April 2, 2008

Via U.S. Mail and Facsimile

Vincent Armenta
Chairman
Santa Ynez Band of Mission Indians
100 Via Juana Lane
Santa Ynez, CA 93460
Fax: 805-686-9578

Glenn Feldman
Mariscal, Weeks, McIntyre & Friedlander, P.A.
2901 North Central Avenue
Phoenix, AZ 85012-2705
Fax: 602-285-5100

RE: Amendment to Santa Ynez Band of Mission Indians Gaming Ordinance

Dear Chairman Armenta and Mr. Feldman:

On March 20, 2008, Mr. Feldman on behalf of the Santa Ynez Band of Mission Indians (Band) requested that the National Indian Gaming Commission (NIGC) review and approve the Band's amendment to the Santa Ynez Band of Mission Indians Gaming Ordinance (Gaming Ordinance). The Band amended the Gaming Ordinance on March 11, 2008, via absentee ballot. In this amendment, the Band clarified its compliance with NIGC Minimum Internal Control Standards (MICS) for Class II and III gaming.

This letter constitutes approval of the amendment because nothing therein conflicts with the requirements of the Indian Gaming Regulatory Act (IGRA) and the Commission's regulations.

Thank you for submitting the amendment for review and approval. If you have any questions, please contact Staff Attorney Rebecca Chapman at (202) 632-7003.

Sincerely,

Philip N. Hogen
Chairman

SANTA YNEZ BAND OF MISSION INDIANS
TRIBAL ORDINANCE
INDIAN GAMING REGULATORY ACT COMPLIANCE

I. Purpose

The Santa Ynez Band of Mission Indians (hereinafter "Tribe"), empowered by the Tribe's Articles of Association to enact ordinances, hereby enacts this ordinance in order to ensure that Class II and Class III gaming operations on tribal lands are conducted in accordance with the Indian Gaming Regulatory Act.

II. Gaming Authorized

Class II gaming as defined in the Indian Gaming Regulatory Act, P.L. 100-447, 25 U.S.C. Section 2703(7)(A) ("IGRA") and Class III gaming as defined in Section 2703(8) of IGRA and by the regulations promulgated by the National Indian Gaming Commission at 25 C.F.R. § 502.1 (as published in the Federal Register at 57 FR 12382-12393, April 9, 1992) are hereby authorized.

III. Ownership of Gaming

The Tribe shall have the sole propriety interest in and responsibility for the conduct of any gaming operation authorized by this ordinance.

IV. Use of Gaming Revenue

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

B. If the Tribe elects to make per capita payments to tribal members from gaming revenues, it shall authorize such payments only upon approval of a plan submitted to the Secretary of the Interior under 25 U.S.C. § 2710(b)(3).

V. Audit

A. The Tribe shall cause to be conducted annually an independent audit of gaming operations and shall submit the resulting audit reports to the National Indian Gaming Commission.

B. All gaming related contracts that result in the purchase of supplies, services, or concessions in excess of $25,000.00 annually, except contracts for professional legal and accounting services, shall be specifically included within the scope of the

audit that is described in subsection A. above.

VI. Protection of the Environment and Public Health and Safety

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

VII. Licenses for Key Employees and Primary Management Officials

The Tribe 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 or Class III gaming enterprise operated on Indian lands:

A. Definitions

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

1. Key employee means

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

(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; or
(10) Custodian of gambling devices including persons with access to cash and accounting records within such devices;

b. If not otherwise included, any other person whose total cash compensation is in excess of $50,000 per year; or

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

2. Primary management official means

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

b. Any person who has authority:

(1) To hire and fire employees; or

(2) To set up working policy for the gaming operation; or

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

B. Application Forms

1. The following notice shall be placed on the application form for a key employee or a primary management official before that form is filled out by an applicant:

> 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.

2. Existing key employees and primary management officials shall be notified in writing that they shall either:

a. Complete a new application form that contains a Privacy Act notice; or

b. Sign a statement that contains the Privacy Act notice and consent to the routine uses described in that notice.

3. The following notice shall be placed on the application form for a key employee or a primary official before

that form is filled out by an applicant.

> 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 18, Section 1001)

4. The Tribe shall notify in writing existing key employees and primary management officials that they shall either:

a. Complete a new application form that contains a notice regarding false statements; or

b. Sign a statement that contains the notice regarding false statements.

C. Background Investigations

1. The Tribe shall request from each primary management official and from each key employee all of 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 5 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 under paragraph (1)(b) of this section;

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 or 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 a conviction, the charge, the name and address of the court involved, and the date and disposition, if any;

i. For each misdemeanor conviction or ongoing misdemeanor prosecution (excluding minor traffic violations), within 10 years of the date of the application, the name and address of the court involved and 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 10 years of the date of the application and is not otherwise listed pursuant to paragraph (1)(h) or (1)(i) of 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;

m. Any other information the Tribe deems relevant; and

n. Fingerprints consistent with procedures adopted by the Tribe according to 25 C.F.R. § 522.2(h).

2. The Tribe shall conduct or cause to be conducted an investigation sufficient to make a determination under subsection D below. In conducting a background investigation, the Tribe or its agent shall promise to keep confidential the identity of each person interviewed in the course of the investigation.

D. Eligibility Determination

The Tribe 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 the Tribe determines that employment of the person poses a threat to the public interest or 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 in a key employee or primary management official position.

E. Procedures for Forwarding Applications and Reports for Key Employees and Primary Management Officials to the National Indian Gaming Commission

1. When a key employee or primary management official begins work at a gaming operation authorized by this ordinance, the Tribe shall forward to the National Indian Gaming Commission a completed application for employment and conduct the background investigation and make the determination referred to in subsection D of this section.

2. The Tribe shall forward the report referred to in subsection F of this section to the National Indian Gaming Commission within 60 days after an employee begins work or within 60 days of the approval of this ordinance by the Chairman of the National Indian Gaming Commission.

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.

F. Report to the National Indian Gaming Commission

1. Pursuant to the procedures set out in subsection E of this section, the Tribe shall prepare and 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. The Tribe shall submit, with the report, a copy of the eligibility determination made under subsection D of this section.

3. If a license is not issued to an applicant, the Tribe:

a. Shall notify the National Indian Gaming Commission; and

b. May forward copies of its eligibility determination and investigative report (if any) to the National Indian Gaming Commission for inclusion in the Indian Gaming Individuals Records System.

4. With respect to key employees and primary management officials, the Tribe shall retain applications for employment and reports (if any) of background investigations for inspection by the Chairman of the National Indian Gaming Commission or his or her designee for no less than three (3) years from the date of termination of employment.

G. Granting a Gaming License

1. If, within a thirty (30) day period after the National Indian Gaming Commission receives a report, the National Indian Gaming Commission notifies the tribe 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 tribe has provided an application and investigative report to the National Indian Gaming Commission, the Tribe may issue a license to such applicant.

2. The Tribe shall respond to a request for additional information from the Chairman of the National Indian Gaming Commission concerning a key employee or a primary management official who is the subject of a report. Such a request shall suspend the 30-day period under paragraph G.1. of this section until the Chairman of the National Indian Gaming Commission receives the additional information.

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

H. License Suspension

1. If, after the issuance of a gaming license, the Tribe receives from the National Indian Gaming Commission reliable information indicating that a key employee or a primary management official is not eligible for employment under subsection D. above, the Tribe shall suspend such license and shall notify in writing the licensee of the suspension and the proposed revocation.

2. The Tribe shall notify the licensee of a time and a place for a hearing on the proposed revocation of a license.

3. After a revocation hearing, the Tribe shall decide to revoke or to reinstate a gaming license. The Tribe shall notify the National Indian Gaming Commission of its decision.

VIII. License Locations

The Tribe shall issue a separate license to each place, facility, or location on Indian lands where Class II or Class III gaming is conducted under this ordinance.

IX. Repeal

To the extent that they are inconsistent with this ordinance, the inconsistent provisions of all prior gaming ordinances are hereby repealed.

David D. Dominguez - Chairman

ADDITIONAL SUBMISSION REQUIREMENTS

In addition to an ordinance, under 25 C.F.R. § 522 or § 523, a tribe must submit the following:

1. Description of procedures for conducting background investigations;

2. Description of procedures to issue tribal licenses to primary management officials and key employees;

3. Description of procedures for resolving disputes between the gaming public and the Tribe or the management contractor (if any);

4. Designation of an agent for service;

5. Identification of a law enforcement agency that will take finger prints and describe procedures for conducting a criminal history check by a law enforcement agency; and

6. Copies of all tribal gaming regulations.

BACKGROUND INVESTIGATIONS

OF

KEY EMPLOYEES AND PRIMARY MANAGEMENT OFFICIALS

"DESCRIPTION OF PROCEDURES"

I. Section 522.2(b) requires

A description of procedures to conduct or cause to be conducted background investigations on key employees and primary management officials . . .

II. Such description of procedures should include, as a minimum, the following:

A. A clear statement that the tribe is responsible for the conduct of the background investigations and suitability determinations.

B. An organization chart or statement showing the positions or people responsible for --

1. conducting <u>and</u> causing to be conducted the background investigations;

2. reviewing and approving the investigative work done;

3. reporting the results of the background investigation to the National Indian Gaming Commission;

4. obtaining and processing fingerprints; and

5. making the suitability determinations.

C. An explanation of how the positions and people identified above were selected.

D. A listing of the minimum investigative procedures to be performed, including the following:

1. Verify by written or oral communication information submitted by applicant.

2. Inquire into the applicant's prior activities, criminal record, if any, and reputation, habits and associations; interview a sufficient number of

knowledgeable people such as former employers, personal references, and others to whom referred in order to provide a basis for the tribe to make a finding concerning the eligibility for employment in a gaming operation.

3. Document the disposition of all potential problem areas noted and disqualifying information obtained.

E. An investigative report setting forth the following:

1. Steps taken in conducting the background investigation;

2. Results obtained;

3. Conclusions reached; and

4. The bases for those conclusions.