



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240

SEP 19 2001

Honorable Kathryn Harrison  
Tribal Chairperson  
Confederated Tribes of the Grande Ronde  
Community of Oregon  
9615 Grand Ronde Road  
Grand Ronde, Oregon 97347

Dear Chairperson Harrison:

On August 7, 2001, we received Amendment I to the Amended and Restated Tribal-State Gaming Compact for Regulation of Class III Gaming between the Confederated Tribes of the Grand Ronde Community of Oregon (Tribe) and the State of Oregon (State), dated August 2, 2001. We have completed our review of this Amendment and conclude that it does not violate the Indian Gaming Regulatory Act of 1988 (IGRA), Federal law, or our trust responsibility. Therefore, pursuant to Section 11(d)(8)(A) of IGRA, 25 U.S.C. § 2710(d)(8)(A) and delegated authority in 209 DM 8.1, we approve the Amendment. The Amendment shall take effect when the notice of our approval, pursuant to Section 11(d)(3)(B) of IGRA, 25 U.S.C. § 2710(d)(3)(B), is published in the FEDERAL REGISTER.

We wish the Tribe and the State continued success in their economic venture.

Sincerely,

**Neal A McCaleb**

Assistant Secretary - Indian Affairs

Enclosure

Similar Letter Sent to: Honorable John A. Kitzhaber  
Governor of Oregon  
Salem, Oregon 97310

cc: Northwest Region w/copy of approved Amendment  
National Indian Gaming Commission w/copy of approved Amendment  
Portland United States Attorney w/copy of approved Amendment

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**DEPARTMENT OF THE INTERIOR**

**Bureau of Indian Affairs**

**Indian Gaming**

**AGENCY:** Bureau of Indian Affairs,  
Interior.

**ACTION:** Notice of Amendment to an  
Approved Tribal-State Compact.

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**SUMMARY:** Pursuant to Section 11 of the Indian Gaming Regulatory Act of 1988, Pub. L. 100-497, 25 U.S.C. 2710, the Secretary of the Interior shall publish, in the **Federal Register**, notice of approved Tribal-State Compacts for the purpose of engaging in Class III gaming activities on Indian lands. The Assistant Secretary—Indian Affairs, Department of the Interior, through his delegated authority, has approved Amendment I to the Amended and Restarted Tribal-State Compact between the Confederated Tribes of the Grand Ronde Community of Oregon and the State of Oregon, which was executed on August 2, 2001.

**DATES:** This action is effective October 9, 2001.

**FOR FURTHER INFORMATION CONTACT:**  
George T. Skibine, Director, Office of Indian Gaming Management, Bureau of Indian Affairs, Washington, DC 20240, (202) 219-4066.

Dated: September 19, 2001.

**Neal A. McCaleb,**

*Assistant Secretary—Indian Affairs.*

[FR Doc. 01-25131 Filed 10-5-01; 8:45 am]

BILLING CODE 4310-02-M

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**AMENDED AND RESTATED  
TRIBAL-STATE COMPACT FOR REGULATION  
OF CLASS III GAMING BETWEEN THE CONFEDERATED TRIBES OF THE  
GRAND RONDE COMMUNITY OF OREGON AND  
THE STATE OF OREGON**

**AMENDMENT I**

This Amendment is made to the Amended and Restated Tribal-State Compact for Regulation of Class III Gaming between the Confederated Tribes of the Grand Ronde Community of Oregon and the State of Oregon ("Compact") executed on January 10, 1997, and approved by the Secretary of the Interior on February 26, 1997. The terms of this Amendment are in addition to and, except as specifically provided herein, do not supersede any of the provisions of the Compact.

**WHEREAS**, the State and the Tribe wish to make amendments to the Compact with respect to the games authorized under the Compact to remove the Tribe's authority to engage in sports bookmaking and to authorize additional video lottery terminals, to clarify certain provisions of the Compact and to make other amendments;

**WHEREAS**, the Tribe and the State agree that the State functions of monitoring and oversight of tribal gaming operations will be funded by the tribal gaming industry and wish to amend Section 10 of the Compact with respect to assessment of the State's costs;

**WHEREAS**, the State agrees that the circumstances justify this Amendment.

**NOW THEREFORE**, the Tribe and the State hereby approve the following amendments to the Compact:

I. Section 3(C), (D), (F), (K), (L), (O), (P) and (Q) are amended as follows:

C. ~~"Class III Gaming Contract" means a contract that involves Major, Minor, or Sensitive Procurements.~~

D. "Class III Gaming Contractor" is any individual, business or other entity that applies for ~~or is a party to a Class III Gaming Contract~~ has a license for a Major or Sensitive Procurement.

F. "Counter Game" means keno, race ~~and sports book~~ and off-race course mutuel wagering.

K. ~~"Major Procurement" means any procurement action or contract for goods, services or products used in the operation of Class III games, including but not limited to:~~

- ~~1. The printing of tickets used in any Class III gaming;~~
- ~~2. Any goods or services involving the receiving or recording of number selections in any Class III gaming;~~
- ~~3. Any goods, services, or products involving the determination of winners in any Class III gaming;~~
- ~~4. Video devices or other equipment used in Class III games; or~~
- ~~5. A contract or license to use a patented game or game product.~~

K. "Major Procurement" means a procurement action or contract between the Tribe or the Gaming Facility and a manufacturer, supplier, consultant, or management contractor, for goods, services or products used in, or directly affecting the honesty, integrity, security or fairness of, the operation of the Tribe's Class III gaming activities, including but not limited to:

1. The printing of tickets used in any Class III gaming;
2. Any goods or services involving the receiving or recording of number selections or bets in any Class III gaming;
3. Any goods, services, systems or products used to determine winners in any Class III gaming;
4. Video devices or other equipment used in Class III games, except equipment specifically included in the definition of Sensitive Procurement;
5. A contract or license to use a patented Class III game or game product.

~~L. "Minor Procurement" means any procurement action or contract related to Class III gaming that is neither a Major Procurement nor a Sensitive Procurement. A typical example of this class of procurement is a contract to change the external appearance of a video terminal.~~

O. "Sensitive Procurement" means any procurement action or contract for goods or services, other than a "Major Procurement," that either directly or indirectly affects the integrity, security, honesty, and fairness of the operation and administration of Class III gaming, such as acquisition of security systems required to protect the security and integrity of the Class III gaming, design of surveillance plans, gaming consulting services, or financing for construction or operation of a Gaming Facility. including but not limited to:

1. Procurement action or contract for Class III gaming equipment such as cards, dice, keno balls, roulette wheels, roulette balls, chips, tokens, keno and VLT paper, gaming tables, and table layouts;

2. Procurement action or contract for video lottery terminal replacement parts (bill acceptors, printers), locks and keys for secure storage areas or gaming devices, and individual surveillance cameras;

3. Procurement action or contract for accounting systems or surveillance systems to be used in the Tribe's Class III gaming activities (for the purposes of this section, "systems" does not include the purchase of individual components within a system not directly related to Class III gaming);

4. Procurement action or contract for the design of surveillance systems;

5. A contract for the operation of a Gaming Facility;

6. A contract for gaming consulting services (for the purposes of this section, "gaming consulting services" does not include contracts with attorneys, accountants, political or public relations consultants).

P. "Table game" means any Class III game allowed under this Compact except video lottery games, keno, off-race course mutuel wagering, and race and sports book.

Q. ~~"Video Lottery Terminal" or "terminal" means an electrical or electronic device, component, or terminal that displays a ticket through the use of a video display screen, and that is available for consumer play upon payment of any consideration, with winners determined by the application of the element of chance and the amount won determined by the possible prizes displayed on the device.~~

Q. "Video Lottery Terminal" or "Terminal" means any electronic or other device, contrivance or machine where the game outcome decision-making portion of the overall assembly is microprocessor controlled wherein the ticket or game outcome is displayed on a video display screen, electronically controlled physical reels, or other electronic or electro-mechanical display mechanism and that is available for consumer play by one player at a time at the device upon payment of any consideration, with winners determined by the application of the element of chance and the amount won determined by the possible prizes displayed on the device and which awards game credits. Such device shall also display both win amounts and current credits available for play to the player which are redeemable by a written statement or ticket redeemable for cash.

II. The following is added to Section 3:

R. “Consultant” means any person, other than an employee, who provides advice or expertise to the Tribe concerning the operation or management of the Tribe’s Class III gaming activities for compensation. “Consultant” does not include a person engaged for the purpose of training or teaching employees of the Gaming Facility, or attorneys, accountants, political or public relations consultants.

III. Section 4(B)(1) of the Compact is amended as follows:

1. Subject to, and in compliance with the provisions of this Compact, the Tribe may engage in the following Class III games: video lottery games of chance, keno, off-race course mutuel wagering, blackjack, craps, roulette, pai-gow poker, Caribbean Stud Poker, let-it-ride, and big 6 wheel. The Tribe may offer race ~~and sports~~ bookmaking except that no wagers may be accepted by telephone, ~~and no wagers may be accepted or paid on:~~

- ~~a. Any amateur sports event in Oregon;~~
- ~~b. Any event held outside Oregon, if any particular in the event represents a public or private institution located in Oregon;~~
- ~~c. Any event, regardless of where it is held, involving a professional sports team who home field court or base is in Oregon.~~
- ~~d. Any event other than a racing or athletic sports event.~~

The Tribe may not offer sports bookmaking.

IV. The following is added to Section 4(B)

5. No wagers may be placed or accepted via the internet or by any telecommunications system or device, except to accomplish off-race course mutuel wagering as permitted pursuant to state law.

V. Section 4(D) of the Compact is amended as follows:

D. Number of video lottery terminals.

a. The number of Class III video lottery games of chance authorized by this Compact shall not exceed ~~1,200~~ 1,500. Subject to other terms of this agreement, the Tribes may determine in its discretion the location and spacing of video lottery terminals within the Gaming Facility.

b. Storage. The Tribe may maintain VLTs in storage on Tribal land, so long as the total number of VLTs in operation and in storage does not exceed 110% of the authorized number of VLTs, and so long as the location and manner of storage is

approved by the Oregon State Police, and the Oregon State Police are provided access to the storage location.

VI. Section 4(E)(1)(b) is amended to add the following:

- b. Require that the Gaming Facility provide appropriate training for all dealers, supervisors, surveillance personnel and any other employees involved in the conduct or regulation of the new game and for the Tribal Gaming Inspector, such that those employees have the knowledge and skills required under typical industry standards for the job function that employee performs, including but not limited to player money management and betting, card counting and detection of cheating methods. The Gaming Facility or the Tribal Gaming Commission, as appropriate, will notify the Oregon State Police prior to beginning training and the Oregon State Police may attend.

VII. Section 4(E)(3) is amended as follows:

3. The Tribes shall establish wager limits for all games. The maximum wager for any table game or counter game, except for race and sports book, existing at the Gaming Facility on the date this Amendment becomes effective shall be \$500 \$1000. The maximum wagers for race and sports book shall be \$5,500 for a straight bet and \$500 for a parlay bet. Whenever a new table or counter game, other than race and sports book, is introduced, the Tribe shall establish an initial wager limit of ~~\$100~~ \$500 per hand, play or bet. After a period of six months of operation of the new table game in full compliance with the requirements of this Compact, the Tribe may request that a maximum wager of ~~\$500~~ \$1,000 be authorized. The State may refuse to agree to an increase in the maximum wager limit if there have been any significant problems with the conduct of the new game due to noncompliance with the internal controls, the rules of operation of the game or with the terms of this subsection.

VIII. Section 7(A)(4)(a) is amended to provide as follows:

4. a. The Tribe shall forward the applicant information for each prospective High Security Employee and Primary Management Official to the State. ~~The Oregon State Police shall conduct a background investigation and provide a written report to the Tribal Gaming Commission within a reasonable period of time, but in no event shall such background checks exceed thirty (30) days without notice to and consent of the Tribe. The Tribal Gaming Commission shall perform a background investigation and provide a written report of the completed background investigation including copies of all documentation presented to Commissioners of the Tribal Gaming Commission for use in making a license determination, unless prohibited by law, to the Oregon State Police within a reasonable period of time, but in no event shall such time period exceed sixty (60) days without notice to the Oregon State Police. The Oregon State Police may review the report. The Oregon State Police may also conduct a background investigation, or supplement the~~

Tribal Gaming Commission's background investigation, but it shall notify the Tribal Gaming Commission prior to commencing such investigation. In the event that the Oregon State Police conducts a background investigation, it shall provide a written report of the completed background investigation including copies of all documents presented to the Oregon State Police for its use in making a determination of Compact licensing compliance, unless prohibited by law, to the Tribal Gaming Commission within a reasonable period of time, but in no event shall such time period exceed sixty (60) days without notice to the Tribal Gaming Commission.

IX. Section 7(A)(5)(a) is amended to provide as follows:

(1) Has, within the ten-year period preceding the date of application for a license, ~~committed a felony~~ been adjudicated a felon on charges other than a traffic offense, whether or not conviction of such a felony has been expunged, under the law of any federal, state or tribal jurisdiction, or is the subject of a civil judgment under the law of any federal, state or tribal jurisdiction that is based on a judicial finding of facts that constitute the elements of a felony other than a traffic offense, in that jurisdiction, or if the Oregon State Police informs the Tribal Gaming Commission that it has determined that it has reasonably reliable information that the applicant has engaged in conduct that constitutes the elements of such a felony, such that the conduct could be proved by a preponderance of the evidence.

(2) Has ~~committed~~ been convicted of a crime involving unlawful gambling under the law of any federal, state or tribal jurisdiction, whether or not conviction of such has been expunged, or is the subject of a civil judgment under the law of any federal, state or tribal jurisdiction that is based on a judicial finding of facts that constitute the elements of a crime involving unlawful gambling in that jurisdiction, or if the Oregon State Police informs the Tribal Gaming Commission that it has determined that it has reasonably reliable information that the applicant has engaged in conduct that constitutes the elements of a crime involving unlawful gambling, such that the conduct could be proved by a preponderance of the evidence.

(3) Has associated in a direct business relationship, whether as a partner, joint venturer or employer, with any person who has been convicted of ~~committed a felony~~, other than a traffic offense, or a crime involving unlawful gambling, under the law of any federal, state or tribal jurisdiction, or if the Oregon State Police informs that Tribal Gaming Commission that it has determined that it has reasonably reliable information that the person has engaged in conduct that constitutes the elements of such a felony or a crime involving unlawful gambling, such that the conduct could be proved by a preponderance of the evidence.

(4) Was employed by any other person who has been convicted of ~~committed a felony~~ on charges other than a traffic offense, or a crime involving unlawful gambling, under the law of any federal, state or tribal jurisdiction, or if the Oregon State Police informs that Tribal Gaming Commission that it has determined that it has reasonably reliable information that



the person has engaged in conduct that constitutes the elements of such a felony or a crime involving unlawful gambling, such that the conduct could be proved by a preponderance of the evidence, if the prospective employee or official was in any way involved in the criminal activity as it occurred.

(5) Has been subject to convictions or judicial findings of offenses, other than a traffic offense, that demonstrates a pattern of disregard for the law, or if the Tribal Gaming Commission or the Oregon State Police determines that it has reasonably reliable information that the applicant has engaged in conduct that demonstrates a pattern of disregard for the law, such that the conduct could be proved by a preponderance of the evidence.

(6) For purposes of this section, "reasonably reliable information" shall mean information which would be admissible in a civil court proceeding over an objection under the Federal or Oregon Rules of Evidence.

X. Section 7(A)(8)(a) is amended to read as follows:

8. Temporary licensing of employees

- a. The Tribe may issue a temporary license to High Security Employees and Primary Management Officials fifteen days after submission of the application to the Oregon State Police, or upon completion of a review of the employee's application and completion of a computerized criminal history check and credit check by the Tribal Gaming Commission, if the applicant would not be disqualified on the basis of the results of the review and checks. The temporary license shall expire and become void upon completion of the background check and submission of the results to the Tribal Gaming Commission. If the employee does not qualify for a permanent license, the Tribe shall immediately revoke the temporary license.

XI. Section 7(A)(8)(d) is amended as follows:

- ~~d. No temporary license may be granted to a Primary Management Official or to a consultant under this paragraph.~~

XII. Sections 7B(1)-(3) are amended as follows:

B. Contracts with Manufacturers and Suppliers.

- ~~1. The Tribe shall enter into contracts with all prospective managers, manufacturers, consultants or suppliers of goods or services related to the play of Class III gaming~~

authorized by this Compact before conducting any business with those individuals or entities related to Class III gaming:

~~2. The Tribe shall submit any proposed Class III Gaming Contract to the State for review and comment and for a background investigation for the contract applicant.~~

~~3. A background investigation may be conducted by the State on all Class III Gaming Contract applicants or contractors. The level of investigation will be determined by whether the individual procurement is classified as a Major Procurement, Minor Procurement or Sensitive Procurement. The level of investigation for a Major Procurement and Sensitive Procurement shall be more intense than that for a Minor Procurement.~~

#### 1. Major Procurements

a. Except as otherwise provided in subparagraphs 3 and 10, the Tribal Gaming Commission agrees not to license any applicant for a Major Procurement until a background investigation has been completed by the Oregon State Police on the Class III Gaming Contractor.

b. The Tribal Gaming Commission shall submit a letter of intent to do business between the Gaming Facility and the Class III Gaming Contractor to the Oregon State Police for a background investigation of the Class III Gaming Contractor.

c. Except as provided in subparagraph 3 below, the Oregon State Police shall conduct a background investigation and provide a written report to the Tribal Gaming Commission within a reasonable period of time, but in no event shall the time for completion of such background investigation exceed sixty (60) days without written notice to and consent by the Tribe. The sixty (60) days shall commence after the Oregon State Police receives from the Class III Gaming Contractor both the Oregon State Police's fee for the background investigation under subsection C of this section, and full disclosure of all information requested by the Tribe and the Oregon State Police under subparagraph 4 of this subsection.

#### 2. Sensitive Procurements.

a. Except as otherwise provided in subparagraphs 3 and 10, the Tribal Gaming Commission agrees not to license any applicant for a Sensitive Procurement until a background investigation has been completed by the Oregon State Police on the Class III Gaming Contractor, if conducted by the Oregon State Police.

b. The Tribal Gaming Commission shall submit a letter of intent to do business between the Gaming Facility and the Class III Gaming Contractor to the Oregon State Police for a background investigation of the Class III Gaming Contractor.

c. Except as provided in subparagraph 3 below, the Oregon State Police may conduct a background investigation. If the Oregon State Police conducts a background investigation, they shall provide a written report to the Tribal Gaming Commission within a reasonable period of time, but in no event shall the time for completion of such background investigation exceed sixty (60) days without written notice to and consent by the Tribe. The sixty (60) days shall commence after the Oregon State Police receives from the Class III Gaming Contractor both the Oregon State Police's fee for the background investigation under subsection C of this section, and full disclosure of all information requested by the Tribe and the Oregon State Police under subparagraph 4 of this subsection.

3. The Oregon State Police agrees to maintain a list of Class III Gaming Contractors that have been previously approved by the Oregon State Police, Tribal Gaming Section or Oregon Lottery Commission (or their successors) to do business in Oregon with any gaming entity. If a Class III Gaming Contractor has been included in the list, the Tribal Gaming Commission may license the Class III Gaming Contractor for a Major or Sensitive Procurement upon giving notice to the Oregon State Police.

XIII. Section 7(B)(4)-(5) are amended as follows:

4. All ~~Class III Gaming Contract~~ Major and Sensitive Procurement license applicants, and any owner or key employee of an applicant, shall provide all personal and business information required by the State to conduct its background investigation.
5. ~~The Tribe~~ Tribal Gaming Commission shall not approve any ~~Class III Gaming Contract~~ Major or Sensitive Procurement license applicant that does not grant both the State and the Tribe access to the ~~contractor's~~ applicant's business and financial records.

XIV. Section 7(B)(6)(a) is amended as follows:

~~6. Criteria for Denial of Contract Application:~~

~~a. The Tribe shall deny a Class III Gaming Contract application for any of the following reasons:~~

6. Criteria for Denial of Major or Sensitive Procurement License.

a. Except as otherwise provided, the Tribal Gaming Commission shall deny a license for any Major or Sensitive Procurement if the following conditions are either disclosed in the application materials or reported by the Oregon State Police relative to a particular Class III Gaming Contractor:

XV. Section 7(B)(6)(b) is amended as follows:

~~b. The Tribe may deny any Class III Gaming Contract application for any reason the Tribe deems sufficient. Such decisions to deny a Class III Gaming Contract application shall be consistent with the principles set forth in subsection A of Section 6 of this Compact. In determining whether to deny a Class III Gaming Contract application, the factors to be considered by the Tribe shall include, but need not be limited to the reasons described in subparagraphs 7.A.5.c. of this section.~~

b. The Tribal Gaming Commission may deny a license for any Major or Sensitive Procurement for any reason the Gaming Commission deems sufficient. Such decision to deny a license for Major or Sensitive Procurement shall be consistent with the principles set forth in subsection A of Section 6 of this Compact. In determining whether to deny a license for Major or Sensitive Procurement, the factors to be considered by the Tribal Gaming Commission shall include, but need not be limited to the reasons described in subparagraph 7.A.5.c. of this section.

XVI. Section 7(B)(6)(c) is amended as follows:

~~e. The Tribe may deny any Class III Gaming Contract application if:~~

c. The Tribal Gaming Commission may deny a license for any Major or Sensitive Procurement if:

XVII. Section 7(B)(6)(d) is amended as follows:

~~d. In evaluating whether to deny a contract related to Class III gaming based on subparagraph e of this paragraph 6, the Tribe may consider the following factors:~~

d. In evaluating whether to deny a license for any Major or Sensitive Procurement based on subparagraph c of this paragraph 6, the Tribal Gaming Commission may consider the following factors:

XVIII. Section 7(B)(6)(e) is amended as follows:

~~e. No person applying for a Class III Gaming Contract~~ Major or Sensitive Procurement license shall own, manufacture, possess, operate, own an interest in, or gain income or reimbursement in any manner from gaming activities or gaming devices in any jurisdiction unless the activities or devices are approved and certified by another state lottery, gambling or gaming control agency, Indian Tribe, or National Indian Gaming Commission, and such ownership, manufacture, possession, operation, or income is disclosed to and approved by the Tribe Tribal Gaming Commission and the State.

XIX. Section 7(B)(6)(g) is amended as follows:

- g. Notwithstanding subparagraph a of this paragraph 6, if a ~~Class III Gaming Contract application~~ an applicant for a Major or Sensitive Procurement license is required to be denied under this subsection 7.B., because a person previously associated with the applicant or an employee of the applicant has been convicted of a crime or a civil judgment entered within the ten year period preceding the date of the application against the applicant or employee of the applicant, based in whole or in part upon conduct that allegedly constitutes a felony other than a traffic offense, the ~~Tribe may enter into a contract with the applicant~~ Tribal Gaming Commission may license the Major or Sensitive Procurement if the applicant has severed its relationship with that person or employee. Before the ~~Tribe may enter into a contract~~ Tribal Gaming Commission may license the Major or Sensitive Procurement under this subparagraph, the State and the ~~Tribe~~ Tribal Gaming Commission must agree that the relationship between the applicant and the person or employee has been severed. For purposes of this subparagraph, a relationship is severed if the person or the employee has no continuing connection with the direction or control of any aspect of the business of the applicant, and the person or employee is no longer employed by the applicant in any capacity. The burden of showing to the satisfaction of the ~~Tribe~~ Tribal Gaming Commission and the State that a relationship has been severed is on the applicant.

XX. Section 7(B)(7) is amended as follows:

~~7. Revocation of Class III Gaming Contract.~~

- ~~a. The Tribe may revoke any contract pursuant to policies and procedures determined by the Tribe.~~
- ~~b. Every Class III Gaming Contract shall provide that the State, although not a party to the contract, may revoke any contract for cause consistent with the criteria established by paragraph 7.B.5. of this section and that the Class III Gaming Contractor shall consent to the State's right to review and revoke all Class III Gaming Contracts.~~

7. Revocation of Major or Sensitive Procurement License.

- a. The Tribal Gaming Commission may revoke a license for a Major or Sensitive Procurement pursuant to policies and procedures determined by the Gaming Commission.
- ~~b. The Tribal Gaming Commission may revoke a license for a Major or Sensitive Procurement immediately upon the occurrence of any of the following:~~

~~(1) The contractor is discovered to have made any statement, representation, warranty, or certification in connection with the license that is materially false, deceptive, incorrect, or incomplete;~~

~~(2) The contractor, or any officer or employee of the contractor or any owner of five percent (5%) or more of the equity ownership in the contractor, is convicted of a felony or a gambling-related offense that reflects on the contractor's ability to perform honestly in carrying its business with the Gaming Facility;~~

~~(3) The contractor jeopardizes the integrity, security, honest, or fairness of the Tribal gaming operation; or~~

~~(4) Upon transfer of a controlling interest of the contractor,~~

~~(5) The contractor fails to pay the Oregon State Police's annual update background investigation fee or fails to provide financial or operating data requested for purposes of the annual update.~~

~~(6) The Oregon State Police reports to the Tribal Gaming Commission information that would require an applicant for a Major or Sensitive Procurement license to be denied under this subsection 7.B.~~

XXI. Section 7(B)(8) is amended to add the following:

- d. All Class III Gaming Contractors shall notify both the Tribe and the Oregon State Police of the transfer of a Controlling Interest.

XXII. Section 7(B)(9) is amended as follows:

9. Termination of Contract.

a. ~~No contract shall be in effect for a term longer than seven (7) years.~~

b. ~~The Tribe and the State shall retain, in each contract, the right to terminate the contract immediately upon the occurrence of any of the following:~~

~~(1) The contractor is discovered to have made any statement, representation, warranty, or certification in connection with the contract that is materially false, deceptive, incorrect, or incomplete;~~

~~(2) The contractor fails to perform any material requirements of the contract or is in violation of any material provision thereof and fails to cure same within ten (10) days' written notice of such failure;~~

~~(32)~~ The Tribe ~~or the State~~ determines satisfactory performance of the contract is substantially endangered or can reasonably anticipate such occurrence or default;

~~(43)~~ The Contractor, or any officer or employee of the Contractor or any owner of five percent (5%) or more of the equity ownership in the Contractor is convicted of a felony or a gambling-related offense that reflects on Contractor's ability to perform honestly in carrying out the contract;

~~(54)~~ The Contractor jeopardizes the integrity, security, honest, or fairness of the Tribal gaming operation; or

~~(65)~~ Upon transfer of a controlling interest in the Contractor; or

(6) The Tribal Gaming Commission revokes the Contractor's license for Major or Sensitive Procurement.

XXIII. The following are added to Section 7(B):

10. Temporary Licensing of Major and Sensitive Procurement.

The Tribal Gaming Commission, if a business necessity or the protection of the honesty, integrity, fairness and security require it, may perform an abbreviated review to enable the execution of a temporary contract and issue a temporary gaming license while a complete background investigation is being performed by the State; provided that the Class III Gaming Contractor has paid any deposit required to be paid to the Oregon State Police for background investigation costs. Any temporary contract or temporary gaming license executed under authority of this subparagraph shall be rescinded immediately if the background investigation discloses that the Class III Gaming Contractor does not meet the criteria described in paragraph 6 of this Section 7.B.

11. Criteria For Approval of a Temporary Major or Sensitive Procurement Contract and Gaming License.

The Tribe may execute a temporary contract and the Gaming Commission may issue a temporary gaming license upon completion of a review of the Contractor's application, completion of a computerized criminal history check, credit check, review of the Contractor's financial ability to perform and payment of any deposit required to be paid to the Oregon State Police for background investigation cost. The Oregon State Police shall advise the Gaming Commission of a Class III Gaming Contractor's failure to pay any required deposit at least seven days prior to the scheduled Gaming Commission meeting at which temporary licensure will be considered. The Gaming Commission shall notify the Lieutenant for the Oregon State Police Tribal Gaming Section in writing that a proposal for a temporary license may be on the agenda of the next Gaming Commission meeting, but in no event shall the notice be received less than ten days

prior to the meeting. The Gaming Commission shall also provide the Oregon State Police a copy of the Gaming Commission's preliminary background investigation report in accordance with time for submission of such report to the Gaming Commission under the Gaming Commission regulations, but in no event shall the report be received less than seven days prior to the scheduled Gaming Commission meeting at which temporary licensure will be considered. The report shall be provided to the Tribal Gaming Section. Prior to or at the scheduled Gaming Commission meeting, the Oregon State Police may submit written comments or provide oral testimony on the merits of whether a temporary license should be issued.

12. Upon request, the Tribal Gaming Commission agrees to assist the Oregon State Police in obtaining their requested background investigation fee and full disclosure information. The Tribal Gaming Commission agrees to rescind a temporary gaming license upon notice from the Oregon State Police of a temporary licensee's consistent failure to pay requested background investigation fee or provide requested information. Consistent failure for purposes of this paragraph includes failure to act following two written requests from the Oregon State Police.

13. Annual Update.

The Oregon State Police may at its sole election conduct an annual update background investigation of each Class III Gaming Contractor, the expense of which will be assessed to the Class III Gaming Contractor.

14. Licensing of suppliers and manufacturers shall mean granting authority to do business with the Tribe's Spirit Mountain Casino for a period of up to 7 years subject to the terms of this Compact and applicable Tribal Gaming Commission regulations.

XXIV. Section 7(C)(2) is amended as follows:

2. The State will assess the cost of background investigations for ~~Class III Gaming Contract~~ Major or Sensitive Procurement licenses to the applicants. The applicant is required to pay the investigation fee in full prior to commencement of the investigation. If the applicant refuses to prepay the cost of a background investigation, the State shall notify the Tribe and the Tribe may choose to pay the investigation cost or withdraw its request for the investigation.

XXV. Section 7(D)(3) is amended as follows:

3. The Tribe agrees to provide to the State, upon request, a list of all gaming and non-gaming contractors, suppliers and vendors, and to give the State access to copies of all gaming and non-gaming contracts.



XXVI. Section 8(F) is amended as follows:

- F. Service of Alcohol. No alcohol shall be served in the Gaming Facility unless authorized by the Tribe as permitted by federal law. The Tribe and the State shall enter into a Memorandum of Understanding that will establish which State laws and Oregon Liquor Control Commission licensing regulations shall be applied to the sale or service of alcoholic beverages at the Gaming Facility. Nothing in this subsection shall permit the State to impose taxes on the sale of alcoholic beverages by the Tribe. If alcohol is served in the Gaming Facility, no alcoholic beverages may be served free or at a reduced price to any patron of the Gaming Facility as an inducement to participate in any gaming. ~~No alcohol may be served or consumed on the gaming floor while gaming is taking place.~~

XXVII. Section 10(A) of the Compact is amended as follows:

- ~~A. Assessment for State Regulatory and Law Enforcement Costs~~
- ~~1. Before July 1 of each year, the Tribe and the State shall negotiate the number of direct service hours that will be necessary for the State to perform its duties and functions under this Compact. The amount of direct service hours shall reflect the size and scope of the Tribal gaming operation. The amount of direct services hours may be changed by mutual agreement during the ensuing year if the size and scope of the tribal gaming operation changes.~~
  - ~~2. On July 1 of each year, the Tribe shall prepay an assessment to compensate the State for the costs of regulatory and law enforcement activities to be performed by the Oregon State Police under this Compact for the ensuing fiscal year.~~
  - ~~3. The Tribe's annual assessment shall be calculated by multiplying the Oregon State Police legislatively approved budget for the fiscal year times the ratio that the maximum number of direct service hours of monitoring activity authorized under a memorandum of agreement to this Compact bears to the total number of direct service hours of monitoring activity authorized by compacts for all Tribes that are operating gaming facilities in this State at the beginning of the fiscal year. Costs included in the legislatively approved budget are salaries, benefits, services and supplies, capital outlay, administrative supervision and support, vehicle and equipment lease or rental expenses, training costs, legal services charges, bookkeeping expenses, and all other expenses of the Oregon State Police, Tribal Gaming Section.~~
  - ~~4. During the fiscal year, the Oregon State Police shall account for all activities performed pursuant to this Compact on an hourly basis. For purposes of this accounting, the Oregon State Police shall calculate an hourly rate that is sufficient to allow the State to recover the total amount of the legislatively approved budget for~~

~~tribal gaming regulation. Costs for all activities denominated as Part A costs in subsection B of this section and all recoverable expenses shall be charged against the Tribe's prepaid assessment amount, quarterly during the fiscal year.~~

- ~~5. At the end of each fiscal year, the Oregon State Police shall determine the amount remaining after the deductions from the Tribe's prepaid assessment provided in paragraph 3. The remainder of the assessment shall be added to the remainder of the assessments for all Tribes that operated gaming facilities in this State during the year, and shall constitute the total assessment for routine monitoring. Any costs recovered from vendor or employee licensing investigations shall be offset against the total. The total shall then be divided among the tribes based on the actual number of hours of monitoring activity performed with respect to each of them. The final charge for the fiscal year shall be the cost of Part B activities under subsection B of this section. If the Tribe has overpaid, credit shall be given against the next year's assessment. If the Tribe has underpaid, the Tribe shall pay the difference.~~
- ~~6. As used in this subsection:
  - ~~a. "Investigation" means any activity performed by Oregon State Police because of the occurrence of a specific incident or event, and includes activity performed to determine whether there has been a violation of criminal law or any gaming regulation.~~
  - ~~b. "Monitoring" means any activity performed during routine review of tribal gaming operations, but does not include investigations.~~
  - ~~c. "Direct Service Hours" means the actual time spent by Oregon State Police personnel in performing employee background checks, performing contract applicant background checks (unless paid by the contract applicant), performing Compact monitoring functions and traveling to and from the Gaming Facility or the site of a contract applicant background investigation, for the Grand Ronde Tribe.~~
  - ~~d. "Recoverable Expenses" means charges paid by the Oregon State Police for processing fingerprint cards, for processing credit history checks, and actual per diem expenses (transportation, lodging, food) and other actual expenses incurred by Oregon State Police personnel in connection with performance of their duties under this Compact.~~~~
- ~~7. If the parties fail to agree to the assessments under this subsection, such dispute shall be resolved pursuant to Section 16 of this Compact.~~

A. Assessment for State Monitoring, Oversight and Law Enforcement Costs

1. The Tribe agrees that the Oregon Gaming Tribes have the collective responsibility to pay for the cost of performance by OSP of its activities authorized pursuant to this Compact, including associated overhead. The Tribe agrees to pay its fair share of the Oregon State Police costs pursuant to the formula set forth in this Section within 30 days of billing.
2. To give the Oregon Gaming Tribes an opportunity for review and comment, the Oregon State Police shall distribute, during the development of its biennium budget, a draft of the Tribal Gaming section portion of the budget to the Oregon Gaming Tribes prior to submission of the budget to either the Governor or the Legislature. The Oregon State Police shall give full consideration to the Oregon Gaming Tribes' comments on the Tribal Gaming Section budget. Notwithstanding the right of the Oregon Gaming tribes to comment on the Tribal Gaming Section budget, each Tribe retains the right to participate in any public review by either the Governor or the Legislature on the Oregon State Police budget as well as before the Emergency Board for any increase in the Oregon State Police budget.
3. Because of the government-to-government relationship between the Tribes and the State, the parties recognize that the obligation of the Tribes to pay for the Oregon State Police costs as provided by this Compact is unique. Nothing in this Compact is intended to, nor shall be construed as, creating a responsibility for the Tribes to pay for any other governmental services rendered by or received from the State.
4. The Tribe's monthly payment to the Oregon State Police shall be computed as follows:
  - a) The biennium budget for the Tribal Gaming Section shall be divided by 24 to determine the total monthly payment that must be made by the Oregon Gaming Tribes to the Oregon State Police for Compact related activities. This payment shall be referred to as the "OSP Monthly Payment."
  - b) Amounts received by the Oregon State Police from Class III Gaming Contractor license applicants, or any other gaming vendor license applicant, and from the payment for the assignment of Tribal Gaming Section officers to non-tribal gaming duties, and savings from any Tribal Gaming Section position vacancy, and the amount paid to the Oregon State Police by Oregon gaming tribes failing to adopt or continue to participate in the method of assessment for State monitoring shall reduce the OSP Monthly Payment owed by the Oregon Gaming Tribes which reduced amount shall be referred to as the "Adjusted OSP Monthly Payment". The reduction in the OSP Monthly Payment owed by the Oregon Gaming Tribes shall occur in the

month the Oregon State Police receives such payments from third party sources.

c) The Tribes' monthly payment to the Oregon State Police shall be computed as follows:

No. of direct Service Hours billed to Grand Ronde Tribal Gaming Operations	Adjusted OSP X Monthly Payment	=	Tribes Share of OSP Monthly Payment
<u>Total No. of Direct Service Hours Billed to All Oregon Tribal Gaming Operations.</u>			

d) Every six months, or biennium quarter, the Oregon State Police shall reconcile the total payments received from the Oregon Gaming Tribes and third party sources during the six month period. The total of these payments should equal one-fourth of the Oregon State Police/Tribal Gaming Section biennium budget. Any underpayment or overpayment shall adjust the amount owed by the Oregon Gaming Tribes the month following the reconciliation.

5. As used in this section

a) "Oregon Gaming Tribes" means any federally recognized Indian Tribes in Oregon engaged in Class III gaming pursuant to a Tribal-State Compact.

b) "Direct Service Hours" means the actual time spent by Oregon State Police sworn Detectives and civilian auditor(s) in performing employee background checks, performing background checks on Class III Gaming Contractors or other gaming vendors (unless paid by the Class III Gaming Contractor or other gaming vendor), performing Compact monitoring functions (including the annual comprehensive compact compliance review), conducting an investigation, and traveling to and from the Gaming facility or the site of a Class III Gaming Contractor background investigation, for a particular Tribal Gaming Operation. This definition is in no way intended to limit OSP's activities authorized pursuant to this Compact. The Oregon State Police shall keep direct service hour billing records setting forth the date work is performed, a brief description of the work performed and the amount of time spent.

6. The methodology for the payment of Oregon State Police costs shall begin on January 1, 1999.

7. For the time period beginning January 1, 1999, this provision supersedes the terms of any and all Memoranda of Understanding entered into between the Tribe and

OSP pursuant to Section 10 of the Compact, as those terms relate to payment of OSP costs.

B. If the Tribe disputes the amount of the assessment under this Section, the Tribe shall timely pay the undisputed amount and within thirty (30) days of billing, shall notify OSP in writing of the specific nature of the dispute. If the parties have not resolved the dispute within 15 days, the Tribe shall pay the disputed amount into an off-reservation escrow, mutually agreeable to the parties, with escrow instructions providing that the funds are to be released only upon authorization by both the Tribes and the Oregon State Police. The parties shall share the reasonable costs of the escrow. The dispute shall then be resolved pursuant to the procedures set forth in section 6B(3) and (4) of this Compact.

If the Tribe fails to timely pay the disputed amount into escrow or timely pay the undisputed amount, the Oregon State Police may suspend any background checks that are in process or withhold authorization for the shipment of equipment, and/or pursue other remedies for Compact violations available under this compact or IGRA.

C. In the event more than one Oregon Gaming Tribe fails to adopt or continue to participate in the method of assessment for State monitoring, Oversight and Law Enforcement Costs provided in this Section 10, within 120 days of the effective date of this Compact, the State and the Tribe shall negotiate an alternative assessment method. If the parties are unable to reach an agreement on the alternative assessment method, the dispute shall then be resolved pursuant to the procedures set forth in section 6B(3) and (4) of this Compact.

XXVIII. Section 10(B), "Creation and Maintenance of Community Benefit Fund" shall be renumbered 10(D). Renumbered Section 10(D)(5) is amended as follows:

5. For the purposes of this subsection:

- a. Oregon State Police assessment Part A includes ~~the cost of~~ the amount paid by the Tribe to OSP for all employee background investigations, all criminal and regulatory investigations, and any consulting or gaming related services requested by the Tribe that are not required by this Compact or by a memorandum of understanding under this Compact.
- b. Oregon State Police assessment Part B includes ~~the cost of~~ the amount paid by the Tribe to OSP for routine monitoring activities and all comprehensive compact compliance reviews.

XXIX. Section 10(D)(8) is added as follows:

8. Annual Fund Report.

- a. The Tribe generates non-privileged reports detailing the amount contributed to the Fund for the calendar year, the grantees of the Fund and amounts of the grants. The Tribe shall make said reports available to the Governor and the Oregon State Police.
- b. Each year the Tribe shall obtain from an independent accounting firm an opinion that the calculation of the fund contribution has been made in accordance with this Compact. The Tribe shall make said opinion available to the Governor and the Oregon State Police.

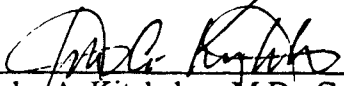
XXX. The following is added:

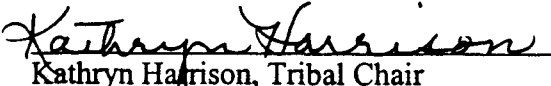
The Tribe and the State acknowledge that, pursuant to Section 8A of the Compact, the "Tribal/State Minimum Internal Control Standards" have been amended by agreement of the parties, and that the "Tribal/State Minimum Internal Control Standards" dated April 1999, as amended through May 2001, currently apply.

EXECUTED as of the date and year below.

STATE OF OREGON

CONFEDERATED TRIBES OF THE GRAND  
RONDE COMMUNITY OF OREGON


  
\_\_\_\_\_  
John A. Kitzhaber, M.D., Governor

  
\_\_\_\_\_  
Kathryn Harrison, Tribal Chair

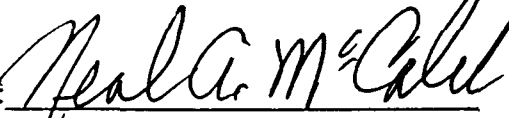
Date: 2 August 2001

Date: 7-30-01

APPROVED FOR LEGAL SUFFICIENCY:

  
\_\_\_\_\_  
Stephanie Striffler, Esq.  
Oregon Department of Justice

APPROVED BY THE ASSISTANT SECRETARY – INDIAN AFFAIRS

By:   
\_\_\_\_\_  
Neal A. McCaleb  
Date: SEP 19 2001