes, and
(ii) Total gaming-related operating expenses, excluding management fees.

(W) "Operating Expenses" - means total gaming-related expenses excluding management fees.

(X) "Person" - means any individual, firm, partnership, corporation, company, or association.

(Y) "Person having management responsibility for a management contract" - means the person designated in the management contract as having engagement responsibility for the gaming operation, or a portion thereof.

(Z) "Player" - means a person participating in a game with the hope of winning money or other benefit, but does not include a licensee, any assistant of a licensee, or their immediate family.

(AA) "Threat to proper conduct of gaming operation" means a Person whose activities, criminal record, if any, or reputation , habits and associations would create or enhance the dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming; and which would not be in the best interest of the public or effective regulation of gaming.

(AB) "Tribal Lands" - means all lands which are held in trust by the United States of America for the Tribe and all

lands owned by the Tribe which are subject to restriction against alienation imposed by the United States.

(AC) "Tribe" - means the Choctaw Nation of Oklahoma

(AD) "Tribal - State compact" - means an agreement between the Tribe and the State of Oklahoma about Class II gaming under 25 U.S.C. §§ 2710(d).

SECTION 4 AUTHORITY OF TRIBAL COUNCIL

4-1 The Council has appointed a committee of three members to exercise any or all of the powers and responsibilities set out in Section 4 of this ordinance, above. The committee is named the Choctaw Nation Gaming Commission.

The Commission shall have the power and responsibility to:

(a) enforce and administer the provisions of this ordinance;

(b) issue and renew gaming licenses as provided in this ordinance and in any regulation which may be promulgated by the council;

(c) revoke, suspend, or condition a gaming license or deny an application for a license for violation of applicable law or ordinance regulating gaming, or conviction of any offense involving a gaming related crime or moral turpitude;

(e) audit or cause to be audited expenditures, receipts, and reports of a Tribal Gaming enterprise;

(f) review, on demand, such books and records and inspect the premises and operations of licenses as it deems necessary for the enforcement of this ordinance;

(g) draw up forms as it deems necessary;

(h) institute such legal proceedings in the name of the Tribe in a court of competent jurisdiction as it deems necessary for the enforcement of this ordinance;

(i) conduct hearings provided for in this ordinance;

(j) take such other actions and issue such orders and promulgate such regulations as the Council may deem necessary to properly and fully perform its duties and responsibilities under this ordinance.

SECTION 5 *OWNERSHIP OF GAMING*

The Choctaw Nation of Oklahoma shall have sole propriety interest in and responsibility for the conduct of any gaming operation authorized by this council bill. All gaming operations on Tribal lands shall be conducted by the Choctaw Nation of Oklahoma, through employees of the tribal council or its management contractors only.

SECTION 6 *USE OF GAMING REVENUE*

Net revenues from Class II gaming shall be used only for the following purposes: to fund tribal government operations and programs; provide for the general welfare of the Nation and its members; promote tribal economic development; donate to charitable organizations; or help fund operations of local government agencies.

SECTION 7 *GAMING LICENSES REQUIRED*

(a) A separate gaming license is required for:

(i) each person having a management contract;

(ii) each primary management official and each key employee whether employed by the management contractor or directly by the Tribe; and

(iii) all other employees

(b) each place, facility, or location on Tribal lands at which Class II gaming is conducted.

SECTION 8 ***APPLICATION FOR GAMING LICENSES***

S 8-1 Each person having a management contract, each primary management official and each key employee whether employed by the management contractor or directly by the Tribe, and all other employees shall complete an application for an initial gaming license or renewal of an existing gaming license for each gaming establishment on a application form prescribed by the Council. The application shall set forth:

(a) the name under which the applicant transacts or intends to transact business on Tribal lands; and

(b) the location of the gaming establishment for which the gaming license is sought; and

(c) the application shall be signed by the applicant if a natural person, or, in the case of an association or partnership, by a member or partner thereof, or, in the case of a corporation, by an executive officer thereof, or by some other person specifically authorized by the corporation to sign the application, in which case written evidence of the signator's authority shall be attached. The applicant shall provide evidence of authority of the signator or any other representative to act for and bind the applicant. If any change is made in that authority, the Commission shall be immediately informed in writing and, until that information is filed with with the Commission, any action of the representative shall be presumed to be that of the applicant.

S 8-2 The management contractor shall file along with the application an organizational chart of its management organization and job descriptions of the employees of the gaming operation. The chart shall identify which employees are or will be the primary management officials and the key employees of the gaming operation.

S 8-3 An application for a gaming license shall include:

(a) a description of the place, facility, or location on Tribal lands where the applicant will operate a gaming operation or where the applicant will be employed.

(b) the following privacy notice prescribed by 25 C.F.R. §§ 556.2:

In compliance with the Privacy Act of 1974, the following information is provided: Solicitation of the information on this form is authorized by 25 U.S.C. §§ 2701, et seq. The purpose of the requested information is to determine the eligibility of individuals to be employed in a gaming operation. The information will be used by National Indian Gaming Commission members and staff who have need for the information in the performance of their official duties. The information may be disclosed to appropriate Federal, Tribal, State, local, or foreign law enforcement and regulatory agencies when relevant to civil, criminal or regulatory investigations or prosecutions or when pursuant to a requirement by a Tribe or the National Indian Gaming Commission in connection with the hiring or firing of an employee, the issuance or revocation of a gaming license, or investigations of activities while associated with a Tribe or a gaming operation. Failure to consent to the disclosures indicated in this notice will result in a tribe's being unable to hire you in a primary management official or key employee position.

The disclosure of your Social Security Number (SSN) is voluntary. However, failure to supply a SSN may result in errors in processing your application.

(c) the following notice regarding false statements is prescribed by 25 C.F.R. §§ 556.3:

A false statement on any part of your application may be grounds for not hiring you, or for firing you after you begin work. Also, you may be punished by fine or imprisonment (U.S. Code, Title 8, Section 1001).

SECTION 9 LICENSE FOR KEY EMPLOYEES AND PRIMARY MANAGEMENT OFFICIALS

The Nation shall ensure that the policies and procedures set out in this section are implemented with respect to key employees and primary management officials employed at any Class II gaming enterprise operated on tribal lands.

The Nation will perform background investigations and issue licenses to key employees and primary management officials according to requirements found in 25 C.F.R. §§ 556. And 25 C.F.R§§ 556.4 (11).

A. Definitions

For the purpose of this section, the following definitions apply:

1. Key Employee

   a. A person who performs one or more of the following:

      1. Bingo Caller;
      2. Counting Room Supervisor;
      3. Chief of Security;
      4. Custodian of gaming supplies or cash;
      5. Floor Manager;
      6. Pit Boss;
      7. Dealer;
      8. Croupier;
      9. Approver of Credit;
      10. Custodian of Gambling Services including persons with access to cash and accounting records with such devices.

   b. If not otherwise included, any other person whose total cash compensation is in excess of $50,000.00 per year; or

   c. If not otherwise included, the four most highly compensated persons in the gaming operation.

2. Primary Management Official

   a. The person having management responsibility for a management contract;

   b. Any person who has authority to:

      1. Hire and fire employees; or
      2. Set up working policy for the gaming operation.

c. The chief financial officer or other person who has financial management responsibility.

S 9-1 Existing key employees and primary management officials shall be notified in writing that they shall either:

(a) complete a new application form that contains the Privacy Act notice described in Section 9 above; or

(b) sign a statement that contains the Privacy Act notice described in Section 9 above and consent to the routine uses described in that notice.

When a key employee or a primary management official begins work at a gaming operation the Choctaw Gaming Commission will forward the application to the Choctaw Tribal Police for investigation. The Choctaw Tribal Police will also perform fingerprint cards on the applicant. The investigative report will be reviewed by the Choctaw Gaming Commission. After approval, the Choctaw Gaming Commission then will forward the application, background investigation, and fingerprint cards to the National Indian Gaming Commission.

ELIGIBILITY DETERMINATION

The Choctaw Nation Gaming Commission shall review a person's prior activities, criminal record, if any, and reputation, habits and associations to make a finding concerning the eligibility of a key employee or primary management official for employment in a gaming operation. If it is determined that employment of the person poses a threat to the public interest of to the effective regulation of gaming, or creates or enhances dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming, a tribal gaming operation shall not employ that person.

SECTION 10 QUALIFICATIONS FOR GAMING LICENSES

S 10-1 The Choctaw Nation Gaming Commission may issue or renew a gaming license to an applicant who submits a proper and completed application, provided that the Commission determines that the applicant:

(a) is not a minor;

(b) is a person of good character, honesty, and integrity;

(c) has no prior activities, criminal record, reputation, habits, and associations which pose a threat to the public interest or the interest of the Tribe or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental to the conduct of gaming;

(d) has not supplied false and/or misleading information or who has not omitted material information required under this Ordinance, the Act, and 25 C.F.R. Chapter III;

(e) has not had, or is not in privity with anyone who has had, a gaming license revoked for cause in any jurisdiction since the effective date of the Act;

(f) has complied with this Ordinance or any resolution adopted by the Council;

(g) does not occupy a competing position in the employ of another Tribe with a five hundred (500) mile radius of any tribal gaming operation; and

(h) does not violate any of the requirements set forth in 25 U.S.C. §§ 2711 (a) and (e).

S 10-2 Each gaming license shall be valid for the three (3) fiscal years commencing January 1 and ending December 31 of a respective year, provided that, in the discretion of the Nation, a gaming license may be granted for a term to run concurrently with the term of a management contract.

S 10-3 A gaming license may not be assigned or transferred and is valid only for use by the person in whose name it is issued and at the gaming establishment for which it is issued. A gaming license shall be displayed at all times at the gaming establishment for which the license was issued.

S 10-4 The Choctaw Nation Gaming Commission shall make the final decision as to whether a gaming license shall be issued, suspended, or revoked.

S 10-5 Until authorized by a Tribal-State compact, no gaming license shall be issued by the Council for class III gaming.

SECTION 11 BACKGROUND INVESTIGATIONS

1. Choctaw Nation Gaming Commission has determined the Choctaw Nation Tribal Police shall be the agency to conduct background investigations and complete fingerprint cards on Primary Management Officials/Key Employees.

The Choctaw Nation Gaming Commission shall receive the actual printout or summary of any initial background check which shall identify any felony, criminal history, or crime of moral turpitude which is known to the Choctaw Nation Tribal Police.

The Choctaw Nation Gaming Commission shall review any background check report issued to the tribe. The Choctaw Nation Gaming Commission shall share any information revealed by such checks to the manager of the gaming facilities which, in the Gaming Commission's judgment, affects the consideration of an individual for employment.

The Choctaw Nation Gaming Commission shall request from each employee the following information:

a. Full name, other names used (oral or written), social security number (s), birth date, place of birth, citizenship, gender, all languages (spoken or written);

b. Currently and for the previous five years: business and employment positions held, ownership interests in those businesses, business and residence addresses and drivers license numbers;

c. The names and current addresses of at least three personal references, including one personal reference who was acquainted with the applicant during each period of residence listed;

d. Current business and residence telephone numbers;

e. A description of any existing and previous business relationships with Indian tribes, including ownership interests in those businesses;

f. A description of any existing and previous business relationships with the gaming industry generally, including ownership interests in those businesses;

g. The name and address of any licensing or regulatory agency with which the person has filed an application for a license of permit

related to gaming, whether or not such license or permit was granted;

h. For each felony for which there is an ongoing prosecution or conviction, the charge, the name and address of the court involved, and the date and disposition if any;

I. For each misdemeanor conviction or on going misdemeanor prosecution (excluding minor traffic violations), within ten years of the date of the application, the name and address of the court involved the date and disposition;

j. For each criminal charge (excluding minor traffic charges), whether or not there is a conviction, if such criminal charge is within ten years of the date of the application and is not otherwise listed pursuant to this section, the criminal charge, the name and address of the court involved and the date and disposition;

k. The name and address of any licensing or regulatory agency with which the person has filed an application for an occupational license or permit, whether or not such license or permit was granted;

l. A current photograph and date taken and person depicted;

m. Any other information the commissioner deems relevant; and

n. Fingerprints consistent with procedures adopted by the Choctaw Nation according to 25 CFR §§ 522.2 (h). (Primary Management Official/Key Employee only)

2. The Choctaw Nation Tribal Police shall conduct an investigation sufficient for the Choctaw Nation Gaming Commission to make a determination to issue or decline issue of license.
In conducting a background investigation, the identity of each person interviewed in the course of the investigation shall be kept confidential.

3. The Choctaw Nation Gaming Commission shall determine that an appropriate investigation has been conducted on key employees and primary management officials. The background investigation shall be conducted by the Choctaw Nation Tribal Police. Appropriate investigation procedures shall include but not limited to the following:

(1) Verify all information contained in the application for license, and obtain and process fingerprints;

(2) explanation of job description, fitness of individual to perform job and explanation of how individual was selected for position;
(3) credit check;
(4) verification of resume;
(5) character check regarding prior activities, criminal record, reputation, habits and associations, including but not limited to personal interview summaries with a sufficient number of knowledgeable people such as former employees, personal references and others to form a basis for character suitability determination;
(6) document all potential problems and possible disqualification information.

The Choctaw Nation Tribal Police shall prepare a form for the documentation of these areas: noting potential problems and sources of potential problems, actions taken by the applicant that indicate possible disqualification, any other information that could possibly be relevant in the determination of the Choctaw Gaming Commission in disqualifying the applicant from licensing. This includes the documentation of all interviews summaries with former employees, employers, references, etc.

4. After completion of the background investigation, the Choctaw Nation Chief of Tribal Police shall prepare an investigative report setting forth the following:

(1) Who conducted various parts of the report, their qualification and address;

(2) an outline of the background investigation process including steps taken in investigation;

(3) a description of the information obtained together with conclusions of investigation;

(4) statement of basis for conclusion;

(5) an organization chart showing the location within the organization of the individual investigated, and the positions or people over which the individual investigated may be responsible.

5. The Choctaw Nation Gaming Commission shall review all background investigations and based on investigations have the power to issue license based on Section 11 and Section 13. Signature of one of three commissioners of the Choctaw Gaming Commission will be on the licenses.

SECTION 12 PROCEDURES FOR FORWARDING APPLICATIONS AND REPORTS FOR KEY EMPLOYEES AND PRIMARY MANAGEMENT OFFICIALS TO THE NATION INDIAN GAMING COMMISSION

(1) When a key employee or primary management official begins work at a gaming operation authorized by this Act, the Choctaw Nation Gaming Commission shall forward to the National Indian Gaming Commission a completed application for employment and conduct a background investigation and make the determination referred to in Eligibility Determination of this Act.

(2) The Choctaw Nation Gaming Commission shall forward the report referred to in section 13 to the National Indian Gaming Commission within 60 days after an employee begins work or within 60 days of the effective date of this Act.

(3) The gaming operation shall not employ as a key employee or primary management official a person who does not have a license after 90 days.

SECTION 13 REPORT TO THE NATIONAL INDIAN GAMING COMMISSION

(1) Pursuant to the procedures set out in Section 13 of this Act, the Choctaw Nation Tribal Police Lead Officer shall prepare and forward to the Choctaw Nation Gaming Commission. This commission then shall forward to the National Indian Gaming Commission an investigative Report on each background investigation. An investigative report shall include all of the following:

(a) Steps taken in conducting a background investigation;
(b) results obtained;
(c) conclusions reached; and
(d) the bases for those conclusions.

(2) With the report shall be submitted a copy of the eligibility determination made under Section 9 of this Act.

(3) If a license is not issued to an applicant, the Choctaw Nation Gaming Commission:

(a) shall notify the National Indian Gaming Commission; and
(b) may include copies of the eligibility determination and investigative report (if any) in the Indian Gaming Individuals Records System.

(4) With respect to key employees and primary management officials the gaming manager or the tribal official responsible of the day to

day operations of the gaming operation shall retain applications for employment and reports (if any) of background investigations for inspection by the chairman of the National Indian Gaming Commission of his or her delegate for no less that three years from the date of termination of employment.

SECTION 14 GRANTING A GAMING LICENSE

A. I. Policy. Recognizing the need for an established procedure for the licensing/permitting of the Choctaw Nation gaming facility employees, the following is hereby declared to be a policy of the Choctaw Nation Gaming Commission. Pursuant to federal law (P.L. 100-497) regarding gaming on Indian lands, each gaming tribe shall ensure that there exists a standard whereby any person whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the public interest or to the effective regulation of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming shall not be eligible for employment. Therefore, the purpose of this Regulation shall be construed to protect the Choctaw Nation gaming operation from potentially detrimental influences.

The Choctaw Nation Gaming Commission has classified the following licenses:

DEFINITIONS

(1) "Primary Management Official"-See Section 9 for definition.

(2) "Key Employee"-See Section 9 for definition.

The Choctaw Nation Gaming Commission shall have the authority to designate those positions, which shall be considered as a key employee/primary management official, according to the operational structure of each establishment.

(3) "Gaming staff employee" means all the those employees not included in the key employee/primary management official classification.

TYPES OF LICENSE

(A) "Key Employee License"means that license issued to a qualified key employee candidate by the Commissioner upon completion of appropriate background investigations and the Commission receives notification from the National Indian Gaming Commission that it has no objections to the issuance of a license to the individual.

(B) "Primary management license" means that license issued to a qualified primary management official candidate by the Commission upon completion of appropriate background investigations and the Commission receives notification from the National Indian Gaming commission that it has no objections to the issuance of a license to the individual.

(C)"Staff permit" means a work permit issued to those qualified gaming staff employees by the Choctaw Nation Gaming Commission upon completion of appropriate background investigations.

(D)"Provisional key employee/primary management official license" means a temporary license issued to an individual, who is employed in the classification of key employee/primary management official at the execution of this Regulation. The provisional key employee/primary management official license is valid for a period not to exceed one hundred and eighty (180) days and is instituted to allow sufficient time to perform background investigations upon the individual.

(E)"Provisional gaming staff permit" means a temporary permit issued to a gaming staff employee who is employed by the facility at the execution of this Regulation. The provisional permit is valid for a period not to exceed thirty (30) days and is instituted to allow sufficient time to perform background investigations upon the employee. The provisional permit shall also apply to new hires by the facility to allow sufficient time to perform background investigations upon same.

(II) License Statement

No person shall be employed as a key employee, primary management official or as an employee of any gaming activity within the jurisdiction of the Choctaw Nation, unless such a person has received and holds a valid license, professional license, staff permit or provisional gaming staff permit as required pursuant to this Regulation.

(III) Key employee/primary management official license

If, within a 30 day period after the National Indian Gaming Commission receives a report, the National Indian Gaming Commission notifies the Choctaw Nation Gaming Commission that it has no objection to the issuance of a license pursuant to a license application filed by a key employee or a primary management official for whom the Choctaw nation has provided an application and investigative report to the Nation Indian Gaming Commission, a license may be issued to such individual.

The Choctaw Nation Gaming Commission shall respond to a request for additional information from the chairman of the National Indian Gaming Commission subject of a report. Such request shall suspend the 30-day period until the chairman of the National Indian Gaming Commission receives the additional information.

If within the 30 day period described above, the National Indian Gaming Commission provides the Commissioner with statement itemizing objections to the issuance of a license to a key employee or to a primary management official for whom the Choctaw Nation has provided an application and investigative report to the National Indian Gaming Commission, the Choctaw Nation Gaming Commission shall reconsider the application, taking into account the objections itemized by the National Indian Gaming Commission. The Choctaw Nation Gaming Commission shall make final decision to issue a license to such applicant.

(1) Those individuals within or considered to be within the key employee/primary management official classification shall be licensed by the Commissioner of Public Gaming before executing any duty or responsibility of that individual's position.

(2) An individual shall be allowed to provisionally execute duties in the key employee/primary management official classification, until he/she has been approved and has obtained a license or has been formally denied licensing.

(3) Upon determination that an individual does not pose a threat to the conduct of the gaming operation, a license shall be issued to the individual.

(A) A license shall be valid for the remainder of the calendar year.
(B) The license is valid only at the location(s) stipulated on the license.
(C) The individual shall apply for renewal of the license no less than thirty (30) days prior to the expiration date of the existing license.

(4) Upon receipt of the request for license renewal, the Choctaw Nation Gaming Commission shall evaluate the license individuals personnel record regarding work ethics and activities, which may have an effect upon the credibility of the gaming operation, to determine if the renewal of such license is appropriate.

(5) Each license shall remain on the facility premises for which the license was issued in a conspicuous space as designated by the facility General Manager.

(6) Conditional upon receiving a key employee license/primary management official license, the holder thereof must acknowledge in writing that they understand the terms, including but not limited to, all provisions of this Regulation, and conditions of receiving said license and agree to abide by the terms and conditions.

(IV) Gaming staff permit.

(1) Those individuals, who do not occupy a key employee/primary management position, shall be required to obtain a gaming staff permit.

(2) Upon application for permit, an individual shall be issued a provisional work permit, which will allow the individual to execute those duties for which he/she was employed.

(3) A provisional permit shall be issued to a facility new hire to allow such individual to perform those job duties, until a gaming staff permit may be issued or a determination of denial of a staff permit is issued.

(4) Upon determination that an individual does not pose a threat to the proper conduct of the gaming operation, a work permit shall be issued to the individual.

(A) A work permit shall be valid for the individual's period of continuous employment.
(B) The permit shall be surrendered upon termination of employment. Employees terminated but rehired shall reapply for a new permit.
(C) The permit is valid only at the location(s) stipulated on the permit.
(D) The permit number shall be incorporated as part of the possession at all times while on the gaming premises.

(5) A permit may be revoked, if granted on the basis of false information, or if the holder thereof materially violates policies, terms or conditions of permit.

(6) The work permit holder's personnel record shall be reviewed by the Office of Public Gaming on an annual basis, regarding work ethics and activities which may have an effect upon the credibility of the gaming operation for consideration of continued permit status.

(7) A permit holder shall annually supplement his application with a certified statement as to all arrests, convictions, for any treatment for mental problems or any alcohol or drug abuse problems since the original application or since the immediate prior annual supplement.

(V) <u>Approval/acceptance standards</u>

(1) An applicant shall be issued a license/permit if -

(A) He/she has ever had any felony conviction(s) for any capital crime (capital crimes are considered murder, murder for hire, homicide, and other crimes of violence).

(B) He/she has ever had any felony conviction(s) for theft, embezzlement, sale and/or possession of drugs, or racketeering, for key employee/primary management official applicant or said felony convictions within five (5) years of gaming staff applicant.

(C) The applicant's previous employment indicates improprieties by the individuals, including but not limited to, embezzlement, and/or fraudulent activities.

(D) The applicant's previous activities and habits are considered detrimental to the ethical conduct of the gaming operation or to the effective regulation of gaming.

(VI) Licenses/permit may be revoked and/or suspended the Commissioner for violation of any provision of this Regulation and for any activities which are considered to be detrimental to the public interest or to the effective regulation of gaming.

SECTION 15 GAMING LICENSE SUSPENSION

If, after the issuance of a gaming license, the Tribe receives from the Commission reliable information indicating that a key employee or a primary management official is not eligible for employment under Section 13 of this Ordinance, the Tribe shall suspend such license and shall notify in writing the licensee and supervisor of the suspension and the proposed revocation.

Upon notification of nonacceptance/revocation of licensing, applicant will be informed and acknowledge receipt of appeal procedures and opportunity for hearing pursuant to established Choctaw Nation law as provided.

The Choctaw Nation Gaming Commission shall notify the licensee of a time and place for a hearing on the proposed revocation of a license.

After a revocation hearing, the Choctaw Nation Gaming Commission shall notify the National Indian Gaming Commission, the Chief of the Choctaw Nation, and Choctaw Tribal Council of their decision.

SECTION 16 FINGERPRINTING FOR NIGC

The Choctaw Nation Gaming Commission shall keep the official fingerprint cards for the National Indian Gaming Commission on file in the Choctaw Nation Tribal Police offices.

(A.) As part of any employment application of a Key Employee/Primary Management Official, fingerprints shall be given upon cards issued by the National Indian Gaming Commission.
(B.) To obtain such prints, the Choctaw Nation Gaming Commission shall issue card (s) to the Choctaw Nation Tribal Police. Choctaw Nation Tribal Police shall establish a time and location to take such prints and such law enforcement officers shall take the prints.

(C.) After fingerprints have been taken, the Choctaw Nation Tribal Police shall send the cards directly to the National Indian Gaming Commission in envelopes with cover letters provided by the Choctaw Nation Gaming Commission which include an affidavit by the officer taking such prints that the prints were taken and posted by law enforcement officers.

(D.) Fees charged by the National Indian Gaming Commission for processing of fingerprints shall be paid by the Choctaw Nation of Oklahoma.

(E.) The Choctaw Nation Gaming Commission shall request a report from the National Indian Gaming Commission which include a check through the Federal Bureau of Investigation's National Criminal Information Center.

(F.) Fees charged by the National Indian Gaming Commission for processing such reports shall be paid by the tribe.

SECTION 17 PROTECTION OF THE ENVIRONMENT AND PUBLIC HEALTH AND SAFETY

Gaming facilities shall be constructed, maintained and operated in a manner that adequately protects the environment and the public health and safety.

SECTION 18 RECORDS AND REPORTS

S 18-1 A gaming operation shall keep permanent books of account or records, including inventory records of gaming supplies, sufficient to establish the amount of gross and net income, deductions and expenses, receipts and disbursements, and other information required in any financial statement, report, or other accounting prepared pursuant to the Act or Chapter III in Title 25 C.F.R.

S 18-2 No later than the thirtieth (30th) day of each month, each gaming operator shall provide, in a report form prescribed by the Council, a statement of gross revenues, assessable gross revenue and net revenues received or collected at each gaming establishment during the immediate preceding month.

S 18-3 All papers, books, and records including computer records of the gaming operation relating to licensed gaming activities shall be subject to inspection, examination, photocopying, and auditing by the Council and the Commission's authorized representatives at any time during reasonable hours. All such papers, books, and records shall be retained not less than six (6) years.

SECTION 19 ANNUAL AUDIT

S 19-1 (a) The Council shall cause to be conducted, at least annually, an independent audit of the books and records of each gaming operation.

(b) Audit Standards. The Tribe shall engage an independent certified public accountant, licensed in Oklahoma, to provide an annual audit of the financial statements of each gaming operation on Tribal lands. Such financial statements shall be prepared in accordance with generally accepted accounting principles and the audit(s) shall be conducted in accordance with generally accepted auditing standards. Audits of the gaming operation required under this Section may be conducted in

conjunction with any other independent audit of the Tribe, provided that the requirements of Chapter III in Title 25 C.F.R. are met.

(c) Copies of Audit Reports. The Tribe shall submit to the Commission a copy of the audit report(s) and management letter(s) setting forth the results of each annual audit within one hundred twenty (120) days after the end of each fiscal year of the gaming operation(s) resulting from the audit(s) conducted pursuant to Subsection (a) above.

(d) Relationship of Audited Financial Statements to Fee Assessment Reports. The Tribe shall reconcile its quarterly fee assessment reports, submitted under 25 C.F.R. Part 514, with its audited financial statements and make available such reconciliation upon request by the Commissions authorized representative.

S 19-2 All gaming related contracts that result in purchases of supplies, services, or concessions for more than Twenty Five Thousand ($25,000) Dollars in any year (except contract for professional legal or accounting services) shall be specifically included within the scope of the audit conducted pursuant to this Section.

SECTION 20 GROSS GAMING REVENUES

S 20-1 The gross gaming revenues derived from gaming operations are Tribal funds and may be expended by a licensee whose authority is either delegated or provided for by the Council.

SECTION 21 VIOLATIONS

S 21-1 No person shall operate or conduct any gaming activity in a gaming operation within the exterior boundaries of Tribal lands without a gaming license issued by the Council as required by this Ordinance.

S 21-2 No person shall knowingly submit false or misleading information to the Commission or the Tribe in response to any provision of the Act, Chapter III in Title 25 C.F.R. or a Tribal Ordinance or resolution that the Chairman has approved under parts 522 or 523 in Title 25 C.F.R.

S 21-3 (a) No management contractor shall fail to account fully for all moneys received or collected in connection with gaming activities or to file any report required by the management contract.

(b) A gaming operation shall not refuse to allow an authorized representative of the Commission or an authorized Tribal official to enter or inspect a gaming operation in violation of 25 C.F. §§ 571.5 or §§ 571.6, or of a Tribal Ordinance or resolution approved by the Chairman under parts 522 or 523 in Title 25 C.F.

S 21-4 No person under the age of eighteen (18) years shall be employed by a gaming operation or shall otherwise be permitted to participate in any gaming activities.

S 21-5 No person shall engage in cheating (as that term is defined in the definitions of this Ordinance) in any gaming activity or engage in any fraudulent conduct affecting either the Tribe or a customer or a gaming operation.

S 21-6 No person, other than an officer of the Choctaw Nation Law Enforcement or Choctaw Security Personnel, may enter or remain in a gaming establishment licensed under this Ordinance while in the possession of a firearm or other weapon.

S 21-7 Any person who is in privity with a person who violates this Ordinance shall be deemed to be in violation of this Ordinance to the same extent as the violator, and shall be treated accordingly.

S 21-8 The management contractor is responsible for ensuring that all primary management officials and key employees assisting in the operation of any gaming activity on the management contractor's behalf comply with this Ordinance. A violation by any such officials or employees, unless otherwise provided in an approved management contract, shall be deemed a violation by the management contractor and shall subject the contractor to civil enforcement action. It shall not be a defense that the management contractor was unaware of the violation.

S 21-9 No person, whether playing in or conducting any gaming activity authorized under this Ordinance, shall:

(a) use bogus or counterfeit cards, or substitute or use any game cards that have been tampered with;

(b) employ or have on one's person any cheating device to facilitate cheating in any gaming activity; or

(c) knowingly cause, aid, abet, or conspire with another person or cause any person to violate any provision of this Ordinance or any rule adopted under this Ordinance.

S 21-10 A gaming operation's facility shall be constructed, maintained, and operated in a manner that does not threaten the environment or the public health and safety.

S 21-11 If the management contractor fails to correct violations within the time permitted in a notice of violation issued by the Chairman or within fifteen (15) calendar days after the Tribe provides notice of a violation, such failure shall be deemed a further violation by the management contractor.

SECTION 22 NOTICE OF VIOLATION

S 22-1 Choctaw Nation Gaming Commission may issue a notice of violation to any person for violation of any provision of this Ordinance.

S 22-2 A notice of violation shall contain:

(a) a citation to the Ordinance provision that has been or is being violated;

(b) a description of the circumstances surrounding the violation, set forth in common and concise language;

(c) measures required to correct the violation;

(d) a statement that the correction must be corrected with five (5) calendar days from the date the notice was issued;

(e) a statement of the alleged violator's rights or appeal.

SECTION 23 ENFORCEMENT

S 23-1 Choctaw Nation Gaming Commission shall take any one or a combination of the following actions with respect to any person who violates any provision of this Ordinance:

(a) suspend or revoke any gaming license issued or;

(b) bring an action in tribal court of competent jurisdiction for imposition of one or more of the following sanctions:

(I) seizure of any gaming apparatus, proceeds, or other property of a licensee connected with the gaming activities engaged in by the licensee;

(II) execution on any nonexempt property of a violator located within the exterior boundaries of Tribal lands.

S 23-2 Civil actions may be brought by the Council pursuant to this Ordinance in any court of competent jurisdiction to enforce the imposition of any and all sanctions provided for under this ordinance.

S 23-3 Before taking any action authorized in S 22 of this Ordinance, the Choctaw Gaming Commission shall use its best efforts to notify the alleged violator, in person or by letter delivered to his/her last known address, of the charges against him/her, and allow the alleged violator an opportunity for a prompt hearing. if the alleged violator fails to respond, or cannot be found, the Council may proceed with a hearing notwithstanding, and take such action as it deems appropriate. Said notice of the alleged violation shall be served at least three (3) business days prior to the hearing.

S 23-4 Every person who applies for a gaming license and accepts such license thereby acknowledges the civil enforcement jurisdiction and authority of the Council executed by the Choctaw Gaming Commission under this Ordinance to order an execution on his/her nonexempt property, the suspension or termination or his/her gaming equipment or proceeds or other property, upon a proper finding of the Council or the court that the person has violated a provision of this Ordinance, despite lack of actual notice, provided that the Council has used its best efforts to notify the person, in person or by letter delivered to his/her last known address.

SECTION 24 ***HEARINGS AND APPEALS***

S 24-1 This Section provides the procedures for appeals to the Choctaw Gaming Commission regarding a violation alleged in a notice of violation.

S 24-2 The Choctaw Gaming Commission shall hold a hearing on the proposed revocation of a gaming license held by a primary management official or key employee after it has suspended such license pursuant to 25 C.F.R.§§558.5. The licensee shall be notified by the Choctaw Gaming Commission of the time and

place for hearing. After the hearing, the Choctaw Gaming Commission shall decide to revoke or reinstate the gaming license. The Choctaw Gaming Commission shall notify the Council, the Chief of the Choctaw Nation, and license holder of their decision.

S 24-3 Any person aggrieved by a decision made or action taken by the Choctaw Gaming Commission without notice and opportunity for hearing to the aggrieved person, may petition the commission for a hearing and reconsideration. The petition shall be filed within thirty (30) business days after the petitioner knew or should have known of the decision or action. The commission shall grant a prompt hearing upon receiving such a petition, and shall reconsider any of its decisions or actions, affirm, modify, reverse, and/or vacate the previous commission's order in light of what is presented at a hearing.

S 24-4 Any person aggrieved by a decision made or action taken by the Choctaw Gaming Commission after notice and opportunity for hearing may petition the Constitutional Tribal Court for review. Such petition shall specifically set forth the reasons for aggrievement and be filed with the Court no later than thirty (30) business days after the Commission's decision or action. The Court shall set the mater for hearing no later than thirty (30) business days and no sooner than three (3) business days after receipt of the petition, and may, upon establishing that it has jurisdiction, affirm, modify, reverse, and/or vacate the Commission's order.

SECTION 25 SERVICE

S 25-1 The Council has designated Bob Rabon, Tribal attorney, (Drawer 1210, Durant, OK 74702) as an agent for service of any official determination, order, or notice of violation.

S 25-2 A management contractor or a Tribal operator shall designate by written notification to the Commission an agent for service of any official determination, order, or notice of violation.

SECTION 26 RESOLUTION OF DISPUTES BETWEEN MANAGEMENT CONTRACTOR OR TRIBE AND CUSTOMERS

S 26-1 Notice of warning regarding the improper conduct set out in S 22 of this Ordinance or other gaming rules established and enforced by the gaming operation shall be posted at the entrance of each gaming establishment and/or given to the customer upon entering the premises.

S 26-2 The following improper conduct shall result in ejection of a customer from any gaming establishment:

(a) cheating;
(b) possession of weapons in the gaming establishment;
(c) possession of alcohol that has been brought by a customer into the gaming establishment;
(d) possession of a controlled substance in the gaming establishment;
(e) disorderly conduct, including the willful, or wanton disregard for the rights of others; and
(f) any other act which is disruptive to the gaming operation.

S 26-3 Failure by a customer to provide proof of age when requested by gaming operation personnel shall result in ejection of the customer from the premises but the admission fee shall be refunded.

S 26-4 Ejection of a customer shall be accomplished by the Security Personnel or the Choctaw Nation Law Enforcement, upon request of the gaming operation.

S 26-5 (a) Either the employee manager or management contractor of the gaming operation or an alternate designated by either shall be present at all times to resolve complaints by customers involving the operation of bingo and other class II games at the establishment.

(b) If the employee manager or management contractor or their alternates are unable to resolve any dispute, as provided in (a) the matter may, upon request of the customer, be referred to the Council for resolution. Action by the Council may be initiated by making a written request to the Legal Department of the Choctaw Tribe, Drawer 1210, Durant, OK 74702. The decision of the Council on any dispute so referred to it for resolution shall be final.

SECTION 27 APPLICABLE LAW

S 27-1 All controversies involving contracts relating to gaming entered into under the authority of the Council on Tribal lands shall be resolved, as appropriated in accordance with:

(a) the Indian Gaming Regulatory Act;

(b) National Indian Gaming Commission Regulations;

(c) the laws of the Tribe; and

(d) if no Tribal laws exist, the laws of the State of Oklahoma, which are incorporated herein by reference.

S 27-2 To the extent that the provisions of any Tribal-state compact entered into by the Choctaw Nation and the State of Oklahoma are inconsistent with any provisions of this Ordinance, the provisions of the compact shall govern class II gaming on Choctaw Tribal lands.

SECTION 28 SAVINGS PROVISION

S 28-1 If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provisions or application, and, to this end, the provisions of this Ordinance are severable.

SECTION 29 EFFECTIVE DATE/REPEAL

S 29-1 This Ordinance shall be effective immediately upon approval by appropriate governmental authority and, once approved, all previous gaming Ordinances shall be repealed.