

National Indian Gaming Commission Consultation

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Talking Stick Resort

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Reported by: Kimberly Portik, RMR, CRR, CRC

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1 CHAIRMAN CHAUDHURI: Okay. I guess we'll go
2 ahead and begin.

3 I want to thank everybody for taking the
4 time to be here today. I know a lot's going on in
5 conjunction with the Federal Bar Indian Law Conference,
6 but just wanted to start before turning it over to the
7 person we are very honored to open this Consultation up
8 for us, how much of an honor it is for all of us to be
9 here at Salt River Pima-Maricopa Indian Community. We are
10 honored to be here and we are also honored to be having
11 this Consultation in Arizona.

12 We recognize the impact Arizona has had on
13 the national gaming landscape, and more specifically we
14 recognize the impact that Salt River and Nations in the
15 Phoenix area have had on compact discussions and the text
16 for Indian gaming in Arizona and beyond.

17 So with that, we are very honored to have
18 the president of Salt River Pima-Maricopa Indian Community
19 here with us, President Delbert Ray, and he has agreed to
20 open us up with a blessing and brief statement. So this
21 happens to be President Ray's birthday week, and so in
22 addition to all the attorneys from the Nation being here
23 in town, he has a million meetings going on and has his
24 birthday this week, so we are especially pleased and
25 honored to have him here to open this up.

1 So with that, President Ray, thank you.

2 PRESIDENT RAY: Thank you.

3 First of all, I'd like to start out with a
4 prayer, so if it's your custom to stand. (Speaking in
5 Native language.)

6 You may be seated. I just want to say thank
7 you and good afternoon to each one of you. On behalf of
8 Akimel O'Odham, the River People, and Xalychidom Piipaash,
9 people that live toward the river, just want to welcome
10 you to our place here. We are one community, but we are
11 composed of two different Tribes. And I'll say that I
12 want to welcome Chairman Chaudhuri and the Commissioners.
13 It is a pleasure to have you here today for this important
14 Consultation meeting.

15 For me, what I see is a rapid change in the
16 gaming industry as a result much of the activity on the
17 regulatory side of gaming just to keep up with the
18 continuous change that we see on the operation side. Here
19 in Arizona, we -- you may well know the state and many of
20 the gaming Tribes in the state are in discussions to,
21 quote, modernize our compacts. That's the word that the
22 governor uses, and some of us may be familiar with that
23 term. Well, this is now an ongoing process. We do know
24 that this will affect both the operations of Tribal gaming
25 here in Arizona as well as the regulatory framework.

1 For our community we see both the challenges
2 of working through complex issues, but we also see
3 opportunity to be able to generate more revenue for the
4 benefit of all our community members. And all these
5 activities, it is always important to be able to
6 communicate with respect to Tribal, state, and federal
7 agencies to make sure that what we are doing is in the
8 best path for the Indian gaming industry.

9 As it looks like a long agenda for this
10 meeting this afternoon, it is my hope this Consultation
11 will be constructive and worthwhile for both the
12 Commission and both Tribal interests.

13 Again, I just want to welcome you. Got a
14 long week here. We've had a long week as far as activity.
15 Tomorrow I don't know if you'll be here, but also the
16 Federal Bar, I think this is our third year that we've
17 hosted this event, and CLEs and everything else, you know.
18 But I just want to welcome each and every one of you.

19 And gaming is a very important part of
20 Tribal Nations. You know? And this morning as I shared
21 with VAWA, the Violence Against Women Act, group this
22 morning, you know, I told them about how important this
23 freeway is to us, it is open. You know, back in the day
24 it was the river. We are the River People, and that's
25 where we got our sustenance, everything. And nowadays

1 it's the freeway because it brings us many opportunities.

2 And, again, you know, for me, I'm the 24th
3 president of Salt River Community, and I stand on the
4 shoulders of leaders who had a vision. You know, right
5 now I'm just reaping all the benefit of all that's been
6 done by former leadership. We've done a lot here at Salt
7 River with gaming and we have a lot more to do. Right now
8 we are at 10,300 plus, our membership. And I appreciate
9 such organizations as NIGC that oversees, regulates gaming
10 to make it to be an industry with integrity.

11 So I thank you for all that you do. Again,
12 it's -- I have a Council meeting to get to, but I just
13 want to thank you, Chairman Chaudhuri, and all that are
14 here. Safe travels to each of you. God bless you.

15 CHAIRMAN CHAUDHURI: Thank you.

16 (Applause)

17 CHAIRMAN CHAUDHURI: Thank you, President,
18 and early happy birthday. We have a little something for
19 you that I'll have to actually hand deliver. It got lost
20 on the flight, but I'll make sure if we don't get it to
21 you during this conference we get it to you at National
22 Indian Gaming Association's conference next week. But
23 happy birthday. Thank you so much for that opening.

24 PRESIDENT RAY: Thank you.

25 CHAIRMAN CHAUDHURI: So (speaking in Native

1 language). Welcome, everyone, and blessings to you all
2 today.

3 My name is Jonodev Chaudhuri. I'm Muscogee
4 Creek and East Indian (indiscernible). I'm proud of both
5 my heritages, proud to be a member of First Nations as
6 well as the nation -- as well as the first American-born
7 person on my father's side. So it's always an honor to be
8 in Indian Country for any reason, but particularly in
9 conjunction with work that we do at NIGC.

10 I'm going to get out in a moment and turn it
11 over to my fellow Commissioners to provide some opening
12 remarks, but today's Consultation is part of our ongoing
13 commitment to working with our partners before we put pen
14 to paper on any major actions that we take as an agency.
15 It's consistent with national Consultation policy and
16 consistent with our internal NIGC policy that -- far and
17 above policies, the work that we do requires us to have
18 meaningful day-in-and-day-out relationships with Tribal
19 leadership as well as Tribal regulators. We are a part of
20 a regulatory structure that includes Tribes as the primary
21 regulators of Indian gaming. And so just as a matter of
22 survival and necessity, our meaningful consultation is
23 important to us.

24 I want to thank everybody for taking the
25 time to be here today. We have the room set up in a

1 circle, and I would like to encourage anybody who wants to
2 sit at the circle to participate at the circle so that we
3 can really approach this as a two-way dialogue and two-way
4 conversation. But we understand that people -- there's a
5 lot going on right now. People may need to go in and out
6 of meetings. And if you want to sit closer to the doors,
7 that's fine.

8 But wanted to say again thank you so much
9 for being here today. I want to turn it over to my fellow
10 Commissioners before we get into some housekeeping items
11 and start the Consultation format. So I'll turn it over
12 to our Vice Chair.

13 MS. ISOM-CLAUSE: Hi. I'm Kathy
14 Isom-Clause. I'm Vice Chair of the Commission, and I'm
15 Taos Pueblo.

16 I'd also like to thank the Salt River
17 Pima-Maricopa Indian Community for having us here, and I'd
18 like to thank him for his words, setting us off on a good
19 path, a productive path for our Consultation.

20 I'd also like to echo the Chairman's words
21 about the importance of ongoing dialogue, about this being
22 a bilateral conversation, that we are not (indiscernible)
23 regulations or policies but really working with the
24 regulated communities. We are all here to make sure that
25 we are doing the best work that we can.

1 Just one more housekeeping point that I'd
2 also like to mention. We are in the process of developing
3 our required strategic plan, and the Consultation topics
4 that we have today reflect many of the Commission's
5 priorities. So the comments we hear throughout the
6 process will be used to form the strategic plan as well.
7 And there's going to be opportunity at a later date this
8 year to review comment on that plan separately, and we
9 will keep you informed as we know more about that process
10 going forward.

11 So (speaking in Native language). I'd like
12 to thank you all for being here and having this dialogue
13 with us and look forward to hearing your comments.

14 I will turn it over to
15 Commissioner Simermeyer.

16 MR. SIMERMEYER: Thank you. Good afternoon.
17 I'm Sequoyah Simermeyer, the third member of the
18 Commission, and I'm a member of the Coharie Tribe in North
19 Carolina and want to join my colleagues in both thanking
20 the Indian Community here for hosting us and for having
21 the opportunity to engage this Consultation and also their
22 sentiments about the importance of having a collaborative
23 relationship with Indian Country. It's -- I'm
24 appreciative that -- all the Commission shares an
25 appreciation for our responsibilities to engage with the

1 Tribes, and not just because it makes our decisions more
2 defensible and more informed and more accurate but because
3 it helps define and maintain our unique relationship
4 through the federal government and Tribal governments.

5 So thanks so much for your time, and we are
6 looking forward to this conversation today.

7 CHAIRMAN CHAUDHURI: Thank you,
8 Commissioners.

9 So let me raise a few points regarding our
10 format today. We have subject matter experts who will
11 give some brief background about each of the topics that
12 we are here to discuss. I think we have six topics, and
13 we have subject matter experts to lay the opening -- the
14 framework for each. We are going to introduce those
15 folks, but we have a lot of dedicated members of the NIGC
16 team primarily from our regional office here with us as
17 well. I'll leave introductions of our team in total to
18 our individual introductions we'll have when we go around
19 the room. So what I mean by that, let me just start by
20 saying who our subject matter experts are who are going to
21 help us open things up.

22 We have our division of technology director
23 here with us today, Mr. Travis Waldo. We have our finance
24 director, Yvonne Lee. We have our training manager, Steve
25 Brewer. We have our chief of staff, Shannon O'Loughlin.

1 And from the Office of General Counsel, our associate
2 general counsel, Ms. Heather Corson here. We have other
3 members in the back.

4 But, again, the purpose of these
5 Consultations is meaningful two-way dialogue. In addition
6 to informing NIGC about concerns or questions that Indian
7 Country has, we always think there's some benefit to all
8 of us learning from each other. So we always open up our
9 Consultations with an introduction of everyone in the
10 room. As we do this, I do want to let everyone know we
11 have a transcriber with us. At the end of this
12 Consultation, all comments will be transcribed, again, for
13 the benefit of our fellow regulators, benefit of Indian
14 gaming partners. And at the end of our Consultation
15 series, towards the end of June we will be compiling all
16 comments and evaluating all comments as we consider
17 appropriate next steps on each of the Consultation topics
18 that we will discuss today.

19 So bottom line as we go around and introduce
20 who we are, if you could please say your name and spell
21 your name if possible for the transcriber, as well as
22 please state what community you are here to represent,
23 that will help facilitate all of our conversation today.

24 So with that, I'm going to turn it over to
25 all of you so you can all introduce yourselves and get to

1 know -- get to know each other a little bit better. And
2 I'll start over with the executive director of Tonto
3 Apache.

4 MR. HOOSAVA: My name is Ferrell Hoosava.
5 I'm with Tonto Apache Tribe. I'm the executive director.

6 MR. NANTY: Hubert Nanty, with the Tonto
7 Apache Tribe.

8 MR. NIXON: Sam Nixon. I'm the executive
9 director here at Salt River.

10 MR. GARCIA: (Speaking in Native language.)
11 My name is Albert A. Garcia, Junior. I'm from the Pascua
12 Yaqui Tribe, the executive director of gaming office.

13 MS. LOPEZ: Good morning. I'm Maria Lopez,
14 and I'm the deputy chief at Pascua Yaqui Tribe.

15 MS. FERREIRA: Good morning. My name is
16 Judy Ferreira. I am the Phoenix regional (indiscernible)
17 at the National Indian Gaming Commission. Happy to see
18 everybody.

19 MR. OLEA: Good morning. My name is
20 Francisco Olea. I'm with the Pascua Yaqui Tribe, contract
21 employee for the Office of the Attorney General and a law
22 student.

23 MS. LOMAYESVA: Good afternoon, everyone.
24 My name is Amanda Lomayesva. I'm the assistant attorney
25 general with the Pascua Yaqui Tribe.

1 MS. CASTILLION: Good morning. My name is
2 Sylvia Castillion, and I am with Salt River Pima-Maricopa
3 Indian Community, community regulatory agency department.

4 MS. JIM-MONTOYA: Melissa Jim-Montoya, also
5 with Salt River Pima-Maricopa Indian Community.

6 MR. RUSS: By the way, I'm Tim Russ. I'm
7 with the local Phoenix regional office of the National
8 Indian Gaming Commission.

9 MS. SAMUEL: Good afternoon. Shawna Samuel.
10 I'm a compliance officer with the Phoenix regional office
11 as well.

12 MR. PAGE: Good afternoon. My name is
13 Robert Page. I'm with the Colorado River Indian Tribes
14 Councilmembers.

15 MR. STEVENS: Granthum Stevens, Colorado
16 River Indian Tribes Councilmember.

17 MR. KILLSBACK: This is my first time. The
18 president -- Chairman. Sorry. Good afternoon. Dion
19 Killsback, attorney with the law firm Rosette, LLP, member
20 of the Cheyenne Tribe.

21 MS. GRUBB: Hello, everyone. My name is
22 Mariah Grubb. I work with the Commission in the
23 headquarter office.

24 MS. ECHO-HAWK: Hi. Lael Echo-Hawk,
25 attorney with Hobbs Straus, Seminole Tribe of Florida,

1 Athabascan Indian and (indiscernible) Tribes.

2 MR. HORVATH: Hello. Mark Horvath,
3 attorney, Fort McDowell Yavapai Nation.

4 MR. RAMOS: Good afternoon. Javier Ramos,
5 in-house counsel, Gila River Indian Community.

6 MR. WATERMAN: Donavan Waterman, Tonto
7 Apache Tribe.

8 MR. TIINNIN: I'm Junior Tiinnin. I
9 represent the Tonto Apache Tribe.

10 MS. SFIRIDIS: Hello. Stephanie Sfiridis,
11 law clerk, Mashpee Wampanoag Tribe.

12 CHAIRMAN CHAUDHURI: Thank you, everyone,
13 for introducing yourselves.

14 As I mentioned, this is really the
15 discussion for all of us to benefit from. Some
16 housekeeping items. We are going to have six topics:
17 first one being rural outreach; second one being
18 developing strong Tribal workforce through training; third
19 one being management, contract regulations, and
20 procedures; fourth one being technical standards for
21 mobile gaming devices; fifth one being fees; and sixth one
22 involving draft voluntary guidance for class III minimum
23 control -- internal control standards. Let me repeat that
24 again. It's voluntary guidance. Mr. Stevens, I'm looking
25 in your direction. Voluntary, voluntary nonbinding

1 guidance regarding class III minimum internal controls.
2 And did I say voluntary? I don't know if anybody heard me
3 say voluntary, nonbinding guidance regarding class III
4 minimum internal control.

5 So we have six topics. We are going to open
6 it up to background statements. We have a lot of ground
7 to cover and we have a lot of time on the agenda, but
8 there's no crime in finishing early. And so I want
9 everybody to have a full opportunity to get any statements
10 that they want on the record on the record. If we exhaust
11 all conversation and all statements, we may finish well
12 before our allotted time. That said, we also understand
13 sometimes there are travel arrangements that all of you
14 may have made and you may need to get out of here soon.
15 So if somebody needs to get a statement on the record,
16 please raise your hand and we will work you in at the
17 outset before the actual background presentations.

18 Does anybody need to catch a plane or get
19 out of here right now? Okay.

20 So we'll just kind of move forward with our
21 standard agenda. We are going to hear -- we are going to
22 open it up for questions and answers and dialogue at the
23 end of each topic. Once we go through all the topics, we
24 will have a catchall conversation. And so I don't want
25 anybody to feel like this is the only bite of the apple to

1 get statements on the record. As I mentioned, we are
2 going to have a rolling review process that's going to
3 culminate at the end of June. If anybody wants to submit
4 written comments during this period, we will review all
5 written comments whenever they're submitted. Beyond that,
6 if there are additional comments relating to a previous
7 topic that somebody wants to raise, that's the purpose of
8 the catchall conversation at the end. I want this to be
9 part of an ongoing conversation. We are just going to go
10 through things topic by topic in the interest of
11 structure, but I don't want anybody to feel like there's
12 only one bite at the apple.

13 So before we begin, I do want to do some
14 self marketing. We encourage vibrant dialogue today, but
15 as you are driving home and you wish you had said
16 something on the record, keep in mind we have other
17 Consultations coming up down the pike. Next week we will
18 be in San Diego in conjunction with the National Indian
19 Gaming Association's annual conference. We will be
20 hosting Consultations both on the six topics we are
21 discussing today and we will have an additional
22 conversation regarding class II grandfathering provisions.
23 So we encourage you to get the word out regarding that
24 Consultation.

25 Next week, and I'm looking at Mr. Killback

1 back there, we are very excited to be hosting a
2 Consultation in Billings, Montana. So robust
3 participation, but Northern Cheyenne Nation as well as if
4 anybody goes out there would be greatly appreciated and
5 encouraged. It's going to be the fruition of a promise we
6 made a few years ago to hold a Consultation in the plains
7 areas and someplace other than Rapid City or St. Paul. So
8 we are coming out to Billings for that specific purpose.

9 Beyond that, in addition to that, on May 4th
10 we will be hosting a Consultation in conjunction with the
11 Southern Gaming Summit in Biloxi, Mississippi. May 25th,
12 we have -- the details are still being hammered out, but
13 we are going to be holding a Consultation in conjunction
14 with the Affiliated Tribes of Northwest Indians Conference
15 in Portland, Oregon. So I encourage everybody to get the
16 word out about these ongoing Consultations, submit
17 comments as necessary, but never be afraid to approach any
18 of us individually. We always make a point of being
19 engaged on a first-name basis with our partners.
20 Consultation is a broad concept that also includes the
21 one-on-one relationships that we all have.

22 So those are some of the Consultations we
23 have coming around the corner, that's a little bit of
24 background about how today's Consultation will be
25 structured. At the end of each subject matter

1 presentation, I encourage all of you to be -- don't be
2 shy, ask questions, yell at us, call us names if you need
3 to, and we're here to really engage.

4 So with that, I'll start us -- I mean, we
5 will start off with our first topic, which is rural
6 outreach. And I'm going to turn it over to our chief of
7 staff, Ms. Shannon O'Loughlin.

8 MS. O'LOUGHLIN: Hello. My name is Shannon
9 Keller O'Loughlin. I'm a citizen of the Choctaw Nation of
10 Oklahoma, and I'm also chief of staff with the National
11 Indian Gaming Commission.

12 I'm very happy to be here, always happy to
13 be in Arizona, where I spent my college career and some of
14 my early attorneyhood here as well. So nice to see
15 everybody, and thank you for letting us be here.

16 So let's get right into it. Rural outreach.
17 This -- our rural outreach initiative was initiated by
18 Chairman Chaudhuri a couple of years ago. We have a rural
19 outreach coordinator who is stationed in Billings,
20 Montana, who is working on our initiative. And so I'm
21 going to tell you a little bit about that and hope to hear
22 from you.

23 So the NIGC would like to consult with you
24 on our rural outreach initiative. We all know in Indian
25 Country that most of our Tribal lands are in rural areas.

1 Reaching out to smaller gaming operations that may not be
2 situated near a strong market is an important initiative
3 of the agency. The NIGC recognizes the likely correlation
4 between proximity to large population centers and the
5 viability of economic opportunities for Tribes; therefore,
6 NIGC appreciates that its functions will likely benefit
7 from a greater understanding of the unique needs of
8 smaller operations.

9 NIGC has historically taken into account the
10 needs and capabilities of smaller gaming operations
11 through its regulations. For instance, NIGC's regulations
12 for minimum internal control standards and accounting
13 requirements differ between tier A facilities that earn
14 less than 8 million, tier B facilities that earn between 8
15 and 15 million, and tier C facilities that earn over
16 15 million. And we know from annual gross gaming revenue
17 that the majority of Tribal gaming operations throughout
18 Indian Country are smaller facilities with lower gross
19 gaming revenue. Many small, rural gaming operations
20 provide their communities with much needed jobs but may
21 earn little net revenue to support Tribal government
22 services.

23 The Commission has a responsibility to
24 review regulations to assure the compliance is reasonable
25 and achievable for all Tribal operations while protecting

1 the integrity of gaming as a whole. The NIGC may find
2 through this Consultation and from your comments that
3 current regulations could be amended to better address the
4 regulatory needs of smaller operations.

5 In addition, the NIGC provides technical
6 assistance and training to all Tribes and enforces
7 regulations to ensure Tribes are the primary beneficiaries
8 of the gaming operations. If the agency can provide
9 training and technical assistance better suited to smaller
10 operations, the agency would appreciate your feedback on
11 that as well.

12 In addition, in order to better meet
13 technical assistance and training needs of small, rural
14 Tribes, the Commission is also considering creating an
15 eighth region that would include North Dakota, South
16 Dakota, Wyoming, and Montana. These states are currently
17 served out of the St. Paul region, which is the largest
18 administrative region of the agency and currently covers
19 9 states, 59 Tribes, and 144 gaming operations.

20 To help address the need of western Tribes
21 in the region, in 2003 the Rapid City satellite office was
22 added to the St. Paul region to better reach the gaming
23 operations in North Dakota, South Dakota, Wyoming, and
24 Montana. By splitting up the St. Paul and Rapid City
25 offices into separate administrative regions, the St. Paul

1 regional office would then cover only 5 states ó
2 Minnesota, Iowa, Wisconsin, Michigan, and Nebraska ó 37
3 Tribes and 95 Tribal gaming operations. The new Rapid
4 City regional office would cover 4 states ó Montana,
5 Wyoming, North and South Dakota ó 22 Tribes, and 45 Tribal
6 gaming operations. This split will not take away
7 resources or budget from any region and only split the
8 resources between the St. Paul and Rapid City offices as
9 appropriate.

10 The NIGC would like to hear any questions or
11 feedback and asks specifically for your discussion and
12 comments about whether regulatory revisions are needed
13 that protect Tribal gaming revenue and the integrity of
14 gaming industry while not burdening smaller operations;
15 whether NIGC should adjust the way we do business in our
16 training, technical assistance, and compliance efforts to
17 provide better assistance where needed; and finally
18 whether the NIGC should create an eighth region to provide
19 a stronger connection to Tribes located in North and South
20 Dakota, Montana, and Wyoming.

21 And with that, I open it up for consultation
22 or questions.

23 CHAIRMAN CHAUDHURI: Thank you,
24 Ms. O'Loughlin.

25 So with that, the floor is open to everyone

1 here. And it's not a real formal way that we are
2 approaching this, but Mr. Tim Russ, back there, has a
3 microphone. Just please feel free to raise your hand if
4 you have any comments you would like to share on our rural
5 outreach initiative.

6 Yes, sir.

7 MR. HOOSAVA: Ferrell Hoosava, Tonto Apache.

8 Basically what you are saying, then, with
9 this comment is that current regulations require
10 amendments to better address the regulatory needs of
11 smaller, rural operations. I mean, that could be a number
12 of things for an operation. You know, we are a small --
13 we consider ourselves a small operation. Arizona has a
14 few smaller operations versus, you know, a facility like
15 this. So anything, you know, in terms of what that
16 statement is there, you know, any type of structure or
17 additional needs that need to be met in terms of
18 regulation is always an expense to a small operation. So,
19 you know, that opens up the door to a lot of conversation
20 with you, I guess, with the NIGC and to see what is really
21 in that current regulation, what does that mean to the
22 NIGC in terms of what -- dealing with rural versus, you
23 know, metro.

24 CHAIRMAN CHAUDHURI: Thank you, sir, for
25 that comment.

1 And just a little bit of background about
2 how we will proceed. Really I think anyone from NIGC may
3 have relevant comments to provide, and really we are all
4 free to kind of jump in at any time. I'll do my best to
5 frame things in my way, but fellow Commissioners as well
6 as our leadership here, you know, we all have slightly
7 different perspectives.

8 When we talk about seeking comments
9 regarding any positive regulatory tweaks that may be made,
10 we are really trying to focus on positive suggestions. So
11 if we are -- if we are ever to consider a regulatory
12 tweak, I don't want there to be a concern that we are
13 looking at any of our tweaks from the perspective of
14 trying to slow down operations or make operations more
15 difficult.

16 In fact, one of our guiding principles as an
17 agency is strict adherence to our regulatory
18 responsibilities while not creating artificial roadblocks
19 to the entrepreneurial spirit of Tribes. So we do want to
20 hear from Indian Country regarding any proposed regulatory
21 tweaks that may help us still maintain our regulatory
22 responsibilities but make operations easier. So there
23 could be tweaks that streamline operations while still
24 address risk sufficiently. So those types of regulatory
25 tweaks, we welcome any input that Indian Country may have.

1 Short of actual regulatory tweaks, there are
2 a number of things that we are doing and we have done as
3 an agency to support small and rural operations, and we
4 are happy to do those things administratively. And let me
5 go through a few examples of things that we are doing to
6 support rural communities. But there's only so much that
7 you can do administratively. Sometimes a regulation tweak
8 may be necessary to really streamline activities. So
9 that's what we are really hoping to hear from folks on.

10 So some examples of things that we are doing
11 administratively, as I mentioned before we have our
12 technology director here, Mr. Travis Waldo, and that's
13 part of our technology initiative. Staying ahead of the
14 technology curve is one of our tadpole initiatives. But
15 technology works hand in hand with rural outreach.
16 Technology division was developed in part to support our
17 rural partners who have limited budgets to attend
18 trainings, to have the -- you know, do all the things that
19 regulators need to do to make sure that vulnerabilities
20 are protected, that their IT is fully operational. So we
21 developed this technology division to support Indian
22 Country the best we could.

23 One of the first things Mr. Waldo initiated
24 as, you know, head of this initiative is the development
25 of IT vulnerabilities assessments that are free of charge

1 and available upon request of Tribal communities, whereby
2 our team will go out -- and Travis can speak to this a lot
3 better than I can. Our team will go out and work with
4 regulators and perform vulnerability assessments free of
5 charge and provide a report so that issues can be
6 addressed before they ever become loss issues or
7 compliance issues. That's one example.

8 Another example, we developed a rural
9 outreach coordinator. Another example, we have targeted
10 trainings that we've crafted to support rural outreach.
11 So we are trying to do what we can administratively. But
12 if the regulations, you know, legal things that we can
13 issue that Indian Country thinks that we could be more
14 supportive on, we want to hear and we want to be as
15 helpful as we can.

16 So I'm sorry for speaking so long on the
17 topic, but that's a great question or a great point that
18 you made. We are not here to regulate just for the sake
19 of regulation.

20 Thank you, sir.

21 MR. NANTY: Hubert Nanty, Tonto Apache
22 Tribe.

23 I've seen the restrictions of development
24 that sometimes gets us into a bind, but for rural
25 community it has its struggles. Of course I'm not the

1 first one to say this. Our employment pool many times
2 repeats itself in terms of the same employee that we let
3 go a week ago will return six months from now because we
4 are running out of employees, or other potential
5 employees. But perhaps what really -- not just necessary
6 along the employees are reaching out for employment
7 opportunities.

8 But more along the lines of
9 self-regulations, I have been very interested in seeing
10 how many Tribes actually make it to that status of
11 attaining self-regulation. And as I looked at it, and I
12 haven't done this in a little while, but some of the
13 requirements for attaining self-regulation is so
14 far-fetched that a larger metro community has no problem
15 reaching those, yet it's not readily accessible by rural
16 Tribal gaming operations. If that can be reviewed -- if
17 it has, then I've not seen it. Maybe I'm not accessed to
18 Internet that often because I'm in a rural community. I
19 don't know. But that would be a challenge for me.

20 I think there's -- what you've covered as
21 far as rural outreach is very general, and it would --
22 those same principles are no different than your general
23 outreach anyway. But what specifically is NIGC doing to
24 help those rural communities attain perhaps that
25 self-regulation status?

1 CHAIRMAN CHAUDHURI: Thank you for that
2 comment.

3 I'm going to turn it over to fellow
4 Commissioner Simermeyer here in a moment. And
5 Mr. Simermeyer serves as our Office of Self-Regulation
6 director. But I really want to thank you for that point.

7 To my knowledge, this is the first time that
8 rural outreach has been tied to our self-regulation
9 regulations, and that's something that I am just speaking
10 for myself would welcome more -- well, a discussion among
11 the Commission about how we can look at our
12 self-regulation regulations with an eye to our emphasis on
13 supporting rural communities.

14 That said, we understand it's a rigorous
15 process that Tribes have to go through to achieve
16 self-regulation certification. We stand -- I mean, we
17 always stand ready and willing to work through that
18 process with any potential applicants. But you are right,
19 there's only a handful of communities that have fully
20 achieved self-regulation certification because as far as I
21 understand it requires a pretty robust look-back for the
22 last I think three years regarding compliance. Three
23 years? And that's an expensive, very rigorous process.
24 And if there are ways that we can be more supportive of
25 rural communities with regard to that regulation I, for

1 one, would be happy to hear it. But I'm going to turn it
2 over to our self reg director here.

3 MR. SIMERMEYER: Well, thank you for that
4 fact that you are making on this point.

5 To speak just generally about
6 self-regulation, as a full Commission we haven't had the
7 opportunity to review a request for self-regulation yet.
8 So what I can give is historical background and my own
9 personal perspectives about how it perhaps is an
10 opportunity, how we interpret it, what is laid out.

11 So one thing I think that has happened
12 recently with the self-regulation program is that in 2013
13 there was a regulatory reform, a reg shift towards
14 focusing more on the Tribe's capacity and not necessarily
15 on the performance of past activities in order to make a
16 finding that the Tribe would receive a self-regulation
17 certification. I think that's a positive step because I
18 think that is more in line with what the intent of the
19 rule was when it was first passed, is that self-regulation
20 really is a self determination, self governance type of
21 policy. So for each Tribe, they need to make a decision,
22 self determination, type of self governance program; they
23 need to come to the federal government to kind of stick as
24 close as we can to what the law says about what's required
25 for it.

1 So as a group here, the three of us have
2 never had the opportunity to interpret that for the
3 self-regulation requests, and you are right there's only
4 three Tribes right now who are -- have self-regulation
5 certification. And I think part of that has to do with --
6 what I am seeing in my personal experience is there's a
7 cost-benefit analysis that Tribes say is this the
8 direction we want to go, is it worth it. And so that is
9 one thing that in my position it is appropriate for us as
10 a Commission to look at, what can we do to streamline
11 that, to make sure that we are sticking as close as we can
12 to what the law -- to the standard for IGRA, make sure our
13 regulations aren't getting in the way and keep going with
14 the trend we started in 2013 to focus on capacity, not
15 some sort of, you know, audit that goes in other
16 directions. But I appreciate your raising that.

17 And besides that, if your Tribe or any other
18 Tribe is interested in talking more about it, I'd love to
19 talk with you more about what it might look like for your
20 Tribe. But it's definitely a model that fits a whole
21 different -- a whole profile of Tribes, from smaller
22 Tribal operations to larger ones.

23 MR. NANTY: Thank you. Thank you very much.

24 I know that one of the requirements is a
25 financial audit which every Tribe is required to -- I

1 should say every gaming operation is required to submit.
2 Within those audits is the (indiscernible) procedures
3 report for review.

4 If there are any findings in those -- in
5 that category, they're usually corrected either
6 immediately or on the spot or within a short period of
7 time. The internal controls on financial -- or financial
8 internal controls are also addressed, so any weaknesses or
9 material sufficient findings are also usually corrected.
10 So that information is readily available to your agency as
11 it is. So this is almost a redundant process of -- if I
12 apply for self-regulation certification, you already have
13 that information. So it's almost like a dual process that
14 Tribes have to jump through, yet we ourselves have been in
15 this process for 20 years. We can correct those. We have
16 the ability and the strength and the maturity to
17 understand what accounting professions are looking for and
18 how these are correctable and attainable.

19 I think it should be the Commission's goal
20 to make sure that rural communities can use this as
21 attaining a process where Tribes are saying, hey, look,
22 here is our self-regulation certificate. As you are
23 saying, there's only five, yet how many gaming operations
24 are there and how many are -- or how many years has this
25 regulation been in effect?

1 CHAIRMAN CHAUDHURI: Again, I want to thank
2 you for that comment.

3 Trying to our rural outreach initiative is a
4 worthwhile discussion. So I think you are correct, the
5 last certification we issued was Seminole Tribe in
6 Florida, I think. I believe so. So we did a ceremony out
7 at Seminole in which we celebrated that because I think
8 everybody was exhausted by the end of it. And what I mean
9 by that is we sent a team from compliance as well as a
10 number of attorneys out to Seminole for weeks, and
11 Seminole dedicated a large team to work through all the
12 documents relating to that three-year look-back that was
13 necessary. And they got to where they needed to get, but,
14 again, that related to class II self-regulation, and there
15 was a lot of -- there are a lot of resources expended in
16 that process. Now, not all communities are able to bring
17 to bear all the attention and resources that are necessary
18 to get there, and that's an excellent point.

19 So just in terms of way of structure, the
20 Office of Self-Regulation is mandated by our regulations
21 to provide a recommendation to the full Commission. And
22 so that Office of Self-Regulation will work with that team
23 that I mentioned, the attorneys, the compliance officers,
24 to process an application that's brought in by a different
25 Nation and then make a recommendation to the Commission as

1 a whole. And one of the Commissioners is -- serves as the
2 director. You know, that's why we are so thankful that
3 Commissioner Simermeyer wears that hat. But it is an
4 extensive process and an expensive process, and we
5 recognize that.

6 So I don't know -- since this topic involves
7 rural outreach, I don't know if we can go further into the
8 weeds today, but I thank you for bringing those two ideas
9 together. Or if there are specific ideas in terms of
10 tweaks of either a regulation or how we approach these
11 matters, please let us know. But our attorneys are always
12 open to work through applicant's -- or work through the
13 process with applicants and our compliance office is as
14 well. And I keep saying compliance. I know Yvonne's
15 team, as finance director, had a heavy hand to play -- not
16 heavy hand. Yvonne doesn't have heavy hands; she works
17 with folks. But she had a heavy role to play in that past
18 application as well. But thank you so much for that
19 comment.

20 Additional comments? Questions? Yes, sir.

21 UNIDENTIFIED SPEAKER: You just mentioned
22 the other two Tribes. Seminole you said is one. And the
23 other two that have that sort of regulation?

24 CHAIRMAN CHAUDHURI: Oh, boy.

25 MR. BREWER: The NAGA Tribe and Grand Ronde.

1 UNIDENTIFIED SPEAKER: Thank you.

2 CHAIRMAN CHAUDHURI: I do want to take this
3 opportunity. At the front end of our introductions we
4 always recognize NIGC alumni because we are always
5 thankful to folks who are willing to, you know, take the
6 slings and arrows in serving in these seats, and I didn't
7 get an opportunity to call to Ms. Echo-Hawk. Ms. Lael
8 Echo-Hawk is sitting back there. She served as counselor
9 to the chair and was very responsible -- I'm sorry. Not
10 very responsible. I don't want to throw her under the bus
11 here. Very involved in the most recent regulatory
12 overhaul that NIGC undertook. So I just want to say thank
13 you to Lael back there.

14 I don't want to blame you for any -- well,
15 anyway.

16 Additional questions, comments? Yes, sir.

17 MR. STEVENS: Granthum Stevens, Colorado
18 River Indian Tribe.

19 I think one of the areas that you are going
20 to see -- I love the way NIGC is approaching the rural
21 issue when it comes up. As you know, being in a rural
22 Tribe, a lot of rural Tribes that sit in here, we look at
23 gaming different. Gaming in our area is really getting
24 jobs for our people. It's really to give the economic
25 development to our area. For La Paz County, we are the

1 largest employer for our county. And so when we look at
2 rural, that's what we bring to the table, is how do we
3 bring our communities together.

4 And I know some of the people that worked
5 out there at the St. Paul area, and that is a very vast
6 area to cover. How they do it, I have no clue. But I
7 don't know. One guy, he was like in -- he traveled I
8 think eight months out of the year. He was on the road
9 all the time. So I understand by breaking that up, I can
10 see the benefit coming out of it. I mean, Oklahoma, we
11 broke Oklahoma up years ago to where we had the west
12 region and the east region. Tim took over the Tulsa
13 office and then we created the one in Oklahoma City where
14 Tom Cunningham is. I mean, so we've seen the benefit
15 coming out of it. And I think if you are going to strive
16 for that, I think that it would be very good in NIGC's
17 opportunity.

18 Budgetary wise, I will just -- I can see the
19 offset coming up because you are not paying for the rental
20 car, not paying for that flight to go all the way across.
21 So I think it's very needed. But at the same time, I
22 think with Tulsa we remember that when we hear rural,
23 especially being from a rural area, when you hear rural
24 that's the first thing you think of is, wait a minute, how
25 is that outreach actually going to help, how is it

1 actually going to be to really our benefit, how is it
2 going to work for us. Because like I said, we look at
3 gaming a little different.

4 We look at gaming not as a true economic
5 development (indiscernible) in my view as we sit here, but
6 also as if they're saying how do I employ my people, how
7 do I get people into their positions. Because we are in
8 the same boat as Hubert said from Tonto. We do the same
9 boat, we recycle our employees back in. They may get
10 done, about six months later they need a job, we put them
11 right back to work. So, I mean, that's the rural struggle
12 we deal with. We don't have an employee population to
13 where we can pick people up. It just comes down to how do
14 we keep our facility going.

15 So I think if you benefit and I think the
16 Tribes up there, if they are willing to have that
17 separation and get their own office to where they can
18 start to communicate with them, I'm in agreement with it.

19 CHAIRMAN CHAUDHURI: Thank you, sir. Thank
20 you.

21 I mean, really we don't want to just be so
22 narrowly focused just to think about what we can do in the
23 regulatory concept -- context. We also understand that we
24 are part of a larger federal network. I mean, a lot of
25 the either operational or regulatory issues that rural

1 communities face with respect to gaming, they interact
2 with a lot of other governance issues that those Nations
3 have. So if there are conversations that we can help
4 facilitate in terms of broadband or -- and reach out to
5 partners at FCC or if there are things that we can be
6 doing that have impacts on gaming that are a part of
7 larger challenges that rural communities face, we want to
8 be aware of those operational or administrative ideas as
9 well. So we may not be driving the train on those, on
10 those initiatives involving other agencies, but we want to
11 be aware of those so that as we interact with them we know
12 how to -- you know, issues that we can bring up on behalf
13 of our regulatory partners. So goes beyond regulation.

14 And to your point, Mr. Stevens, this is
15 really about efforts the rural communities are undertaking
16 to provide necessary programs and services on the ground
17 to our members. And so we recognize that and thank you
18 for that comment.

19 So if there are no additional comments or
20 questions on this topic, thank you so much to Shannon for
21 serving as -- I mean for providing us that background.
22 And we will move on to our developing a strong workforce
23 through training topic. Right now it's close to 2:00.
24 After the third topic if we are -- you know, if it's
25 looking like this Consultation will truly go a few hours,

1 we may take a break. I know it's a long time for folks to
2 sit. We may take a five-minute break after topic 3. But
3 we will just see how things go.

4 So with that, we have Mr. Steve Brewer --
5 are you ready, Steve? -- here with us, who is going to
6 provide some background information on our workforce
7 initiative.

8 It's hard to get a mike out of --

9 MR. BREWER: I'm Steve Brewer. I'm training
10 manager for National Indian Gaming Commission.

11 Can everybody hear me in the back? Okay.
12 Never mind. We will use a mike.

13 So, again, my name is Steve Brewer. I'm the
14 training manager for National Indian Gaming Commission.

15 Just to get started, a strong workforce is
16 an essential ingredient to the success of any business.
17 The NIGC believes that one of our best assets is our
18 employees and recognize that this is also the case for
19 Tribal gaming operations. With this in mind, the
20 Commission has prioritized supporting a strong workforce
21 both within NIGC and among our Tribal regulatory partners
22 as one of our four initiatives.

23 In order to foster a strong Tribal
24 workforce, NIGC seeks to enhance our external training
25 program and assure that it continues to meet the needs and

1 demands of the industry. To that end, we take this
2 opportunity to update you on the direction and commitment
3 of our training program and to consult with you how best
4 to deliver a better training program to meet the needs of
5 our Tribal regulatory partners.

6 Currently, the NIGC offers three types of
7 training events. The regional training conference. Our
8 trainings are derived from our training catalog and are
9 based on the needs of the region where training is
10 occurring.

11 Regulating gaming technology is geared
12 towards providing us both an understanding of a variety of
13 technology on the casino floor and strategies on how to
14 effectively regulate and understand such technology. The
15 RGT training for 2017 has been suspended to allow time to
16 revamp the training and make sure new technologies are
17 included. It's anticipated by me that the new RGT course
18 will resume in 2018.

19 Finally, the site specific training,
20 training requested by a Tribe to meet the individual needs
21 of its Tribal government, gaming commission, regulators,
22 and operators.

23 As Jonodev was talking about, the NIGC has
24 developed some assessment tools that Tribes can request at
25 no cost. The first assessment opportunity is the

1 information technology and vulnerability assessment, or
2 ITVA. The ITVA performed by NIGC IT auditors is to
3 complete a vulnerability analysis of the facility's IT
4 system to identify potential security threats.

5 The second type of assessment is internal
6 control assessments, or ICA, and that's performed by our
7 audit staff. This can be a comprehensive review of the
8 Tribal gaming facility's entire system of internal
9 controls or specific systems such as internal audit.
10 Based on the findings that they find in either a completed
11 ITVA or ICA, the training program can then develop
12 training specific for that Tribe.

13 All NIGC training is developed to support
14 our Tribal customers. The training requests process is
15 used to shape and deliver training courses and programs
16 that are uniquely tailored to each organization based on
17 their specific needs and requests. The NIGC training
18 program is currently undergoing a process to revamp,
19 revise, and update all of our training offerings.

20 NIGC is committed to craft trainings that
21 are carefully targeted to meet the evolving needs of our
22 regulatory partners and address high priority matters
23 critical to safeguarding the Indian gaming industry. In
24 this manner, the NIGC training program is in the process
25 of revising its instructor-led training courses to provide

1 more interactive and hands-on approaches. As with the
2 commitment to the value we put on training, we have
3 recently brought in additional staff to help develop our
4 training platform and to assist with incorporating new
5 methods of training. Additionally, we will utilize more
6 technology in our training offerings. We're working
7 towards offering online on-demand training and
8 additionally for live videoconferencing events.

9 With kick-off of our current training year,
10 the NIGC has included new training classes, including a
11 12-hour comprehensive training for internal audit, a
12 12-hour hands-on workshop for developing Tribal internal
13 control standards and assist with internal controls, a new
14 gamesmanship 2.0 training, and a new IT training relating
15 to the auditing of class II control standards as part of
16 54320. Each training is designed to be interactive and
17 take a hands-on approach. We are in the process of
18 revising our full training catalog to reflect these new
19 training opportunities.

20 In 2016, the NIGC instituted knowledge
21 reviews in certain audit courses. The intent of the
22 knowledge reviews is to review the effectiveness of our
23 training. The testing is performed at two points: first
24 upon completion of a training class to understand whether
25 a student learned; and a second, another test is performed

1 90 days later to see if the student retained the
2 information. For 2017, the NIGC expanded the knowledge
3 reviews for all courses offered by us.

4 So the NIGC -- excuse me. NIGC is
5 interested in learning from you about what our training
6 program can do to meet the needs of your operations, what
7 additional type of training or events would you like to
8 see, what more can training -- can the training program do
9 to help a Tribe stay abreast of emerging trends in Indian
10 gaming, including technological developments such as
11 online and on-demand training, smartphone or tablet apps
12 or other types of technology. Or do you have any other
13 comments or concerns that you would like to share? We
14 look forward to hearing your input and questions.

15 Any questions?

16 CHAIRMAN CHAUDHURI: Okay. Works for us.
17 No shame, no crime in finishing early. I just want to
18 repeat that.

19 Okay. So with no additional questions,
20 thank you so much, Mr. Brewer.

21 We will move on to topic No. 3. This is a
22 little bit more open-ended because we are looking at any
23 and all possible improvements to this process. But our
24 third topic involves management contract regulations and
25 procedures. It's a broad topic, but to clarify it all we

1 have a director of finance, Ms. Yvonne Lee, and she will
2 demystify this for us. She will also field all the tough
3 questions.

4 MS. LEE: My name is Yvonne Lee, and I am
5 the director of finance for the NIGC.

6 One of our primary initiatives at NIGC is to
7 protect against anything that amounts to gamesmanship on
8 the back of Tribes. Gamesmanship is our broad term for
9 any third-party threats to Tribal assets or operations.
10 It includes third-party interference with the Tribe's sole
11 proprietor interest in these gaming operations.

12 Many gamesmanship violations may occur when
13 the third-party vendor or service provider is managing
14 some aspects of the gaming operations without an approved
15 management contract or where a management contractor is
16 operating outside of an approved management contract.
17 Thus, approval of management contracts by NIGC Chair is
18 required by IGRA as a means of protecting the Tribes
19 against gamesmanship. The Chair has a fiduciary
20 responsibility to Tribes to ensure that they remain the
21 primary beneficiary of their gaming operations. The
22 management contract and background process should protect
23 against gamesmanship, but the process should also not
24 stymie the entrepreneurial spirit of Tribes.

25 With this in mind, the Commission is seeking

1 feedback and recommendations on whether changes are needed
2 to the management contract and background investigation
3 regulations. Specifically, we want input that may improve
4 our efficiency in the management contract review process
5 but also continue to protect Tribes' sole proprietary
6 interest in their gaming activities. To provide some
7 context to this Consultation, I'll briefly summarize the
8 current approval process. Then we will open the floor to
9 questions and suggestions.

10 The management contract is any contract,
11 subcontract, or collateral agreement between an Indian
12 Tribe and contractor or between a contractor and
13 subcontractor that provides for the management of all or
14 part of the gaming operation. Detailed requirements for
15 management contract can be found on our website. To
16 commence the review and approval process, submitters must
17 submit a management contract and all relevant documents in
18 accordance with 25 C.F.R. parts 531 and 533 to NIGC.

19 The Chairman must also make a determination
20 that the manager is suitable to manage the gaming
21 operation. The background investigation process is an
22 important component of this submission. Background
23 information must be submitted for all persons and entities
24 that have a financial interest in or management
25 responsibility for the management contract as identified

1 in 25 C.F.R. part 537.

2 Once the contract is submitted to the NIGC,
3 they are processed and reviewed based on the order
4 received. We have distributed three handouts to help you
5 understand our review process. The first handout is the
6 process flow chart. The second and third handouts are the
7 NIGC checklist for management contract review and
8 background investigation. You can also print the
9 checklist from NIGC's website.

10 As you can see on the flow chart which
11 illustrates the process flow of management contract
12 review, once the submission is received it will
13 immediately be distributed to all staff involved to start
14 the review process. We will first send our submission
15 letter to inform the parties if there are any information
16 and/or documents still missing. Then the staff in both
17 the divisional finance and the Office of General Counsel
18 will conduct the review for their respective areas as
19 outlined on the flow chart. During the review process,
20 there will be internal discussions and meetings among the
21 NIGC staff to coordinate the review and monitor the
22 status.

23 After the review is completed, we will send
24 out an issues letter to notify the parties if there are
25 any issues with the management contract. In addition, the

1 NIGC staff will work with the parties to help them
2 understand issues if necessary.

3 Please bear in mind that sometimes it might
4 take a few rounds to resolve all issues. The length of
5 NIGC review is dependent on several factors which can
6 include the number of prior applications received and
7 already in the review queue, the completeness of each
8 submission, the responsiveness of the parties and
9 compliance with the existing laws and regulations, and the
10 complexity of the submission and those subject to
11 background investigation.

12 Once all issues are cleared and the
13 submission is complete with all necessary documents, then
14 the Chair has 180 days to approve or disapprove the
15 management contract. The NIGC Chair may approve a
16 management contract if it meets the standards of
17 parts 531, 533, 535, or 537. If the NIGC Chair learns of
18 any actions or conditions that violate these standards or
19 the management deliberately or substantially failed to
20 follow the terms of the management contract or Tribal
21 gaming ordinance, the Chair may disapprove a submitted
22 contract or void the contract or require nullification of
23 an approved contract. If submitters find the Chair's
24 determination unsatisfactory, they may appeal the
25 decision.

1 If a Tribe wants to amend a term of an
2 existing approved contract or simply extend a regional
3 approved contract pursuant to 25 C.F.R. 535, it must
4 submit an amendment and relevant documents, including a
5 letter from the Tribal chairperson and associated
6 resolution as well as background investigation
7 applications.

8 For new individuals or entities, background
9 investigations are required. Individuals or entities
10 previously found suitable may also need to have their
11 background investigation updated depending on the length
12 of the time since their last background investigation.

13 We would now like to take this time to hear
14 from you. Do you have any questions about the process or
15 regulations or any suggestions as to how the NIGC can
16 approve its efficiency in processing these applications
17 and providing technical assistance? Thank you.

18 CHAIRMAN CHAUDHURI: Thank you, Yvonne.

19 So, again, it's a broad topic. This is an
20 opportunity really to share ideas. Any comments, thoughts
21 regarding management agreement procedures, administrative
22 approach to management agreements?

23 Just by show of hands, how many communities
24 are operating under a management agreement right now?

25 Okay. Well --

1 MR. HOOSAVA: We learned from the very
2 beginning on the first one that don't do them.

3 (Laughter)

4 CHAIRMAN CHAUDHURI: Thank you. I mean, I
5 think frankly Indian Country has more than enough
6 knowledgeable resources to share ideas among Nations
7 without various dos and don'ts regarding management
8 agreements, but we are always interested in learning how
9 we can do our job better. So this is kind of a selfish
10 perspective from us, but we certainly know that each of
11 your Nations have had their own experiences.

12 So with that, again, no crime in finishing
13 early. No shame in finishing early. Since I think we are
14 doing well on time, if anybody wants to take a break, of
15 course any of us can jump out at any time. But is there a
16 consensus about moving forward? Should we move on to
17 topics? Or it's a good time for a break; we are happy to
18 do that as well. Just looking at eyes and nods in the
19 room.

20 Okay. We will just go ahead and move
21 forward. I should mention Frank Olea back there is also
22 an NIGC alum. He has already had a wealth of experience
23 before going to law school, but he was with NIGC as a
24 fellow and brought a lot of his perspective as a Tribal
25 leader to NIGC. Thank you for his past service.

1 So with that, we will move on to the fourth
2 topic. And if we have a lot of discussion, we can take a
3 break afterwards, but we will just keep moving forward.

4 Technical standards for mobile gaming
5 devices. We have our director of the division of
6 technology, Travis Waldo, here to kick us off.

7 MR. WALDO: Good afternoon, everyone. Thank
8 you for being here.

9 Again, my name is Travis Waldo. I'm the
10 director of technology for the National Indian Gaming
11 Commission.

12 The National Indian Gaming Commission is
13 considering draft language to amend 25 C.F.R. 547.18 which
14 would clarify and add new technical standards for wireless
15 gaming systems and communication between mobile gaming
16 communication devices and mobile gaming systems.

17 These new direct regulatory standards
18 provide clear and specific definitions that have not been
19 included in the regulations previously. The new standards
20 also support security and system integrity for mobile
21 gaming operations. The draft language is based on input
22 and collaboration with our Tribal partners. The intent of
23 the new draft regulation is to support the growth and the
24 innovation in mobile gaming systems.

25 Portable handheld gaming devices have been

1 around for many years and are authorized in many state
2 jurisdictions. Handheld gaming devices are electronic
3 devices that allow casino patrons to play anywhere within
4 the casino or within Tribal lands as defined by the Indian
5 Gaming Regulatory Act, such as restaurants, hotels, or
6 other amenities. The draft technical standards for mobile
7 gaming devices will not authorize Internet gaming. These
8 draft technical standards only address handheld mobile
9 devices within Tribal lands.

10 The draft technical standards, which can be
11 found on our website, are proposed standards for Tribal
12 review, comment, and Consultations.

13 Any questions?

14 MR. NANTY: What's the time frame?

15 MR. WALDO: Chairman, what would be our time
16 frame?

17 CHAIRMAN CHAUDHURI: Time frame. Thank you
18 for that question.

19 So right now, again, if folks want to weigh
20 in on whether or not this is even appropriate for a
21 regulatory tweak, we are happy to hear that. Right now we
22 are going to compile our comments at the end of June and
23 figure our next steps.

24 We had some excellent comments at our last
25 Consultation about the pros and cons of moving forward

1 with the regulation on this topic versus potential
2 guidance from NIGC. And the pros and cons kind of break
3 down to the speed at which we are able to issue guidance,
4 the speed at which we are able to amend guidance. We were
5 thankful for those comments. And we are not -- we are not
6 proceeding under a specific time frame to get a regulation
7 passed. If the best path forward is truly guidance rather
8 than regulation, we are open to that. But we are here to
9 listen to Indian Country.

10 That said, I think we've always been pretty
11 assertive in terms of our Consultations. We've committed
12 to doing our best to move forward with deliverables on
13 past Consultations whenever we embark on a new
14 Consultation series. And in short order, I think we are
15 going to be issuing deliverables soon on past
16 Consultations, but we are trying to get as much done this
17 year as possible just because we want to keep moving
18 forward on a positive trajectory. So I don't know if that
19 helps with time frames. But bottom line, no specific one,
20 but we want to get things done.

21 MR. SIMERMEYER: Just this specific topic,
22 not to caution against what the Chairman was saying, I
23 agree with that, but I think that it might be helpful,
24 Travis, if you could give a little bit of feedback in
25 terms of that this is coming from Indian Country, the need

1 for it. But I don't know that it sort of has an emergency
2 situation, correct me if I'm wrong, but maybe from a
3 perspective to folks in terms of Travis's insight as the
4 director of technology is really helpful because one of
5 the challenges of the agency is how responsive do we need
6 to be to change it. So if you can provide that, Travis,
7 that might give some perspective too in terms of timing.

8 MR. WALDO: There's no critical rush on
9 this. This has been around for years. We all know that
10 mobile handheld devices have been out there for years.
11 There's just not been a very clear definition and
12 regulation or technical standards as to, you know, how to
13 implement it, what security standards are best, what
14 practices are best. This is just kind of a response to
15 that when we go out and do trainings. I get a lot of
16 questions regarding mobile devices, you know, and not so
17 much the CardMinders and the handhelds that we see today
18 but kind of where we are going with that. Are iPads and
19 other types of mobile devices that are going to be allowed
20 to -- the intent of that was to kind of maybe give some
21 growth to that side of mobile gaming, but certainly not a
22 rush situation.

23 CHAIRMAN CHAUDHURI: So any additional
24 comments, questions?

25 I do want to thank Travis, you know, and his

1 leadership in flagging this as a potential issue of
2 discussion. Because a lot of communities, as we know, are
3 considering these wireless handheld devices to further
4 their operations. And we have an eye -- as part of our
5 stay ahead of the technology curve initiative, we have an
6 eye towards doing whatever we can to help on the
7 regulatory side of things, help augment the operational
8 innovation that Tribal Nations are undertaking. So we
9 know this is a burgeoning field in Indian Country, and so
10 we want to be as helpful as we can on the regulatory side
11 of things to help provide support while not getting in the
12 way of, you know, healthy economic development activity.

13 So thank you, Travis.

14 Additional comments, questions?

15 Okay. We are moving along pretty quickly.

16 I'm sorry. Yes, Mr. Stevens.

17 MR. STEVENS: I think my only concern --
18 Colorado River Indian Tribes.

19 I think my only concern is if you do a
20 wireless gaming device that goes out, it's really designed
21 for having that go beyond the intended area, right, rather
22 than -- you have a machine out here. If you come over
23 here and you can have it in here -- correct? Am I reading
24 it right, or am I --

25 CHAIRMAN CHAUDHURI: Well, I think we've --

1 I mean, any regulatory tweak would be a matter for the
2 Commission to discuss in light of Consultation comments.
3 But I think our current course has always been to defer or
4 to work with TGRAs as much as possible for Tribal
5 Commissions to determine the gaming space that's
6 regulated. Is that an accurate reflection?

7 MR. STEVENS: That would be my next comment
8 in that situation is giving guidance -- or giving the
9 little flexibility back to NIGC in the areas where we
10 don't want you guys to be at to begin with.

11 MR. WALDO: No. The regulation states at
12 the discretion of the TGRA, our position TGRA, as to where
13 the gaming area actually is, not in our discretion.

14 CHAIRMAN CHAUDHURI: So I don't think any of
15 us can comment on a draft that hasn't been drafted yet,
16 but we have some kind of outline ideas.

17 But I do feel comfortable -- and of course
18 my fellow Commissioners can weigh in as appropriate.
19 Certainly in the spirit of empowerment for Tribal
20 regulatory bodies to make some of those decisions that are
21 appropriate for the needs and realities of their community
22 is something that I would think would definitely inform
23 any regulation that we did on this. So deferring as much
24 as possible to Tribal regulators and supporting our
25 regulatory partners, that's kind of been a hallmark to our

1 approach, and I don't envision that changing. But it's
2 hard to speak to a regulation that isn't --

3 I mean, and I guarantee you this, we can say
4 this, anything that is close to being promulgated or
5 issued is going to go out for comment. It's going to go
6 out for formal input from Indian Country as well. So this
7 is -- this is kind of an initial feeler to see if this
8 is -- you know, the points that Travis raised in his
9 presentation and if this is something that would be
10 helpful. And, again, we haven't even made a decision
11 whether or not a regulatory approach or guidance approach
12 would be the most sensible.

13 So I don't know if that helps, Mr. Stevens.
14 Okay.

15 MR. STEVENS: It does.

16 CHAIRMAN CHAUDHURI: Thank you. Excellent
17 comment.

18 Additional questions or comments before we
19 move on? How are folks doing break wise?

20 Okay. Is there a comment back there?

21 MR. PAGE: Robert Page, Colorado River
22 Indian Tribe.

23 What would be the originating purpose of
24 this?

25 MR. WALDO: Just originally to kind of spur

1 technology growth and get people thinking, you know, about
2 that and to provide some clear definition and regulation
3 that hasn't really existed in the past.

4 MR. PAGE: Hasn't?

5 MR. WALDO: Not really. It's not been
6 clearly laid out for Tribes, you know, that we can do this
7 and this is, you know, best practice to protect that, you
8 know, these are standards for that. It's kind of all over
9 the place and it's not very clearly defined. There's a
10 lot of states that allow stuff like this, there's a lot of
11 regulations out there on it; there's just nothing in our
12 regulations that are very clear. So I get a lot of
13 questions when we do trainings, and that's pretty much
14 what spurred that.

15 MR. PAGE: So it's not in use anywhere?

16 MR. WALDO: Yeah, it's in use in a lot of
17 different places. A lot of state jurisdictions have stuff
18 like this, but I get a lot of questions from Tribal
19 regulatory authorities.

20 CHAIRMAN CHAUDHURI: Thank you for that
21 question.

22 So we are trading back and forth a couple
23 mikes. Did the transcriber get it? Excellent.

24 Any other questions on mobile gaming
25 devices? Okay.

1 We are moving on now to fifth of six topics.
2 If anybody motions for a break, we will definitely take a
3 break, but, again, we can all sneak out as necessary.

4 We will move to No. 5, fees. And I just
5 want to say just before turning it back over to
6 Director Lee that I and I think all of us on the
7 Commission, although I can't speak for anybody else, we
8 are very excited about this very minor but important
9 potential tweak to the way that we set our fees, namely
10 I'm very excited about the timing involved. As a matter
11 of good governance, having our fees process coincide a
12 little bit more with our budget process I think will add
13 to the efficiency and transparency at the agency, and I'm
14 personally excited about this, but I will leave it to
15 Ms. Lee to speak more.

16 Okay. Yvonne, take it away.

17 MS. LEE: The Commission is considering
18 amending the language to 25 C.F.R. part 514. Under the
19 current regulation, the Commission announces the
20 preliminary fee rate on March 1st and the final fee rate
21 three months later on June 1st.

22 The proposed regulation would require the
23 NIGC to set the fee rate only one time per year, to be
24 announced on November 1st. The proposed changes on the
25 fee rate publication date will also apply to the

1 fingerprint processing fee rate. These are the proposed
2 514.2 changes for fee rate, and these are the proposed
3 514.16 changes for fingerprint rate.

4 By setting and announcing the fee rate once
5 a year, the Commission will be able to, 1, improve the
6 efficiency of the fee rate analysis and publication
7 process; 2, coincide the fee rate announcement with the
8 annual release of the gross gaming revenue and the
9 completion of the Commission's budget for the upcoming
10 year; 3, reduce the margin of error for fee calculations
11 as the rate would only be set once within a fiscal year;
12 4, mitigate any confusion that may arise from changing the
13 fee rate twice a year.

14 In addition, a majority of Tribes have
15 fiscal year ending either on September 30th or
16 December 31st. Tribe's submission of audited financial
17 statements are required 120 days after the end of their
18 fiscal years; thus, when we first use these financial
19 statements to set the preliminary fee rates, our analysis
20 is limited to a fractional portion of the financial audit
21 submissions and must be reanalyzed again after additional
22 submissions are received at the end of April. The
23 proposed changes will allow the analysis to take place
24 once a year after the Commission has received all annual
25 audited financial statements. In addition, the fee rate

1 calculation will more accurately reflect the Commission's
2 required operation funding which will become available by
3 September 30th each year.

4 The NIGC seeks comments on the proposed
5 changes to the time period these fee rates are published.

6 CHAIRMAN CHAUDHURI: Thank you, Yvonne.

7 So any comments or questions about this
8 proposed change?

9 MR. SIMERMEYER: I'll just add, as the
10 Chairman said initially about the opportunity that I think
11 a simple change like this might be able to kind of promote
12 transparency, other things that we can do at the
13 Commission through our processes. As you are thinking
14 about this in the coming weeks, months here concerning
15 this one thing that might be helpful, if you have thoughts
16 about -- traditionally there hasn't necessarily been a big
17 shift in the fee rates that we've had and how Tribes
18 perceive that in their planning and their budgeting, their
19 own process. So if that's something that you have
20 thoughts on or about, thoughts, that would be helpful from
21 our perspective, to hear a bit more of that, about how
22 Tribes perceive the current schedule of our fee process.

23 CHAIRMAN CHAUDHURI: Thank you,
24 Commissioner.

25 Looking around the room, we may be able to

1 conclude this Consultation in record time. I don't want
2 to knock on wood. But any other questions, comments on
3 our fees section?

4 Okay. With that, we will move forward with
5 a discussion about draft voluntary, voluntary draft
6 nonbinding, voluntary nonbinding draft, nonbinding
7 voluntary guidance regarding class III minimum internal
8 controls. As we engage in this discussion, I would like
9 to point out that the draft that we have involves
10 nonbinding voluntary guidance.

11 And so with that, all joking aside, this is
12 important. These are important issues, and we understand
13 the difference in situations of the Tribal Nations
14 throughout the United States and the inherent difficulty
15 in approaching, you know, any agency activity, whether
16 it's regulation or guidance, in a way that recognizes the
17 fundamental differences between Nations. And so we
18 recognize that what works for one Nation in Arizona may
19 not work for another Nation in Oklahoma, may not work for
20 another Nation in California.

21 But with that reality in mind, we do seek to
22 be as helpful as we can be to help support Tribal efforts
23 to engage in economic development through gaming in a way
24 that is consistent with Tribal law, consistent with
25 federal law, and that's the spirit in which we have

1 approached this nonbinding voluntary class III guidance.

2 And with that, we are pleased to have
3 Ms. Heather Corson here from the Office of General
4 Counsel, here to give us more details. So, Ms. Corson.

5 MS. CORSON: Hi, guys. I'm Heather Corson.
6 I'm a member of the Crow Tribe. I'm also associate
7 general counsel with the NIGC. I've been with the agency
8 for almost exactly five years and before then practiced
9 with Tribes in Montana, where I'm from.

10 So in 2015-2016, the Commission engaged in
11 Consultation. As a result of that, they decided to issue
12 nonbinding class III MICS status. We have prepared a
13 draft of that guidance and are asking for your feedback
14 before we finalize and publish it.

15 Although guidance document does not require
16 formal notice and comment process, the Commission
17 recognizes the value of Tribal and industry input and
18 intends to thoroughly consider all comments we receive
19 from you. The draft 64-page guidance document is
20 available for review on our website. The NIGC is
21 fortunate to have many Tribal gaming subject matter
22 experts working for the agency who are well versed in
23 gaming operational procedures and risk associated with
24 them, and they have been working diligently to develop
25 this draft.

1 You'll notice the draft follows the
2 formatting style with its current class II MICS that are
3 25 C.F.R. part 543. We hope this assists Tribes with MICS
4 class II and class III facilities to develop a
5 comprehensive set of controls while still enabling Tribes
6 themselves to establish standards that best fit their
7 needs. Exclusively class III areas such as gaming
8 machines and table games have been updated after extensive
9 review of other jurisdictions incorporating Tribal,
10 regulatory, and current industry standards.

11 Additionally, those controls in the class II
12 MICS, which again are part 543 of the C.F.R., those
13 controls that require Tribal regulator analysis approval,
14 such as variances and supervision controls, are carried
15 over into the class III guidance.

16 We would also like to consult with you on
17 proposed decision to suspend the existing 25 C.F.R.
18 part 542 regulations. Suspension of the regulations
19 leaves the existing text in the Code of Federal Regulation
20 but adds a note that they are not enforceable and refers
21 the reader to the guidance document. We believe this
22 solution accomplishes the goals of keeping the language
23 accessible for those Tribes that need it.

24 We are ready for your comments or questions.
25 Any?

1 MR. STEVENS: Granthum Stevens, Colorado
2 River Indian Tribes.

3 When would you look at that suspension for
4 542? I mean, what's your guys's time frame on looking at
5 it? If you were to suspend it as a Commission, I mean,
6 are you looking at it this year?

7 CHAIRMAN CHAUDHURI: That's an excellent
8 question.

9 I mean, we are going to reserve comment on
10 actual timelines until we receive our comments. And so at
11 the end of June, we will look at anything that's submitted
12 and then propose next steps forward. But I think we are
13 talking about, you know, kind of parallel action, sort of
14 issuing the guidance as well as suspension with a signal
15 within the Federal Register as to where we will keep the
16 guidance. So it would be whenever we issue the guidance.

17 MR. STEVENS: Okay. Because I know the
18 Consultation was in 2015 when it was brought up, when we
19 were -- when you guys first proposed suspending 542 during
20 that time frame. And I think in 2015 it was also voiced
21 that there was a lot of compacts that depended on the
22 wording of 542 during that time frame. So one of the
23 comments that I have made was instead of saying what was
24 that review going to be when that -- how many compacts
25 were actually going to be affected if we suspend 542, and

1 it was said that you guys didn't look at that aspect
2 during that time frame or when you considered it.

3 Now we are two years out from there. And
4 has that been looked at, or are we still just looking at
5 it broader picture, saying if it affects you it affects
6 you?

7 CHAIRMAN CHAUDHURI: Okay. Excellent
8 question.

9 So I don't know if Heather or anybody on
10 chief of staff's side wants to weigh in on this. But as
11 far as actual numbers of affected, kind of depends what we
12 mean by affected. So depending on the state, some
13 compacts reference 542. And ones that reference 542, the
14 idea would -- has always been that the guidance would help
15 provide that background information. It really depends on
16 the language of the compact at hand the extent to which
17 anything will be affected. It's our hope to move forward
18 with some guidance that's still consistent with our
19 authority under the Colorado River Indian Tribe decision.

20 And so whether or not we suspend, the Court
21 made it pretty clear that we didn't have authority to
22 promulgate it, those class III MICS, in the first place.
23 That's why kind of the middle ground forward, you know.
24 It has been presented by Indian Country as nonbinding
25 voluntary guidance.

1 So I don't mean to dance around any
2 question. As to the number of Nations affected, it
3 depends on which compact we are talking about. And
4 Arizona's language is very different than the California
5 compact.

6 MR. STEVENS: Well, Oklahoma, I'm pretty
7 sure if it had to change on the model compact, it clearly
8 states that for class III you have to follow the 542.
9 It's clearly written --

10 CHAIRMAN CHAUDHURI: I don't know if you
11 want to weigh in.

12 MR. STEVENS: -- in that model compact.

13 MS. CORSON: Yeah, you are correct. I don't
14 know the number of Tribes that are affected. I don't know
15 if Steve does either.

16 But when the Commission -- the Commission
17 did the 2015-2016 Consultations, they had several ideas of
18 how to deal with these MICS. And one of them was
19 suspension, but one of them was complete withdrawing and
20 removing from the books. I think this was their best
21 solution that they could come up with, that acknowledge
22 that they are not able to promulgate them, but develop as
23 guidance to update those that are out there because they
24 are really out of date. If Tribes want to use that
25 guidance they can, but also still keep the -- the

1 suspension will say they are suspended in regulation, but
2 they'd still be there so the compacts that reference them
3 still have a touchstone to reference. So I think this was
4 ultimately the -- seemed like the best middle ground.

5 CHAIRMAN CHAUDHURI: Mr. Stevens, do you
6 want -- I mean, we came all the way to Arizona. We want
7 to be as thorough as we can. So if you have followup
8 questions, please. Of course, you can always submit them
9 in writing, but we are all ears.

10 MR. STEVENS: Like I said, one of my
11 questions was, one, I just want to see the trooper behind
12 it, although I can see the fuller picture. And having
13 those questions brought up throughout the country, I can
14 see where you guys's position is to look at the whole pie
15 versus just a slice of it. So I understand that part.

16 But if these are nonbinding and you
17 voluntarily get into this, I do not see why on section --
18 when it's auditing, section 13(d)(2), the Tribe must
19 submit two copies of the (indiscernible reading) to the
20 Commission within 120 days. So I know that 271 makes that
21 requirement under 25 C.F.R. 271.

22 So, I mean, if these are nonbinding and just
23 pure guidance, how do we -- how do you apply this into an
24 area to where it's going to be a mandated situation? So,
25 I mean, we are going to add two laws on top of one?

1 CHAIRMAN CHAUDHURI: And excellent question.
2 I mean, what we are dealing with -- and,
3 frankly, the approach that we are taking came down to some
4 of those Consultations, and appreciate yours and CRIT's
5 previous input on these topics because that helped us try
6 to strike the appropriate tone in this approach. So we're
7 not creating two new laws; we are not trying to create any
8 new law. We are trying to provide updated guidance that's
9 actually helpful to the communities whose compacts
10 reference 542 while at the same time avoiding getting sued
11 again.

12 MS. CORSON: Can I add?

13 CHAIRMAN CHAUDHURI: I don't mean to joke
14 about it. But the CRIT decision was very, very helpful in
15 terms of highlighting the meets and bounds of IGRA when it
16 comes to class III. And we do see an overall role for the
17 agency to provide clarity and guidance in Indian gaming
18 while at the same time we are committed more than ever to
19 stay in our lane as much as possible. So that's why --
20 that's why we are trying to approach this as nonbinding,
21 voluntary guidance.

22 MS. CORSON: I just want to add that part of
23 the reason for developing the 64-page guidance was to have
24 feedback, to have that level of feedback. So we wanted
25 your thoughts on the suspension and the Commission's

1 decision or proposal to suspend, but also sort of feedback
2 that you are going into that's kind of really looking at
3 the document itself. So thank you. If you have more of
4 those, that's great. You might have the answer.

5 MR. STEVENS: I'll reserve it.

6 MS. CORSON: Send it in.

7 CHAIRMAN CHAUDHURI: I do want to stress we
8 very much appreciate the perspective that has been brought
9 to bear by you, Mr. Stevens, on many of these issues ó so
10 thank you ó and by so many others in this room as well.
11 So thank you.

12 MS. CASTILLION: Sylvia Castillion. I just
13 wanted to make a note of an observation. There is
14 regulations specific to progressives in slot machines
15 portions, but there is no regulation specific to
16 progressives in Black Jack and Keno and there are
17 progressives within those areas. And it would be helpful
18 to have similar regulation within all gaming areas, all
19 throughout your gaming.

20 MR. CHAUDHURI: That's an excellent --
21 excellent point. I am not sure if that was by design, and
22 you may have just flagged something that we hadn't caught.
23 Thank you. Thank you. Thank you very much. Worth the
24 price of admission right there. Thank you.

25 MR. PAGE: That's why you have these.

1 CHAIRMAN CHAUDHURI: Additional comments,
2 questions? Okay.

3 So with that, we will -- yes. Yes, sir.

4 MR. NANTY: Not related to any of these.

5 CHAIRMAN CHAUDHURI: Poor Tim. I wish we
6 had one of those odometers that could track your miles
7 today.

8 MR. RUSS: I need all the help I can get.

9 MR. NANTY: Aside from the list that you
10 have for Consultation, I'd like -- I want to thank the
11 Gaming Commission for coming out here and meeting with
12 Tribes. And I know the difficulty you get. And once
13 again, if you reach out to rural Tribes, maybe there will
14 be more Tribes in the room and we can host up there in
15 Payson. I don't think any one of you have been up there.
16 If you are a local Arizona native, then well certainly you
17 know where that is. It's a beautiful, beautiful part of
18 Arizona, spectacular ponderosa pines, beautiful area.

19 What I wanted to address to the Commission
20 is a recommendation to at least take a look at the Bank
21 Secrecy Act. That's been -- as you are aware, the
22 operators are aware, the Tribal regulators are aware that
23 the U.S. department of treasurer has been trying recently
24 and more so putting the heat on Tribes' gaming operation
25 because it is considered a financial institution. Looking

1 at that, FinCEN will not hesitate and does not hesitate
2 and will not apologize for any conclusions or findings
3 they have. And some of these findings are very, very
4 hefty. I've been monitoring that, I subscribe to them,
5 and almost certainly within a month's time there's fines
6 issued.

7 And I think it would benefit the Commission
8 to put together some type of a training process. There
9 are most certainly others out there that do a good job for
10 training on Title 31 that goes into the anti-money
11 laundering. More specifically is the (indiscernible), the
12 recent -- maybe not so much recent, but for an agency
13 that's been added, that has been there. And for Arizona,
14 because we live close to borders and some Tribes have
15 direct highway access to the border where different kinds
16 of cartels are possible -- create possible risk for gaming
17 operations. So I think I would just recommend training
18 and assistance for Title 31 and covering all of it and
19 perhaps even in conjunction with FinCEN or the Department
20 of Treasury.

21 CHAIRMAN CHAUDHURI: Excellent point.
22 Excellent point. So I'm going to throw our training
23 manager on the spot -- or put our training manager on the
24 spot.

25 But that raises a larger issue. You know,

1 we do have an opportunity, and I think a responsibility,
2 to coordinate with other federal partners when we perform
3 our training so that they are up to date, that they are
4 relevant to the needs of the partner, you know, to --
5 relevant to the needs of the communities that we are going
6 into. There are a lot of great examples of how our team
7 has done that in the past.

8 This idea about working more closely with
9 FinCEN, we do work closely with FinCEN on some broader
10 issues. There's an Indian gaming working group that NIGC
11 participates in that involves a number of agencies and
12 there are also regional relationships that our regional
13 offices have.

14 But in terms of training, I don't want to
15 throw Steve under the bus, but I don't know if you have
16 heard that before? And I'm going to turn it over to
17 Steve. That's a great idea.

18 MR. BREWER: Yeah. So we are always
19 reaching out to our partners to partner with them at our
20 regional training conferences. Most recently I think 2014
21 we were doing the Title 31 FinCEN training, bringing in
22 IRS and FinCEN people to give this training. And we
23 suspended it for this year because we brought in a couple
24 of different ones, being active shooter and human
25 trafficking. But we are always looking at bringing them

1 back because that is an issue that we hear quite often is
2 what can you do to help us with Title 31. Because it's
3 not our regulation, we don't really speak on it per se,
4 but we do partner with the authors and bring them out to
5 the training. So, you know, again we have heard this and
6 it's something that we were planning on bringing back into
7 our trainings.

8 CHAIRMAN CHAUDHURI: Thank you for that.

9 I also want to recognize our Vice Chair's
10 leadership on human trafficking issues. Again, this is an
11 example of an area that's not directly under our duties on
12 the enforcement side of things but falls squarely in line
13 with our -- the opportunities that are available for us to
14 facilitate dialogue among other partners, whether they're
15 federal partners or Tribal partners, and very much wanted
16 to thank our Vice Chair for spearheading our attention and
17 focus on human trafficking issues that did involve
18 bringing in folks from DOJ and various offices to support
19 our discussions with Indian Country. Thank you.

20 MS. ISOM-CLAUSE: I don't want to jump in
21 while you are still on this topic, but we can come back to
22 human trafficking later if folks in the room here are
23 interested in talking about that or want some comments.
24 We certainly don't want one issue to displace another. We
25 can work with Steve and work with your needs on what

1 actually is needed each year. So let's not think of it as
2 one or the other but just all the things that might be
3 helpful. Please give us kind of feedback what we should
4 be including. So thank you.

5 MR. NANTY: Thank you. I know that from a
6 financial institute, especially a bank will take a look at
7 it. And each major financial institution, whether it's
8 wherever you bank has a compliance department, and those
9 quite often request information on Bank Secrecy or
10 Title 31, in which if there are deficiencies they don't
11 want you as a customer. It's something that's very --
12 that's coming up. If you ask Tribes that have been
13 visited by FinCEN, these issues will come up. And I would
14 think that you would take an interest, being that you do
15 receive our financial audits, and that when you take a
16 look at those financials and how it's structured and can
17 see that there might be some medium risk, some high risk,
18 and some low risk, taking that into consideration there
19 can be some recommendations to Tribes as to how to
20 mitigate those and minimize the impact that perhaps if
21 they are considered by FinCEN can be resolved either
22 sooner or later.

23 And it's not a fun game at all. The thing
24 about it is that when FinCEN comes knocking, all your
25 information is there. Everything that they look at is

1 proprietary, yet on the other hand can -- if you are not
2 following it because of one day or another there were some
3 errors made, that's a significant finding.

4 So I just want to suggest that only because
5 your interests -- in our state in particular, because we
6 have a revenue sharing portion -- you all know, everyone
7 in this room knows IGRA was crafted to benefit the
8 revenues going to the Tribe, exclusively to the Tribe. It
9 has a sole proprietary interest and the only proprietary
10 interest. Now that you have a state of the United States
11 interest in those revenues, it should heighten our
12 alertness to watch to see if there is any kind of either
13 steps that were missed, any kind of miscalculation.

14 I'll just say the department of gaming comes
15 to each -- Arizona department of gaming comes to each
16 gaming facility; it's required by them in the compact to
17 do a quarterly assessment and a quarterly review on the
18 revenues that they have received from the gaming
19 operation. They monitor it. They have altogether 26
20 certified fraud examiners doing this 100 percent of their
21 time. I would think National Indian Gaming Commission
22 would take that kind of interest being this is the revenue
23 and sole economic drive of the Tribe. So I strongly
24 suggest that some type of heightened up, more training be
25 put into the FinCEN or even Title 31.

1 MR. SIMERMEYER: I just want to say thank
2 you for raising that issue. I think there is definitely
3 an important role that we can play in terms of helping
4 with the federal family, developing relationships that we
5 were talking about earlier. But just as you might know or
6 others may not know that there's -- FinCEN has some
7 resources that it often points to in terms of how to
8 interpret those BSA and AML provisions in this culture of
9 compliance, they are calling it. There's some key
10 speeches by their leadership that they laid out, six
11 different principles about how you develop a risk-based
12 compliance program. So those are resources that I'll be
13 sure to apply within our team too and point that out that
14 they should try to encourage people at the front end to
15 reach out to understand how they are interpreting that
16 risk-based compliance, approaching from that respect.

17 CHAIRMAN CHAUDHURI: But we do hear you loud
18 and clear. Chat with Steve a little bit more.

19 You know, this brings up a larger issue, I
20 think. One of the other tadpole initiatives that we
21 touched on earlier that I want to kind of address briefly
22 is addressing gamesmanship on the backs of Tribes. So we
23 talked about our authorities under IGRA when it comes to
24 third-party threats to assets and operations. Well, those
25 authorities are pretty narrowly delineated or set forth in

1 IGRA.

2 But we also recognize, back to your point,
3 the importance of doing whatever we can to safeguard the
4 important avenue for economic development, the important
5 lifeblood for actual lives on the ground that is Indian
6 gaming. So we see an important role for us to play in
7 sharing best practices in our trainings and sharing
8 examples of things that we've seen in the field. So we
9 don't want to have blinders on in terms of our trainings
10 being directly flow -- our trainings directly flowing from
11 our compliance authority. We also see a role for us to
12 play in terms of our experience working with other Tribal
13 Nations, working with other regulatory bodies, and sharing
14 some of those experiences in terms of best practices.

15 So even if something is not directly in our
16 lane, I think we are committed across the board to looking
17 at areas of opportunity to work with other agencies or to
18 share best practices in our trainings to further support
19 the overall health of the Indian gaming industry.

20 That's actually a very subtle but important
21 point that I want to make. There are two ways to approach
22 trainings. There's one way where you just look at
23 compliance authority or enforcement authority from IGRA
24 and you train based on that. We are committed to
25 supporting the health of the industry as a whole and to

1 supporting economic development. Pursuant to our statute,
2 that's what we have to do. And so we have to look at
3 things beyond our enforcement authority: things like
4 FinCEN, things like gamesmanship, things like trafficking.
5 Those things are things that affect the industry as a
6 whole, and we are committed to doing whatever we can to
7 stay in our lane on the enforcement side, on the
8 compliance side, but also not have blinders on when it
9 comes to facilitating discussion. And that's a small but
10 important shift that I think we have been making over the
11 last several years, and I'm proud to be part of an agency
12 that is doing that.

13 Get all that, Steve? Steve has been a
14 leader in all of this, so kind of joking with Steve. I'm
15 using his words a lot.

16 MR. BREWER: I think it's a fascinating
17 paradigm shift from where we were to where we are going.
18 Specifically what I'm referring to is it's going from the
19 how come to the how to. And I had this in my script
20 originally, and people were like, no, they don't care
21 about that, that's too training technical.

22 But getting back to the FinCEN point, you
23 know, one of the things that we used to do when we did our
24 ICAs or audits was we did a Title 31 review. We were
25 actually asked to stop by the IRS, saying it's not your

1 regulation, you shouldn't be doing this. But we do have
2 partnerships, and we can put you in contact with points of
3 contact from those agencies that can give you some
4 guidance if that's what you -- if that's what I'm getting
5 that you need.

6 And I firmly hear what you are saying, and I
7 totally agree that it's definitely something we are going
8 to bring back into our trainings, in our RTCs, because our
9 first day general session is really geared towards the
10 overall industry health. So we ask for outside federal
11 partners to come in and give training that touches base on
12 things that maybe, like Jonodev was saying, is not in the
13 enforcement realm but is a big picture type look at Indian
14 gaming, and FinCEN would definitely be one of those.

15 CHAIRMAN CHAUDHURI: Thank you for that
16 point.

17 So that's also a perfect segue. So I think
18 we finished up the management -- sorry, the class III MICS
19 voluntary nonbinding guidance discussion and we have
20 already moved into the kind of catchall area. But if
21 there are additional catchall comments, questions, now is
22 a perfect time to go into that.

23 You know, we'll going once, going twice,
24 call it before we wrap up, so no fear in not getting any
25 comments in. We want everybody to feel ample opportunity

1 to get on the record.

2 All right. So going once. Going twice.
3 Okay. Recognizing there's no crime in finishing early, I
4 want to check with my fellow Commissioners if they have
5 any final comments as well. But before doing that, thank
6 you all so much for taking the time to be here today. I
7 know we all have a lot going on, but Consultation is the
8 lifeblood of what we do, and very appreciative of your
9 engagement today.

10 So I'm going to turn it over to our Vice
11 Chair for any other comments she may have.

12 MR. HOOSAVA: Going once, going twice, three
13 times.

14 MS. ISOM-CLAUDE: I will be very brief, but
15 I just want to thank you all for your really thoughtful
16 comments. At a really granular level we mentioned that
17 the comments we received on the voluntary nonbinding
18 class III MICS is really helpful. Feel free to send us
19 written comments if that's easier. Sometimes the textual
20 stuff is really hard to do out loud. But thank you. Keep
21 the comments coming.

22 MR. SIMERMEYER: I'll just say -- also join
23 in saying thank you for the comments and the time you put
24 in and reiterate that this Consultation series should be
25 an ongoing dialogue. This is where face to face is an

1 important part of that, that opportunity. I think
2 probably in order to make sure that this process has a
3 kind of beginning, a middle, and end to it and that we
4 keep the constant communication. This isn't just this
5 sort of one-time thing that happens. So please keep your
6 comments and thoughts coming so we can make this a
7 collaborative process.

8 CHAIRMAN CHAUDHURI: Thank you so much, and
9 final thanks to the Salt River Pima-Maricopa Indian
10 Community for hosting us. Thank you to all the Arizona
11 Nations for being here as well.

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