



**BUDGET** The United States  
Department of the Interior  
**JUSTIFICATIONS**

and Performance Information  
Fiscal Year 2013

**NATIONAL INDIAN  
GAMING COMMISSION**

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# DEPARTMENT OF THE INTERIOR NATIONAL INDIAN GAMING COMMISSION

## Fiscal Year 2013 Budget Justification

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## **Executive Summary**





## **National Indian Gaming Commission (NIGC)**

### **Executive Summary**

The National Indian Gaming Commission (NIGC or “Commission”) was created by the Indian Gaming Regulatory Act of 1988 (P.L. 100-497). The Indian Gaming Regulatory Act (IGRA) created a mechanism whereby NIGC operations are funded by the fees collected from tribal gaming operations. When the Commission began operations in February 1992, the Indian gaming industry generated revenue of about \$3 billion per year. The Commission itself operated on a budget of \$2.2 million with 33 full-time employees and with oversight responsibilities for approximately 200 gaming operations. As with many emerging industries, Indian gaming experienced consistent growth. Today, there are over 400 Indian gaming operations in 29 states. Revenues over the past few years suggest that the industry has stabilized with the moderate growth largely attributable to the expansion of existing facilities and the opening of new facilities on existing Indian lands.

The governmental entities regulating Indian gaming have grown along with the industry. In addition to the Commission, there are approximately 200 Tribal Gaming Commissions serving as the primary regulators of Indian gaming. Further, each of the 29 states provides regulatory support to implement their respective responsibilities under IGRA and tribal-state compacts. In addition to NIGC, tribal and state regulatory agencies, the Department of the Interior, the Department of Justice, the Federal Bureau of Investigation, the Internal Revenue Service, and the Department of the Treasury all implement and enforce laws that serve to ensure tribes are the primary beneficiaries of Indian gaming. The NIGC coordinates closely with all of these governmental entities to fulfill Congress’ mandates in IGRA.

In May 2006, Congress enacted the Native American Technical Corrections Act of 2006 (P.L. 109-22). This Act authorizes the Commission to collect up to 0.080 percent of the gross gaming revenue but it also links NIGC’s fee collections to the growth, or contraction, of the Indian gaming industry so that the agency’s funding reflects the financial status of the industry. Secondly, the Act identified training and technical assistance as an agency function.

The fiscal year 2013 budget will focus primarily on improving governmental coordination and expanding tribal consultation, providing training and technical assistance to tribal gaming commissions and operations, conducting a regulatory review, examining and assessing the efficiency and effectiveness of the Commission, and enhancing the information technology infrastructure.

### **Vision**

A fundamental principle of this Commission's vision is that we are committed to strengthening government-to-government relations by engaging in meaningful consultation with Tribes to fulfill the intent of IGRA. Our vision is to adhere to the principles of good government, including transparency, to promote agency accountability and fiscal responsibility, to operate consistently to ensure fairness and clarity in the administration of IGRA, and to respect the responsibilities of each sovereign in order to fully promote tribal economic development, self-sufficiency and strong tribal governments.

### **Mission**

To work within the framework created by the Act for the regulation of gaming activities on Indian lands, and thereby fully promoting tribal economic development, self-sufficiency, strong tribal governments, and the integrity of the Indian gaming industry.

### **General Statement**

The Indian Gaming Regulatory Act established, within the Department of the Interior, the National Indian Gaming Commission, and provided it with independent Federal regulatory authority. IGRA was enacted as a means of supporting tribal economic development, self-sufficiency, and strong tribal governments through the creation of a statutory basis for the operation of gaming on Indian lands. It provides a regulatory framework to shield Indian gaming from corruption, to ensure the games are fair and honest, and to ensure that Tribes are the primary beneficiaries of the gaming operation. The Commission was created to address these congressional concerns regarding gaming and to protect such gaming as a means of generating tribal revenue.

The Commission monitors tribal gaming activity, inspects gaming premises, conducts background investigations, audits and reviews financial records of Class II gaming operations (and Class III gaming operations upon request or as provided by applicable law such as tribal gaming ordinances and tribal-state compacts), provides technical assistance and training to tribal gaming commissions and operations, and when appropriate, undertakes enforcement actions.

This is accomplished by:

- Direct regulation of certain aspects of Indian gaming, and coordinating regulation with tribal and other regulatory agencies through the review and approval of tribal gaming ordinances and management agreements;
- Reviewing the backgrounds of individuals and entities to ensure the suitability of those seeking to engage or invest in Indian gaming;
- Maintaining oversight and reviewing the conduct of Indian gaming operations and their financial performance;
- Referring matters to appropriate Federal, tribal and state entities; and
- When necessary, undertaking enforcement actions for violations of IGRA, the Commission's regulations and tribal gaming ordinances, including the imposition of appropriate sanctions on those committing such violations.

As it fulfills these responsibilities, the Commission is particularly vigilant of any indications of corrupting influences, such as those posed by organized criminal elements, known to be attracted to cash-intensive industries such as gaming.

IGRA authorizes the Commission to assess and collect fees on tribal gaming revenues to cover agency operating costs. The NIGC also conducts background investigations, including fingerprinting, of individuals and entities with a financial interest in, or management responsibility for, potential management contracts. These investigations are conducted to determine whether the management contracts can be approved. The Commission is reimbursed periodically by the potential contractors for performing these investigative services. The Commission is also reimbursed for fingerprint processing costs.

The Commission, as an agency of the Federal government, maintains a trust relationship with Indian nations. Consistent with Executive Order 13175, signed by President Clinton on November 6, 2000, the Commission is committed to meaningful consultation with tribes prior to making changes to regulations or policies having tribal implications. Additionally, the Commission endeavors to provide tribes with courteous and timely responses to issues as they arise. In all phases of its regulatory performance, the Commission and its staff observe the due process rights of those who come before it. The Commission strives to be responsive to tribes seeking guidance as they enter the Indian gaming industry, monitors trends in tribal government gaming, and reports its findings to Congress and the Administration.

## **The Indian Gaming Regulatory Act (IGRA) of 1988**

In 1987, the Supreme Court affirmed the sovereign authority of tribes to operate and regulate gaming facilities on Indian lands free from state regulation if the state did not prohibit gaming *California v. Cabazon Band of Indians*, 480 U.S. 202 (1987). The following year, Congress enacted the Indian Gaming Regulatory Act. Embodied in IGRA was a compromise between state and tribal interests. The drafters “balance[d] the need for sound enforcement of gaming laws and regulations, with a strong Federal interest in preserving the sovereign rights of tribal governments to regulate activities and enforce laws on Indian lands.” IGRA fully preserved tribal regulatory authority over Class II gaming without state intervention. However, IGRA gave the states a role in determining the scope and extent of tribal gaming by requiring tribal-state compacts for Class III gaming.

IGRA establishes the jurisdictional framework that governs Indian gaming. IGRA establishes three classes of games with a different regulatory scheme for each.

- Class I gaming is defined as traditional and social Indian gaming for minimal prizes. Regulatory authority over Class I gaming is vested exclusively in tribal governments.
- Class II gaming is defined as the game of chance commonly known as bingo (whether or not electronic, computer, or other technological aids are used in connection therewith) and (if played in the same location) pull-tabs, lotto, punchboards, tip jars, instant bingo and other games similar to bingo. Class II gaming also includes non-banked card games. IGRA specifically excludes slot machines or electronic facsimiles of any game of chance from the definition of Class II games. Tribes retain their authority to conduct, license and regulate Class II gaming as long as the state in which the tribe is located permits such gaming for any purpose, and the tribal government adopts a gaming ordinance approved by the Commission. Tribal governments are responsible for regulating Class II gaming, with Commission oversight.
- Class III is defined as all forms of gaming that are neither Class I nor Class II. Games commonly played in casinos, such as slot machines, blackjack, craps, and roulette, fall in the Class III category. Class III gaming is often referred to as full-scale casino-style gaming. As a compromise among tribal, state and Federal interests, IGRA restricts tribal authority to conduct Class III gaming. Before a tribe may lawfully conduct Class III gaming, the following conditions must be met: (1) the facility must be located in a State that permits such gaming for any purpose by any person, organization or entity; (2) the tribe and the state must have negotiated a compact that has been approved by the Secretary of the Interior, or the Secretary must have approved regulatory procedures; and (3) the tribe must have adopted a tribal gaming ordinance that has been approved by the Chairman of the Commission. State and tribal governments are primarily responsible for regulating Class III gaming.

Although Congress clearly intended states to address Class III regulatory issues in tribal-state compacts, IGRA did not make this mandatory, and many states accordingly rely upon continued tribal and Federal oversight by the NIGC to address their regulatory concerns regarding Class III tribal gaming under IGRA. Additionally, IGRA tasks the NIGC with a number of specific regulatory functions to the NIGC, such as: approving tribal ordinances for Class II and Class III gaming; approving management contracts; ensuring tribes and management contractors comply with IGRA and Commission rules and regulations; and implementing regulations. Accordingly, the Commission plays a key role in the oversight and regulation of both Class II and Class III gaming.

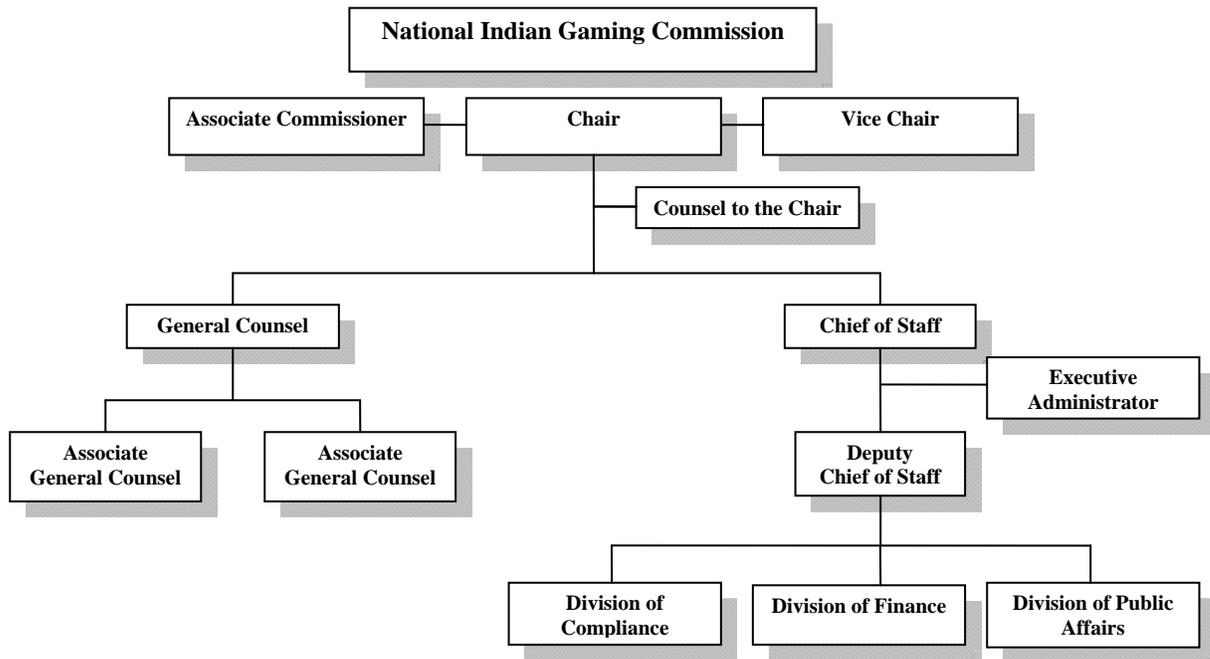
### **The Commission and its Operations**

The Commission is comprised of a Chair and two associate Commissioners, each of whom are appointed to three-year terms. The Commission establishes policy, and is responsible for carrying out the duties assigned to it by IGRA.

The Commission provides Federal oversight to over 400 tribally owned, operated, or licensed gaming establishments operating in 29 states. The Commission maintains its headquarters in Washington, DC, has seven regional offices, and three satellite offices. The Commission is divided into four separate divisions with a combined staff of 100 full-time employees as of 2012. Approximately half of the Commission staff are assigned to headquarters in Washington, DC, with the remaining assigned among its regional offices located in: Portland, OR; Sacramento, CA; Phoenix, AZ; St. Paul, MN; Tulsa, OK; Washington, DC; and Oklahoma City, OK, and among its satellite offices in Rapid City, SD; Temecula, CA; and Flowood, MS.

The Commission established its field structure to increase effectiveness and improve the level and quality of services it provides. The field offices are vital to carrying out the statutory responsibilities of the Commission, providing technical assistance and training, and securing industry compliance with the IGRA. Tribal compliance with the Act has improved as a result of locating auditors and field investigators closer to tribal gaming facilities. In addition to auditing and investigative activities, the field staff provides technical assistance, education, and training to promote a better understanding of gaming controls within the regulated industry, and to enhance cooperation and compliance in order to prevent violations thus ensuring the integrity of the gaming operations.

## Organizational Structure



The Commission's organizational structure is composed of two main branches, the Office of the General Counsel and the Office of the Chief of Staff.

**The Office of the General Counsel** provides legal advice and counsel to the Commission on all matters relating to IGRA and Commission compliance with all applicable laws and regulations. The Office represents the Chairman in all enforcement actions and, as needed, coordinates with the U.S. Department of Justice to implement the Commission's enforcement actions. The Office also plays an important role in handling appeals before the full Commission, and where Commission action results in litigation, the Office works directly with the Department of Justice.

The Office of the General Counsel also manages the day-to-day legal affairs of the Commission, providing counsel and legal support to each division. The Office reviews tribal gaming ordinances and proposed management contracts, provides legal advisory opinions on the appropriate classification of games played in Indian gaming facilities, on Indian land issues, contract issues, and general law questions. The Office also coordinates opinions and other specific matters with the Department of the Interior's Office of the Solicitor, and other Federal agencies as necessary.

**The Office of the Chief of Staff** implements the policies of the Commission and is responsible for the direction, supervision, and evaluation of the work of all Commission employees outside of the Office of the General Counsel. It is divided into three divisions which include: Division of Compliance; Division of Public Affairs; and Division of Finance.

**The Division of Compliance** serves as the Commission’s main tool in monitoring Tribal compliance with all applicable laws and regulations. The Division consists of seven regional offices and three satellite offices.

Regional Office – Portland, OR	
Regional Office – Sacramento, CA	Satellite Office – Temecula, CA
Regional Office – Phoenix, AZ	
Regional Office – St. Paul, MN	Satellite Office – Rapid City, SD
Regional Office – Tulsa, OK	
Regional Office – Washington, DC	Satellite Office – Flowood, MS
Regional Office – Oklahoma City, OK	

Employees from the Division of Compliance routinely visit Indian gaming facilities in their region, evaluating compliance with relevant Federal laws and regulations, providing training and technical assistance, and, where indicated, facilitating the activities of other Federal agencies responsible for implementing the IGRA’s provisions. Education and outreach are among the Division’s best tools in achieving compliance. As such, the Division offers training and technical assistance on a wide range of matters. The Division also plays a critical role in processing background investigations at Indian gaming facilities. IGRA requires tribes to conduct background investigations on key employees and primary management officials, including submission of fingerprint cards to the FBI.

The Division of Compliance also provides both external and internal training. The Division supports the implementation of Public Law 109-221 and assists in attaining the strategic goal of organizational excellence. Externally, the training program, among other responsibilities, provides numerous course offerings related to gaming. The Division works with tribal governments, gaming regulators, law enforcement, and members of the state and Federal agencies to identify needed areas of training.

The Division of Compliance monitors compliance with the Commission’s minimum internal control standards and other regulations specific to the operational workflows of the gaming enterprises. The internal control regulations establish uniform standards for protecting the integrity of Indian gaming. The result of these reviews provides valuable feedback to tribal governments regarding regulatory compliance but, most importantly, how they can better safeguard their investments. The Division is also called upon from time to time to provide support in examining alleged financial irregularities. Based on an analysis of financial filings with the Commission, the Division identifies trends in

an effort to better aid the Commission in the administration of its regulatory responsibilities.

**The Division of Public Affairs** is responsible for planning, coordinating, and managing activities related to both legislative and public affairs, and media relations. This Division works with various media outlets for the purpose of informing the public of the Commission's mission, policies, and activities through press releases, media alerts, newsletters, and guest columns. The Division also monitors legislation affecting the Commission and advises on any necessary policy action. The Division coordinates submission of bills, resolutions, reports, testimony, and other statements on legislation to the Congress.

**The Division of Finance** provides administrative, technical, and support services to the Commission, including its regional and satellite offices. All daily office support functions including personnel management, procurement activities, travel, and information technology are provided by the Division. The Division is also responsible for accounting for fees, network management and internet services, and records management.

The Division of Finance works with all interested parties, including tribal officials, management contractors, attorneys, accountants, and tribal gaming regulatory authorities to ensure that proposed management contracts meet the requirements established by IGRA. The Division conducts required background investigations to ensure the satisfaction of suitability criteria as it relates to management contractors. The Division manages the submission and distribution of results from the processing of fingerprint identification and background investigations through a Memorandum of Understanding (MOU) with the FBI. The Division is also responsible for tracking and reporting annual Indian gaming industry gross revenue.

## **Budget Priorities**

Currently, the industry consists of over 400 Indian gaming operations in 29 states. These operations are owned, operated, or licensed by more than 240 tribal governments. The industry generated \$26.5 billion of gross gaming revenues in 2010 and 2009.

As with any industry, technology continues to evolve, resulting in both greater efficiencies and new challenges. In order to keep pace with changes in technology, financial resources must be directed to training Commission staff and to providing training to tribal gaming operators and regulators to assure their ability to regulate and safeguard their operations.

## **Background**

Prior to 1997, the Commission was legislatively prohibited from collecting fees in excess of \$1.5 million annually. The 1998 Interior Appropriations Act (P.L. 105-83) expanded the fee base to include Class III (casino style) gaming and raised the limitation on annual fee collections to \$8 million. In the 2003, 2004, 2005, and 2006 Interior Appropriations Acts, the Congress enacted a general provision raising this limitation to \$12 million for fiscal years 2004, 2005, 2006, and 2007 respectively. On May 12, 2006, the Native American Technical Corrections Act of 2006 was enacted providing a new basis for determining the fee limitation.

The newly enacted legislation provided a fee limitation that allowed the Commission to maintain a fee collection level in proportion to the size of the industry it oversees. With fees now capped at 0.080% of the industry's gross revenue, the Commission's funding will expand or contract in proportion to the growth or contraction of the Indian gaming industry.

Another change included in Public Law 109-221 was the requirement that the Commission, like other Federal agencies, be subject to the Government Performance and Results Act of 1993 (GPRA), and that any plan instituted in compliance with GPRA include technical assistance to tribal gaming operations. To that end, on January 8, 2009, the NIGC submitted its GPRA Strategic Plan for Fiscal Years 2009 to 2014 to Congress and the Office of Management and Budget (OMB).

## **Annual Fees for Operations**

The Commission assesses annual fees on tribal gaming revenues in accordance with procedures set forth in 25 C.F.R. Part 514. In 2012, the Commission promulgated changes to these regulations that will become effective on October 1, 2012. Per the new regulation, on or before March 1, the Commission will publish a preliminary fee rate. If necessary, changes to the fee rate will be published no later than June 1 of that year. The rate must be sufficient to generate income to fund the annual operation of the Commission, and to maintain a transition balance for the upcoming year's operation.

Each gaming operation must submit quarterly payments for fees assessed by three, six, nine, and twelve months after the end of their fiscal year.

Maintenance of the transition balance is essential to the fiscal integrity of the Commission because the unique statutory provisions governing the Commission's funding subject it to significant cash flow variations. Unlike other Federal agencies, the Commission's authorizing legislation does not provide for full funding at the beginning of each fiscal year. Instead, the Commission receives quarterly payments equal to approximately 1/4 of each gaming operation's projected annual fee assessment. The carryover transition balance is necessary to cover the first and second quarter of operation until the fees are actually received and credited to the operating account. For example, fees collected on or before the December 31, 2012 due date will provide the operational capital for the first three months of calendar year 2013. The Commission attempts to maintain a transition balance to fund the first two quarters of the new year in order to absorb any cash flow variations that may occur.

## **2013 Budget**



**DEPARTMENT OF THE INTERIOR  
NATIONAL INDIAN GAMING COMMISSION**

**Appropriation Summary Statement**

The Indian Gaming Regulatory Act (Public Law 100-497) established, within the Department of the Interior, the National Indian Gaming Commission. The Commission monitors and regulates gaming activities conducted on Indian lands. The Commission fosters the economic development of Indian tribes by ensuring the integrity of Indian gaming and ensuring that the tribes are the primary beneficiaries of their gaming revenues. Operating costs of the Commission are financed through annual assessments of gaming operations regulated by the Commission consistent with provisions of the Native American Technical Corrections Act of 2006 (Public Law 109-221).

## **Summary of the Fiscal Year 2013 Budget**

### **Permanent Appropriation**

The Indian Gaming Regulatory Act, as amended, established the National Indian Gaming Commission to monitor and participate in the regulation of gaming conducted on Indian lands. The NIGC's operational costs are financed through annual assessments of gaming operations regulated by the Commission.

All costs associated with the Commission's operation during fiscal year 2013 will be derived from fees assessed on, and collected from, the regulated Indian gaming industry. The Commission will continue its consultation with the affected tribes and evaluate their input prior to implementing the proposed budget. The revenue to be collected in 2013 will assure funding to address the full-year impact of new hires. The Commission will continue to maintain a carryover balance sufficient to assure that cash flow variations do not impact ongoing operations. Fees are paid quarterly, based on each gaming operation's assessable gross revenue. This system often results in cash flow variations, and therefore a transition balance, derived from prior year funds carried forward to the new fiscal year, is essential for continuity of operations.

With a projected FTE utilization of 103 FTE in 2011 to 115 FTE in 2012 and 107 FTE in 2013, the NIGC is forecasting full-year obligations of \$18 million in fiscal years 2012 and 2013. This will allow the Commission to hire additional local and field personnel to implement its responsibilities under the Act. These funds will also be used to upgrade and improve the NIGC's information management system, and expand technical assistance and training. This forecast includes expenditures for oversight of class III gaming, as provided by applicable law such as tribal gaming ordinance and tribal-state compacts.

### **Reimbursable Expenses**

The NIGC conducts background investigations of individuals and entities with a financial interest in, or management responsibility for, potential management contracts. Pursuant to the 25 U.S.C § 2711(e), these investigations are conducted to determine whether the contracts can be approved. In accordance with § 2711(i), the Commission is reimbursed approximately \$1 million annually from the potential contractors to conduct these background investigations. In addition, the Commission is reimbursed for fingerprint processing costs in the approximate amount of \$1,200,000 annually.

## **Fee Regulation**

The regulations implementing the legislative provisions governing the collection of fees have been revised to allow the Commission to collect the statutory maximum allowed by Congress. The revised regulations are as follows:

### **§514.14 Annual Fees**

- (a) The total amount of all fees imposed during any fiscal year shall not exceed the statutory maximum imposed by Congress. The Commission shall credit pro-rata any fees collected in excess of this amount against amounts otherwise due according to §514.4.

### **Supplementary Information:**

The Commission has changed its regulations to reflect changes in the statutory fee limitation. This regulation has been amended so that the amount of fees imposed by the Commission is directly related to Congressional action. The change allows the Commission to collect up to the statutory maximum and eliminates the need to regularly amend this regulation as Congress raises or lowers the fee level. The change was effective December 31, 2009.

Additionally, the regulation was further amended to allow the collection of fees for fingerprint processing.

### **Authorization:**

Indian Gaming Regulatory Act, Public Law 100-497, as amended.

### **Objectives:**

To regulate and monitor gaming conducted on Indian lands and to protect Indian gaming as a means of generating Indian tribal revenues.

### **Program Activities:**

The Commission's mission is to effectively monitor and participate in the regulation of Indian gaming pursuant to the Indian Gaming Regulatory Act (IGRA) in order to promote the integrity of the Indian gaming industry. To affect these goals, the Commission is authorized to conduct investigations, undertake enforcement actions including the issuance of notices of violation, assessment of civil fines, issuance of closure orders, approve management contracts, and issue such regulations as necessary to meet its responsibilities under the Act.

The Act grants broad authority to the Commission and provides authority to the Chairman to:

- issue temporary closure orders
- levy civil fines, of up to \$25,000 per violation per day, against a tribe, management contractor, or individual operator for violation of the Act, the regulations or a tribal gaming ordinance
- approve tribal gaming ordinances
- approve gaming management contracts
- appoint and supervise staff

The Commission as a whole is empowered to:

- monitor gaming activities
- inspect gaming premises
- conduct background investigations
- inspect records relating to gaming
- approve the annual budget
- adopt regulations for the assessment and collection of civil fines
- adopt a schedule of annual fees
- issue permanent closure orders
- adopt regulations as deemed appropriate to implement the provisions of IGRA

Together the Commission serves as an appellate body. Aggrieved parties may appeal decisions of the Chairman to the full Commission.

In carrying out these responsibilities, the Commission also:

- provides education, training and technical assistance regarding applicable regulatory requirements
- assists tribes with background investigations and fingerprint processing
- receives and processes appeals
- conducts formal and informal hearings
- consults with Indian tribes, states and the regulated community
- defends against lawsuits challenging the Commission's actions
- issues advice and guidance through bulletins, advisory opinions and other publications
- provides audits and other evaluative services

**DEPARTMENT OF THE INTERIOR**  
**NATIONAL INDIAN GAMING COMMISSION**  
**Special Fund Receipt/Expenditure Account**  
**Gaming Activity Fees**  
**(in millions of dollars)**

Identification code 14-5141-0-2-806	2011	2012	2013
	Actual	Estimate	Estimate
01.99 Balance, start of year.....	-	-	-
Receipts: Actual for 2009 and Estimated 2010 and 2011			
02.00 NIGC, Gaming activity fees.....	17	17	18
04.00 Total: Balances and Collections.....	17	17	18
Appropriations:			
National Indian Gaming Commission			
05.00 NIGC, Gaming activity fees.....	-17	-17	-18
07.99 Balance, end of year.....	-	-	-
<b>Program and Financing (in millions of dollars)</b>			
<b>Obligations by program activity:</b>			
00.01 Direct Program Activity	16	18	18
<b>Budgetary Resources:</b>			
Unobligated balance:			
10.00 Unobligated balance brought forward,			
Oct 1.....	4	5	4
Budget Authority			
Appropriations mandatory:			
12.01 Appropriation (special or trust fund):.....	17	17	18
12.60 Appropriations, mandatory (total).....	17	17	18
19.30 Total budgetary resources available.....	21	22	22
Memorandum (non-add) entries:			
19.41 Unexpired unobligated balance, end of year.....	5	4	4
<b>Change in obligated balance:</b>			
Obligated balance, start of year (net):			
30.00 Unpaid obligations, brought forward, Oct (gross)...	1	1	1
30.30 Obligations incurred, unexpired accounts.....	16	18	18
30.40 Outlays (gross).....	-16	-18	-18
Obligated balance, end of year (net):			
30.90 Unpaid obligations, end of year (gross).....	1	1	1
31.00 Obligated balance, end of year (net).....	1	1	1
<b>Budget authority and outlays, net:</b>			
Mandatory:			
40.90 Budget authority, gross.....	17	17	18
Outlays, gross:			
41.00 Outlays from new mandatory authority.....	15	15	16
41.01 Outlays from mandatory balances.....	1	3	2
41.10 Outlays, gross (total).....	16	18	18

**DEPARTMENT OF THE INTERIOR  
NATIONAL INDIAN GAMING COMMISSION  
Special Fund Receipt/Expenditure Account  
Gaming Activity Fees**

**Object Classification (in millions of dollars)**

Identification code 14-5141-0-2-806	2011	2012	2013
	Actual	Estimate	Estimate
<b>Direct obligations</b>			
11.10 Personnel compensation: Full-time permanent.....	11	11	11
12.10 Civilian personnel benefits.....	3	3	3
21.00 Travel and transportation of persons.....	1	1	1
23.10 Rental payments to GSA.....	---	1	1
25.20 Other Services.....	---	1	1
99.00 Subtotal, direct obligations.....	15	17	17
99.50 Below reporting threshold.....	1	1	1
99.90 Total new obligations.....	16	18	18
<b>Employment Summary</b>			
10.01 Full-time equivalent employment .....	112	123	123

**DEPARTMENT OF THE INTERIOR**  
**NATIONAL INDIAN GAMING COMMISSION**  
**Salaries and Expenses**  
**Reimbursable Activity**  
**(in millions of dollars)**  
**Program and Financing**

Identification code 14-0118-0-2-806		2011	2012	2013
		Actual	Estimate	Estimate
<b>Obligations by program activity:</b>				
08.01	Reimbursable Program Activity	3	3	3
09.00	Total new obligations.....	3	3	3
<b>Budgetary resources:</b>				
Unobligated balance:				
10.00	Unobligated balance brought forward, Oct 1.....	3	2	2
Budget authority:				
Spending authority from offsetting collections, discretionary				
17.00	Collected.....	2	3	3
17.50	Spending authority from offsetting collections, disc (total)..	2	3	3
19.30	Total budgetary resources available.....	5	5	5
Memorandum (non-add) entries:				
19.41	Unexpired unobligated balance, end of year.....	2	2	2
<b>Change in obligated balance:.....</b>				
30.30	Obligations incurred, unexpired accounts.....	3	3	3
30.40	Outlays (gross).....	-3	-3	-3
<b>Budget authority and outlays, net:</b>				
Discretionary				
40.00	Budget authority, gross.....	2	3	3
Outlays, gross:				
40.10	Outlays from new discretionary authority.....	2	3	3
40.11	Outlays from discretionary balances.....	1	---	---
40.20	Outlays, gross (total).....	3	3	3
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
40.33	Non-federal sources.....	-2	-3	-3
41.90	Outlays, net (total).....	1	---	---

**DEPARTMENT OF THE INTERIOR  
 NATIONAL INDIAN GAMING COMMISSION  
 Salaries and Expenses  
 Reimbursable Activity**

**Object Classification (in millions of dollars)**

Identification code 14-0118-0-4-806	2011	2012	2013
	Actual	Estimate	Estimate
Reimbursable obligations			
99.00 Other services from non-Federal sources.....	3	3	3

**DEPARTMENT OF THE INTERIOR  
NATIONAL INDIAN GAMING COMMISSION  
EMPLOYEE FTE COUNT BY GRADE OR GRADE EQUIVALENT**

	<b>2011 Actual</b>	<b>2012 Estimate</b>	<b>2013 Estimate</b>
EX-IV	1	1	1
EX-V	1	2	2
ES-4	1	1	1
ES-3	1	1	1
ES-1	0	0	0
GS-15	13	13	14
GS-14	13	15	19
GS-13	33	36	32
GS-12	20	24	18
GS-11	3	4	1
GS-10	3	4	3
GS-09	4	4	5
GS-08	0	0	0
GS-07	0	0	0
GS-06	9	9	10
GS-05	1	1	0
<b>Total FTE</b>	<b>103</b>	<b>115</b>	<b>107</b>

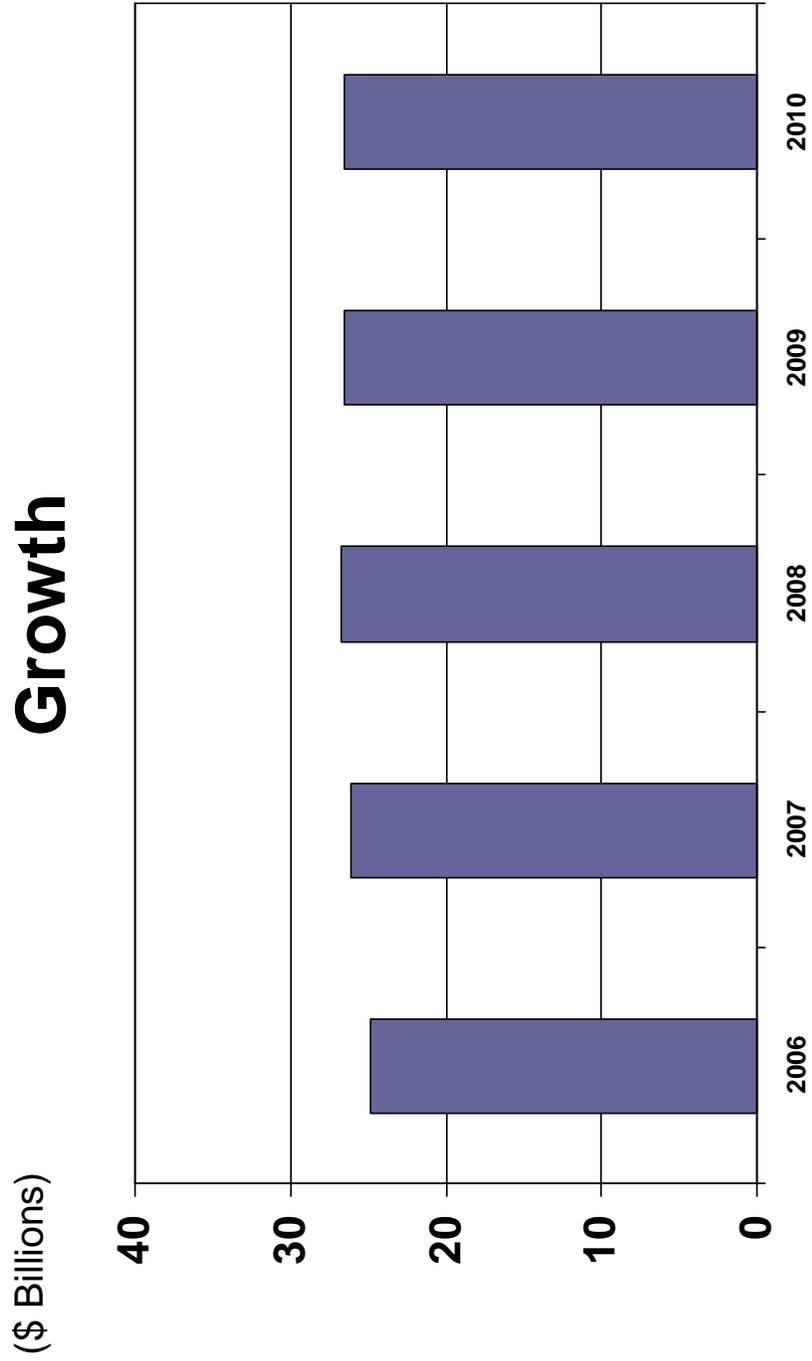
In accordance with the Act, appointments are made without regard to the provisions of Title 5, U.S. Code governing appointments in the competitive services



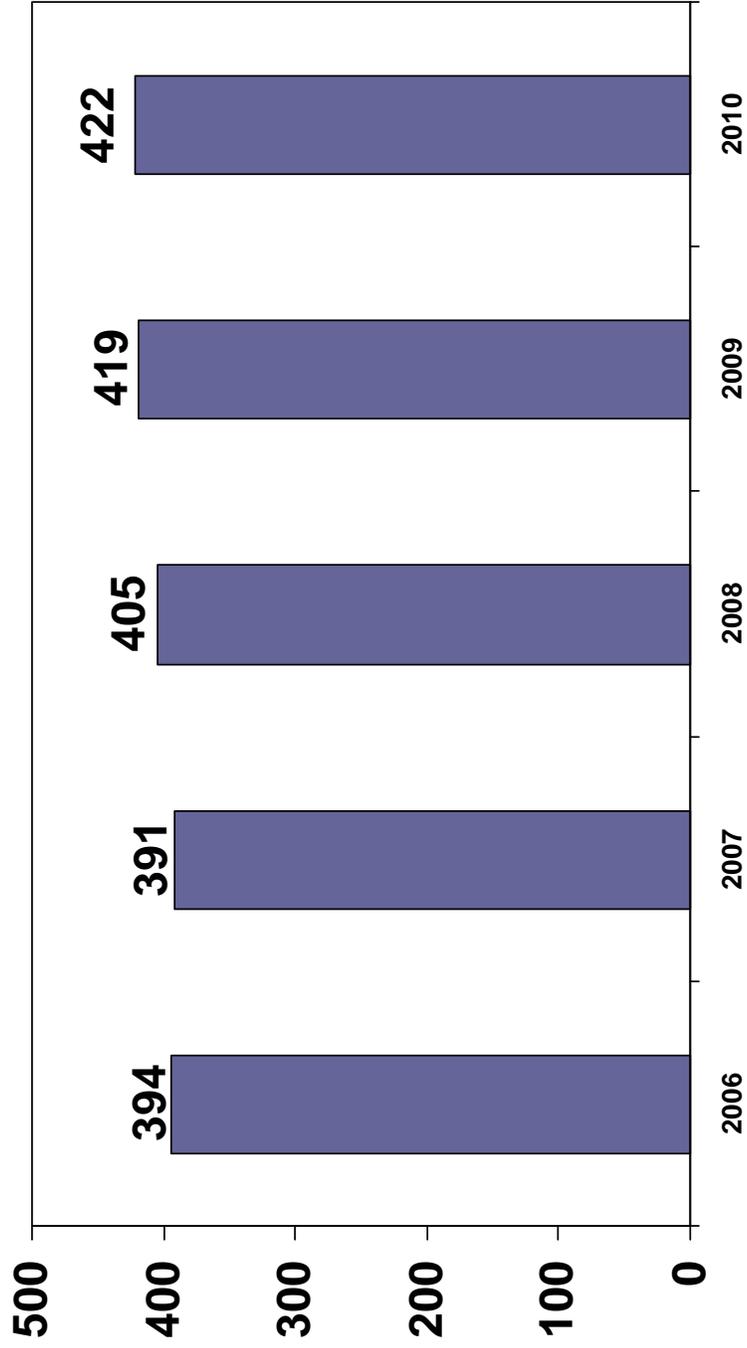
# Graphs



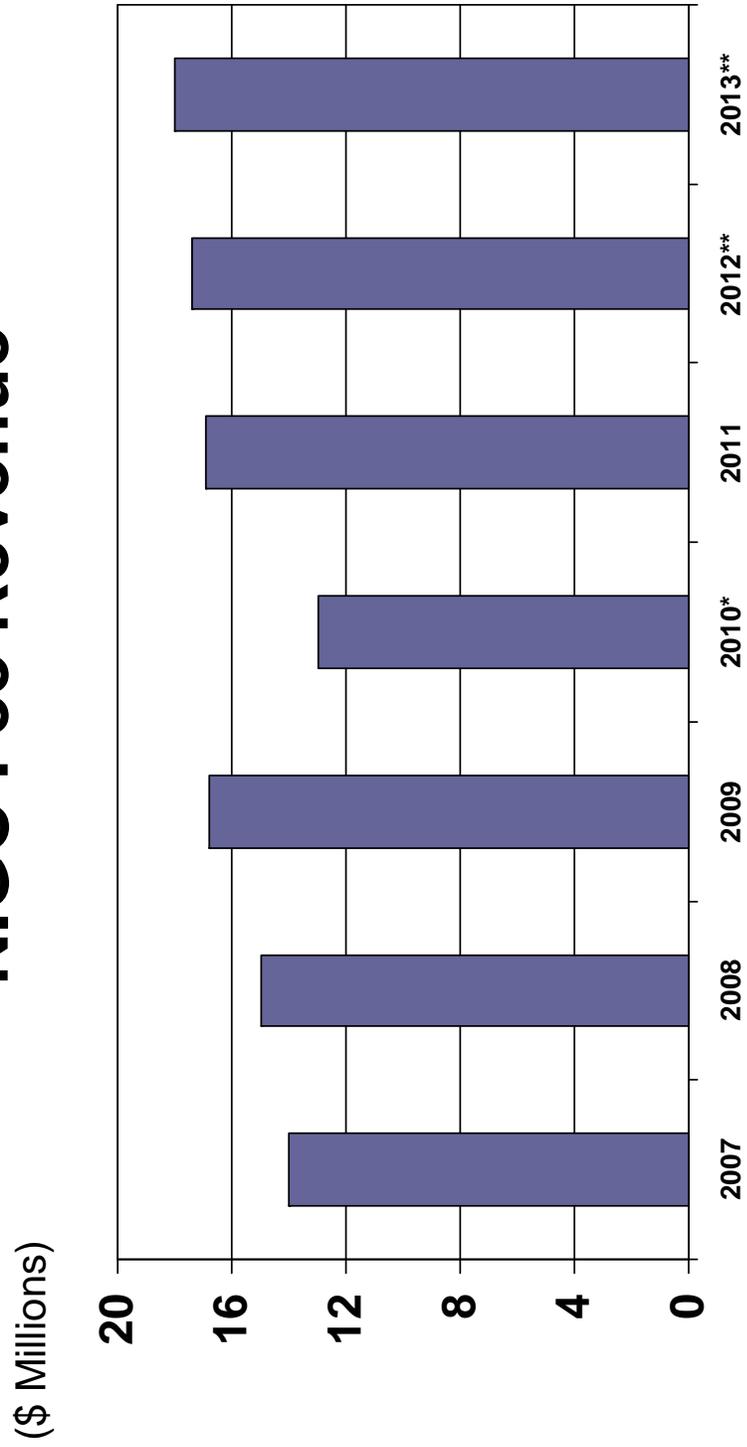
# Indian Gaming Industry Growth



# Growth in Indian Gaming Operations



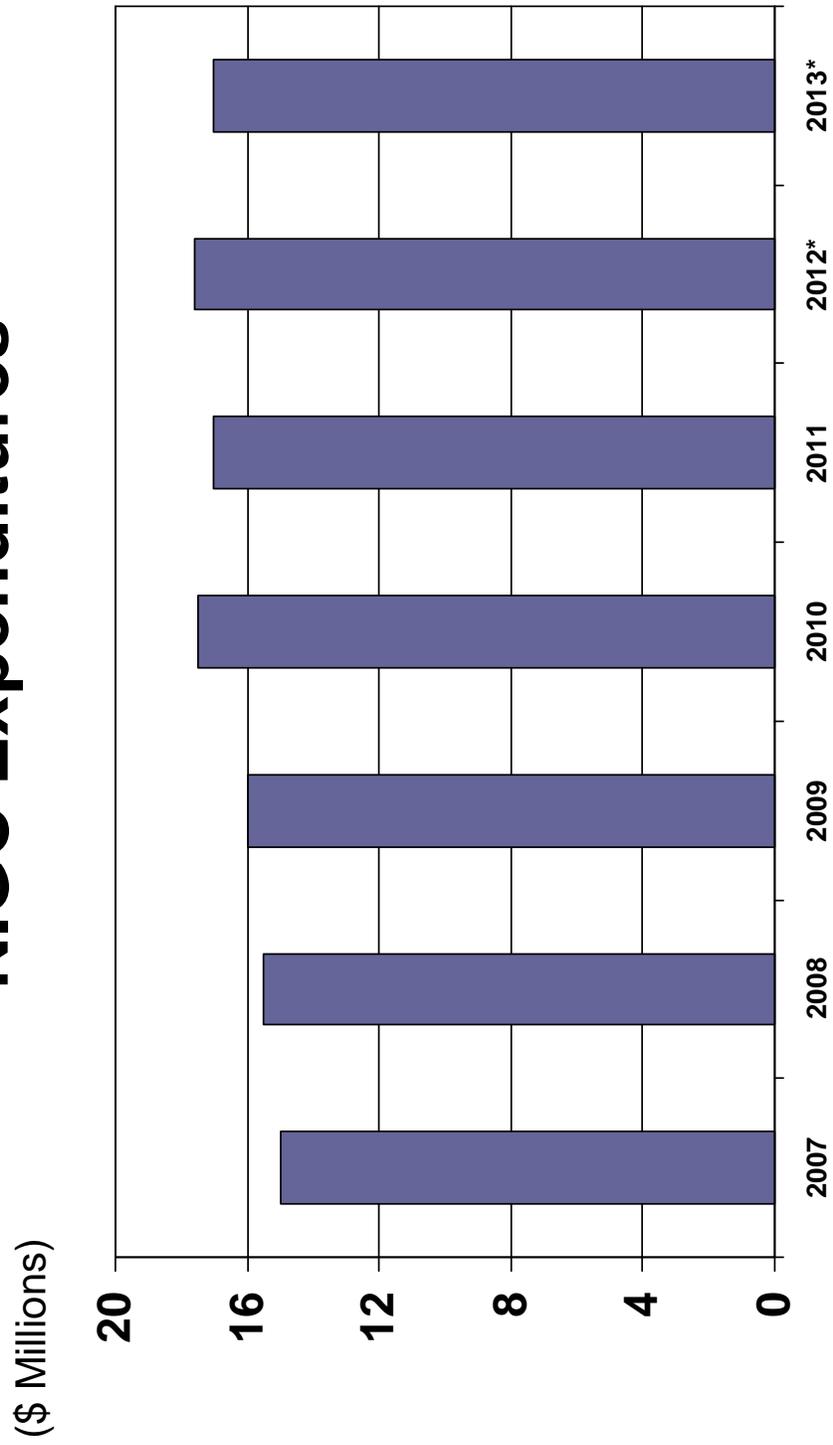
# NIGC Fee Revenue



\* Fiscal Year 2010 included only  $\frac{3}{4}$  of a year's payments

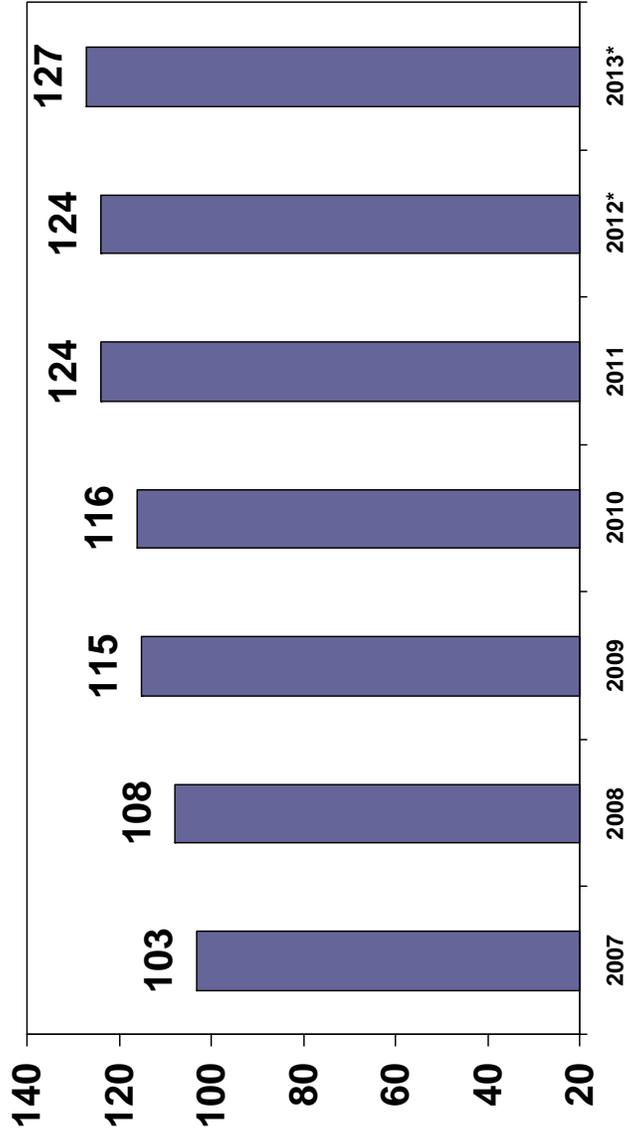
\*\* Forecast

# NIGC Expenditures



\* Forecast

# Staffing Levels (Number of Positions)



\* Forecast



## **GPRC Information**



## **Government Performance and Results Act Information**

In 2006, Congress amended the Indian Gaming Regulatory Act, 25 U.S.C. §§ 2701 – 2721, Pub. L. 100-497, and for the first time made the National Indian Gaming Commission subject to the Government Performance and Results Act of 1993 (GPRA), Pub. L. 103-62. That obligation is set out at 25 U.S.C. § 2706(d)(1), which states: “In carrying out any action under this chapter, the Commission shall be subject to the Government Performance and Results Act of 1993.”

On September 30, 2007, the Commission filed its first GPRA performance and accountability report with the Office of Management and Budget (OMB). One year later, on September 18, 2008, the Commission released a draft five-year strategic plan for review and comment, and it published the final five-year strategic plan on January 8, 2009.

GPRA requires that an agency’s “strategic plan shall be updated and revised at least every three years.” 5 U.S.C. § 306(b). Consistent with this obligation and the Commission’s vision of adhering to principles of good government including transparency to promote agency accountability and fiscal responsibility, the Commission is in the process of reviewing, revising, updating, and improving its strategic plan.

## Summary and Highlights of Commission Activities

During FY 2011, the Commission's four primary initiatives consisted of consulting and building relationships with tribal governments, providing technical assistance and training, continuing its regulatory review, and reviewing its internal operations. As such, during the past fiscal year, the Commission accomplished the following goals and tasks.

- The Commission implemented its Assistance, Compliance, and Enforcement (“ACE”) initiative, which emphasizes working with tribal, states, and Federal regulators to ensure effective coordination in the regulation of Indian gaming, working with tribes to ensure compliance with IGRA, and when necessary, taking enforcement action for violations of IGRA.
- The Commission conducted numerous tribal consultations as part of its regulatory review. The Commission established a regulatory review agenda and is in the process of updating its regulations to maintain the integrity of Indian gaming.
- The NIGC increased the amount of training offered to gaming tribes throughout the United States. The topics of the courses offered were in direct response to tribal requests for specific training. During FY 2011, the NIGC conducted approximately 80 training events comprising of approximately 632.5 training hours, and attended by approximately 2,031 training participants.
- The Commission conducted a survey of tribes regarding its training and technical assistance efforts. In the survey, tribes identified several issues, including: (i) barriers to participation, such as cost and distance; (ii) the need for advanced, practical, and refresher courses; (iii) a shift away from certain areas and into audit and IT topics; and (iv) the need for the NIGC to make increased use of available technology to offer training. As a result, the Commission began the process of better targeting its training activities and agency resources by identifying partnerships, improving offerings, and reducing the burden on limited resources.
- During FY 2010, the NIGC established and implemented a program to perform abbreviated audits to approximately 15 California tribes conducting class III gaming to assess compliance with NIGC Minimum Internal Control Standards (MICS). During FY 2011, the NIGC conducted nine abbreviated class III MICS audits and two comprehensive MICS audit.
- Commission auditors also performed MICS audits specific to class II gaming operations. The audit findings were included in reports delivered to the audited tribes, and Commission auditors thereafter provided technical assistance to the tribes in identifying and implementing remedial action.

- The NIGC Chairwoman approved: 2 management contracts; 4 amendment(s) to an approved management contract; and 5 modifications to the List of Individuals and Entities with a direct or indirect financial interest in, or management responsibility for contracts with 9 Tribes involving 19 individuals. The Commission also conducted financial background investigations on certain persons and entities associated with the management contractors.
- The Commission has worked with other Federal agencies participating in the Indian Gaming Working Group to develop a Declaration of Intent that will assist to facilitate information sharing and training among the member agencies, and to continue to provide a network of resources to share ideas and assist with problem solving on various aspects of Indian gaming.
- The Commission processed approximately 67,747 fingerprint cards for tribal gaming commissions.
- Finally, the Commission drafted (or revised) and adopted internal agency policies related to the following subjects: (i) prevention and elimination of harassing conduct in the workplace; (ii) progressive discipline and suggested table of penalties; (iii) alternative dispute resolution; (iv) administrative grievance procedures; (v) telework; (vi) alternative work schedules; and (vii) a dress code.

**Continuing with its four primary initiatives, during FY 2012, the Commission is working on the following goals and tasks:**

- The Commission continues to implement ACE to facilitate compliance throughout all regions, and continues to build upon relationships with tribal, Federal, and state regulatory and/or law enforcement agencies.
- The Commission continues to review and update its regulations to maintain the integrity of Indian gaming. The Commission will continue to consult with tribes as part of its regulatory review.
- During FY 2011, the Agency began the process of conducting a reorganization of the Commission to better utilize existing resources and promote efficiency. The Commission continues to implement its reorganization to ensure effective approaches to carry out its obligations under IGRA.
- The Commission continues to work on drafting (or revising) and adopting additional internal agency policies related to the following subjects: (i) awards and employee recognition program; (ii) standards of ethical conduct; (iii) performance appraisal system; (iv) internal training program; (v) temporary duty travel; and (vi) premium pay.
- Using the results from its FY 2011 survey, the Commission continues to work on better targeting its training activities and agency resources by identifying partnerships, improving offerings, and reducing the burden on limited resources. The Commission continues to provide training to tribes within all seven NIGC regions.

- The Commission continues to work with the other member agencies of the Indian Gaming Working Group and anticipates that the Declaration of Intent will be finalized during FY2012.
- During FY 2012, the Commission continues to work on its everyday tasks, including:
  - performing MICS audits specific to class II gaming operations.
  - responding to requests from tribal gaming operators and regulators for IGRA and gaming related training.
  - working with tribes on the Tribal Access Portal (TAP), a database that enables tribal gaming regulators who are engaged in issuing gaming licenses to check whether a license applicant has a licensing history with any other gaming tribe. Along with information provided by the NIGC/FBI fingerprint submission service, the TAP system assists tribes to complete their own comprehensive background investigation of prospective license applicants.
  - updating its database with accumulated financial data from the gaming operations' audited financial statements and AUP report filings.
  - performing internal audits of NIGC departments to increase the Commission's efficiency, effectiveness, and compliance with Federal regulations.
  - reviewing management contracts and amendments to management contracts processing fingerprint cards for tribal gaming employees as they are submitted by the tribal gaming commissions.

**As part of its program objectives for fiscal year 2013, the Commission plans to:**

- Re-implement the submission of fees and worksheets on a quarterly basis, pursuant to the regulatory changes to 25 C.F.R. §514 that become effective October 1, 2012 with full implementation on January 1, 2013.
- Update its IT infrastructure.
- Update its strategic plan for agency operations.
- Complete its regulatory review which it began during FY 2011 and implement its new and/or revised regulations, and to provide training to tribes on compliance with any new requirements.
- Continue the development of the Commission's internal administrative and personnel manual, and develop and implement corresponding training programs.
- Continue to populate the Commission website with up-to-date Commission material, data and training videos.
- Conduct training events in each of the seven regions.

- Continue to respond to requests from tribes for technical assistance, and increase both the amount and breadth of technical assistance provided. The Commission also plans to continue reaching out to gaming tribes with which it has very little contact to provide technical assistance.
- Continue to perform MICS and other types of compliance audits to maintain the integrity of gaming industry.
- Continue to implement the requirements of GPRA, including the development and implementation of a performance measurement system.
- Maintain a consistently high level of compliance for the submission of gaming activity fees and external year-end audits through continued monitoring and contact with gaming tribes, with an emphasis on voluntary compliance.
- Improve operational efficiency through the electronic conversion of documents, forms and manuals.

